



ASX Release

Highlights

EASTLAND ACCEPTS UNCONDITIONAL OFFER FOR ITS SUBSIDIARY MEDICAL INDUSTRIES AUSTRALIA

Eastland Medical Systems Ltd (ASX:EMS) announces today that it has accepted an unconditional offer for its wholly owned subsidiary Medical Industries Australia Pty Ltd from Alpine Medical Pty Ltd. The transaction will result in an increase in Eastland's cash position by approximately \$1.8m after closing adjustments and costs. Settlement of the sale is scheduled for 29th January 2010.

"The cash proceeds will further strengthen the Company's balance sheet to provide further working capital and funding for our ArTiMist project." said Dermot Patterson Chief Executive of Eastland. "This move is consistent with the Eastland strategy to dispose of non-core assets and allow Eastland to focus on developing its pharmaceutical projects".

Mr Patterson also confirmed the Company has completed a major restructuring of its WA based medical supply business, Westcoast Surgical and Medical Supplies and will now proceed to call for Expressions of Interest for sale of this entity.

Further information:

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- **Phase 1 multi-dose clinical trials for ArTiMist™ were undertaken in South Africa in February 2008 with positive results indicating the formulation was well tolerated and showed no adverse effects in any of the trial subjects.**
- **Clinical Field Trial has commenced in Rwanda.**

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