

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Eastland Medical Systems Ltd

ABN

35 090 987 250

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | a) Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 500,000 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Identical terms to existing Fully Paid Ordinary Shares ranking equally in all respects. |

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4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

a) Yes, the additional 500,000 Fully Paid Ordinary Shares rank equally with the existing Fully Paid Ordinary Shares in all respects.

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration

a) \$0.03 per Share

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

a) Conversion of Convertible Notes

7 Dates of entering +securities into uncertificated holdings or despatch of certificates

a) 7 April 2010

Number	+Class
358,007,684	Fully Paid Ordinary Shares
47,586,231	Ordinary Listed Options exercisable at \$0.20 expiring on 31 st May 2011 (EMSO)
50,558,905	Ordinary Listed Options exercisable at \$0.10 expiring on 30 th June 2011 (EMSOB)

Number	+Class
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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	1,678,500	Secured Convertible Notes maturing 30 th June 2012
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Available to participate from date of issue	

Part 2 – Bonus issue or pro rata issue

11	Is security holder approval required?	N/A	
12	Is the issue renounceable or non-renounceable?	N/A	
13	Ratio in which the ⁺ securities will be offered	N/A	
14	⁺ Class of ⁺ securities to which the offer relates	N/A	
15	⁺ Record date to determine entitlements	N/A	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	
17	Policy for deciding entitlements in relation to fractions	N/A	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A	
19	Closing date for receipt of acceptances or renunciations	N/A	
20	Names of any underwriters	N/A	

21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a	N/A

+ See chapter 19 for defined terms.

broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class
N/A	

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 8 April 2010
Company Secretary

Print name: Dermot Patterson

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**NOTICE UNDER SECTIONS 708 & 708A OF THE CORPORATIONS ACT 2001
("Act")**

Notice is given by the Company under section 708A of the Corporations Act in relation to an issue of fully paid ordinary shares by the Company without disclosure to investors under Part 6D.2 of the Act. The shares were issued following conversion of the Company's Convertible Notes as outlined below:

- a) 500,000 fully paid ordinary shares were issued on 7 April 2010 following a conversion of 15,000 convertible notes at a price of \$0.03 per share.

The underlying Convertible Notes were issued on 9 November 2009 with an issue price of \$1.00 per note. The notes are entitled to a conversion into fully paid ordinary shares in accordance with the following formula:

(Number of Convertible Notes x Face Value (\$1.00))
Conversion Price (\$0.03 per share)

The final redemption date for the Convertible Notes is 30 June 2012 with an entitlement for the holders to convert at any time between 21 December 2009 and 30 June 2012. Interest on the Convertible Notes is payable at a rate of 6% p.a. paid six monthly in arrears.

Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. A sale of the shares noted above will fall within the exemption in section 708A (5) of the Act.

The Company hereby notifies ASX under paragraph 708A (5) (e) of the Act that:

- a) the Company issued the shares without disclosure to investors under Part 6D.2 of the Act;
- b) as at 8 April 2010 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- c) as at 8 April 2010 there is no information:
 - i. that has been excluded from the continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii. that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
 - a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - b. the rights and liabilities attaching to the shares.

Further information:

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