

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 | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 56,925,00 (Fifty Six Million Nine Hundred and twenty Five Thousand only) |
| 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) | Same terms as existing Fully Paid Ordinary Shares ranking equally in all respects |

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Yes. Shares rank equally with all other Ordinary Fully Paid Shares from date of allotment.</p>									
<p>5 Issue price or consideration</p>	<p>Ordinary Shares at 4 cents per share</p>									
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds of the Placement will fund the continued commercialisation and clinical trials program relating to the ArTiMist malaria treatment project and working capital.</p>									
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>18 August 2010</p>									
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>436,432,684</td> <td>Fully Paid Ordinary Shares</td> </tr> <tr> <td>47,586,231</td> <td>Ordinary Listed Options exercisable at \$0.20 expiring on 31st May 2011 (EMSO)</td> </tr> <tr> <td>50,558,899</td> <td>Ordinary Listed Options exercisable at \$0.10 expiring on 30th June 2011 (EMSOB)</td> </tr> </tbody> </table>	Number	+Class	436,432,684	Fully Paid Ordinary Shares	47,586,231	Ordinary Listed Options exercisable at \$0.20 expiring on 31 st May 2011 (EMSO)	50,558,899	Ordinary Listed Options exercisable at \$0.10 expiring on 30 th June 2011 (EMSOB)	
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50,558,899	Ordinary Listed Options exercisable at \$0.10 expiring on 30 th June 2011 (EMSOB)									

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,033,500 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 Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	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 broker)? N/A

33 +Despatch date N/A

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

N/A

39 Class of +securities for which quotation is sought

N/A

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

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	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: 19 August 2010
Company Secretary

Print name: Dermot Patterson

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

NOTICE UNDER SECTIONS 708 & 708A OF THE CORPORATIONS ACT 2001 (“Act”)

We refer to the Company’s announcement of 18th August, 2010 regarding **Eastland Medical Systems Ltd (ASX: EMS)** issue of 56,925,000 fully paid ordinary shares (“Shares”) to raise A\$2,277,000 (before expenses of the Offer) at an issue price of A\$0.04 cents.

These securities have been placed to sophisticated investors in Australia in accordance with sections 708(1) and 708(8) of the Corporations Act 2001 (“the Act”) and pursuant to Chapter 7.1 of the Australian Securities Exchange (“ASX”) Listing Rules.

A commission of 5% of the value of the funds raised has been paid.

The funds raised will be used for the purposes to meet the Company’s ongoing working capital requirements including **ArTiMist™** pharmaceutical treatment products.

Information Notification – Secondary Trading

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 18th August 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 18th August 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:

Dermot Patterson
CEO and Company Secretary
Eastland Medical Systems Ltd
t: +61 8 9436 9500
www.eastlandmedical.com.au

TOP 20 SHAREHOLDERS

The names of the twenty largest shareholders of ordinary fully paid shares as at **18 August 2010** are listed below.

	NAME	Number of ordinary shares held	Percentage of issued shares %
1	RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	21,305,244	4.88%
2	ANZ NOMINEES LIMITED	12,558,872	2.88%
3	MR F D O'SULLIVAN + MRS P O'SULLIVAN	7,648,361	1.76%
3	KAMALA HOLDINGS PTY LTD	6,816,667	1.56%
4	NATIONAL NOMINEES LIMITED	6,033,999	1.38%
5	MR R DOUGALL + MS R TOOHER	5,220,885	1.20%
6	AJAVA HOLDINGS PTY LTD	4,500,000	1.03%
7	FOSKIN PTY LTD	4,457,007	1.02%
8	BANLAN PTY LTD	4,250,000	0.97%
9	ONICAS INVESTMENTS PTY LTD	3,850,000	0.88%
10	BEAD-CHEATA NOMINEES PTY LTD	3,555,525	0.81%
11	PHILP HOLDINGS PTY LTD	3,200,000	0.73%
12	WILLIAM TAYLOR NOMINEES PTY LTD	3,000,000	0.69%
14	FEE-ZONE PTY LTD	2,888,954	0.66%
15	PALOS PTY LTD	2,875,000	0.66%
16	REEF INVESTMENTS PTY LTD	2,850,000	0.65%
17	MR H A TONDOWSKI	2,537,597	0.58%
18	GLENNBROWN PTY LTD	2,500,000	0.57%
19	ZULU (WA) PROPRIETARY	2,500,000	0.57%
20	RM CORPORATE FINANCE PTY LTD	2,317,800	0.53%

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