NOTICE OF EXTRAORDINARY GENERAL MEETING

In terms of ASX Listing Rule 3.17, we enclosed the following documents which are being mailed to the Company’s shareholders:

1. Notice of Extraordinary General Meeting of Eastland Medical Systems Ltd to be held on Friday 28th August, 2009 at 2.00pm (WST), Celtic Club Inc., 48 Ord Street, West Perth W.A. 6005,

2. Explanatory Memorandum.

3. Proxy Form with instructions

Trevor Strahan,
Company Secretary.
NOTICE OF EXTRAORDINARY GENERAL MEETING

DATE: Friday 28th August, 2009
TIME: 2.00 P.M. (W.S.T.)
PLACE: Celtic Club Inc, 48 Ord Street, West Perth. W.A. 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (61) 8 9436 9500
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Proxy Form  enclosed

VENUE
The Extraordinary General Meeting of Shareholders of the Company to which this Notice of Meeting relates will be held at 2.00 pm (WST) Friday 28th August, 2009 at:

• The Celtic Club Inc, 48 Ord Street, West Perth WA 6005

YOUR VOTE IS IMPORTANT
The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON
To vote in person, attend the Extraordinary General Meeting on the date and at the place set out in this Notice.

VOTING BY PROXY
Please note that failure to complete and deliver the proper proxy form, or the failure to follow the instructions contained in the proper proxy form, may result in your vote not being counted when determining whether a quorum exists or when tallying the final votes.

Even if you intend to attend the EGM in person, please sign, date and return the applicable proxy form as soon as possible.

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

• In Person: Advanced Share Registry Ltd, 150 Stirling Highway, Nedlands WA 6009 OR Eastland Medical Systems Ltd, 54 Lindsay Street, Perth WA 6000; or

• By Mail: Advanced Share Registry Ltd, PO Box No 1156, Nedlands WA 6909 OR Eastland Medical Systems Ltd, PO Box No 8027, Perth Business Centre WA 6849; or

• By Facsimile: 61 8 9389 7871

So that it is received not later than 2.00 pm (WST) on 26th August 2009

Proxy Forms received after this time will be invalid.

DETERMINATION OF VOTING ENTITLEMENTS
In accordance with regulation 7.11 of the Corporations Regulations 2001 [Cwlth] for the purposes of the meeting, persons holding shares at 26th August, 2009 at 2.00 pm (WST) will be treated as shareholders. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to attend and vote in respect to that share at the Extraordinary General Meeting.
NOTICE OF
EXTRAORDINARY GENERAL MEETING.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of Eastland Medical Systems Ltd ACN. 090 987 250 (“Company”) will be held at the Celtic Club Inc, 48 Ord Street, West Perth WA on Friday 28th August, 2009 at 2.00 p.m. (WST)

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

AGENDA

Ordinary Business

Resolution 1 – Re-election of Director- Mr. Michael R Stewart.

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That Mr. M. Stewart, a Director who was appointed to the Board after the last Annual General Meeting, retiring in accordance with the clause 3.3(a) “Appointment by the Board” of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by Michael Stewart, and any associates of that person.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Special Business- Ratification of Allotment and previous Issue of Shares & Options.

Resolution 2 – Ratification of Allotment of previous issue of 805,000 shares

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 805,000 fully paid ordinary shares issued for cash at $0.14 cents per share to sophisticated investors of R.M. Capital.(AFSL 221938)”

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipients of this allotment, being sophisticated investors of RM Capital and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
Resolution 3 – Ratification of Allotment of previous Issue of 805,000 options

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 805,000 listed options exercisable at $0.20 cents per option expiring 31st May 2011 issued for cash at $0.005 cents per option to sophisticated investors of R.M. Capital (AFSL 221938)” (Refer to Annexure “A” for option terms & conditions attached to this Notice and the Explanatory Memorandum)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipients of shares allotted in the previous placement at $0.14 cents per share, being sophisticated investors of RM Capital & any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if:
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4 – Ratification of Allotment of previous Issue of 112,700 options

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 112,700 listed options, exercisable at $0.20 cents per option expiring 31st May 2011 issued free in terms of R.M. Capital (AFSL 221938) mandate.” (Refer to Annexure “A” for option terms & conditions attached to this Notice and the Explanatory Memorandum)

Voting Exclusion: The Company will disregard any votes cast on this resolution by R.M. Capital or the recipients of these allotments, and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if:
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of Allotment of previous Issue of 500,000 options

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 500,000 listed options, exercisable at $0.20 cents per option expiring 31st May 2011 issued for cash at $0.05 cents per option to Barrons Court for services rendered.” (Refer to Annexure “A” for option terms & conditions attached to this Notice and the Explanatory Memorandum)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipient of this allotment, and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if:
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
Resolution 6 – Ratification of Allotment of previous Issue of 447,000 options

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 447,000 listed options, exercisable at $0.20 cents per option expiring 31st May 2011 issued free to Monterra Pty Ltd.” (Refer to Annexure “A” for option terms & conditions attached to this Notice and the Explanatory Memorandum)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipient of this allotment, and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
• it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
• it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Ratification of Allotment of previous issue of 1,193,498 shares

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 1,193,498 fully paid ordinary shares issued at a value of $0.30 cents per share to Dilizi Mji & David Anderson in payment for their share capital in Star Medical Botswana Limited on the same terms as previous Star share holder transactions. (Refer to the Explanatory Memorandum attached)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipients of this allotment, Dilizi Mji and David Warwick Anderson and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
• it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
• it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8 – Ratification of Allotment of previous issue of 19,500,000 shares

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 19,500,000 fully paid ordinary shares issued for cash at $0.03 cents per share to sophisticated investors of Patersons Securities Limited. (AFSL 239052) & R.M. Capital. (AFSL 221938)”. (Refer to the Explanatory Memorandum attached)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipients of this allotment, sophisticated investors of Patersons Securities Limited and R.M. Capital and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
• it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
• it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
Resolution 9  – Ratification of Allotment of previous issue of 9,700,000 shares

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 9,700,000 fully paid ordinary shares issued for cash at $0.03 cents per share to sophisticated investors of Patersons Securities Limited. (AFSL 239052) & R.M. Capital. (AFSL 221938)”. (Refer to the Explanatory Memorandum attached)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the recipients of this allotment, sophisticated investors of Patersons Securities Limited and R.M. Capital and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if:
  • it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  • it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10  – Ratification of Allotment of previous issue of 750,000 Secured Convertible Notes

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 750,000 Secured Convertible Notes at $1.00 with a conversion right of thirty three (33) fully paid ordinary shares for each $1.00 Note at any time after 21 December, 2009 until maturity date of 30th June, 2012, to sophisticated investors of R.M. Capital. (AFSL 221938)”. (Refer to schedule 1 for list of note holders in the Explanatory Memorandum attached)

Voting Exclusion: The Company will disregard any votes cast on this resolution by the Note Holders of this allotment as listed in schedule 1 of the Explanatory Memorandum, R.M. Capital and any associates of those persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if:
  • it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  • it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 11  – Share holder approval to Allot 17,120,384 options.

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.3 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 17,120,384 listed options free, exercisable at $0.10 cents per option expiring 30th June 2011 to Patersons Securities Limited (AFSL 239052) in terms of their Underwriting Agreement.” The issue of the options to be undertaken within 30 days, but no later than 3 months after shareholders approval” (Refer to Annexure “B” for option terms & conditions attached to this Notice and the Explanatory Memorandum)

Voting Exclusion: The Company will disregard any votes cast on this resolution by Patersons Securities Limited, the recipients of this allotment, & any associates of those entities.

Voting Exclusion Statement:
However, the entity need not disregard a vote if:
  • it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  • it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
Resolution 12 – Share holder approval to Allot 3,000,000 options.

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.3 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 3,000,000 listed options free, exercisable at $0.10 cents per option expiring 30th June 2011 to Cunningham Securities Pty Ltd (AFSL 294848) in terms of their Underwriting Agreement.” The issue of the options to be undertaken within 30 days, but no later than 3 months after shareholders approval” (Refer to Annexure “B” for option terms & conditions attached to this Notice and the Explanatory Memorandum)

Voting Exclusion: The Company will disregard any votes cast on this resolution by Cunningham Securities Pty Ltd the recipients of this allotment, & any associates of those entities.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 13 – Share holder approval to Issue 1,000,000 Secured Convertible Notes.

To consider and if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That pursuant to Listing Rule 7.3 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue a maximum of 1,000,000 Secured Convertible Notes at $1.00 per Note with a conversion right of thirty three (33) fully paid ordinary shares for each $1.00 Note at any time after 21 December, 2009 until maturity date of 30th June, 2012, to sophisticated investors of R.M. Capital. (AFSL 221938)”. The issue of the Notes to be undertaken within 30 days, but no later than 3 months after shareholders approval” (Refer to schedule 2 for the list of note holders in the Explanatory Memorandum attached).

Voting Exclusion: The Company will disregard any votes cast on this resolution by the participants’ of who applied for these Secured Convertible Notes as set in schedule 2 attached to this Notice, and any associates of those entities or persons.

Voting Exclusion Statement:
However, the entity need not disregard a vote if;
- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: this 27th day of July 2009.

By Order of the Board,

Trevor Strahan.
Company Secretary

A member is entitled to attend and vote, or to appoint a proxy to attend and vote in his/her stead. That person need not be a member of the company, but should be a natural person over the age of 18 years. Forms must be lodged at Advanced Share Registry Ltd, Post Office Box 1156 Nedlands WA 6909 or Facsimile (08) 9389 7871 or to the registered office, Post Office Box No 8027 Perth BC. WA 6849, or Facsimile (08) 9436 9505, not less than 48 hours before the timing of the meeting.
TERMS AND CONDITIONS OF THE $0.20 cent LISTED OPTIONS (EMSO)
a) Each option entitles the Option holder, in respect of the relevant Option, to subscribe for one Ordinary Share upon Payment of $0.20 cents.

b) All Options expire at 5.00pm Western Standard time on 31 May 2011 and any Option, which has not been properly exercised prior to that time, will automatically lapse.

c) An Option holder may exercise some or all of his, her or its Options. Options can only be exercised by lodging the following with the Company’s Share Registry at any time before 5.00pm Western Standard time on 31 May 2011.
   (i) The option certificate relating to the Options to be exercised.
   (ii) The subscription moneys for the Ordinary Shares subscribed for, being $0.20 cents per Ordinary Share.

d) There are no participating rights or entitlements inherent in the Options and holders of the options will not, by virtue of that option holding, be entitled to participate in new issues of securities by the Company which may be offered to shareholders during the currency of the Options.

However option holders have the right to exercise their options prior to the date of determining entitlements to any new issues of securities to the then existing shareholders of the Company made during the Currency of the Options, and will be granted a period of at least ten business days (as defined in the Listing Rules of the ASX) before and inclusive of the books closing date to exercise the Options.

e) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in a manner which will not result in any benefits being conferred on Option holders which are not conferred on shareholders (subject to the provisions of the Listing Rules of the ASX with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving, the reconstruction of capital) but in all other respects the terms of the exercise of Options share remain unchanged.

NOTE: OPTIONS NOT EXERCISED BY 31st MAY 2011 WILL AUTOMATICALLY EXPIRE.
The purpose of this Explanatory Memorandum (which is included in and forms part of the Notice of Extraordinary General Meeting dated 27th July 2009) has been prepared for the information of shareholders in relation to the business to be conducted at the Company’s 2009 Extraordinary General Meeting to be held on Friday 28th August, 2009.

The Explanatory Memorandum provides shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions. The Directors recommend that shareholders read this document before determining their vote on these resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding notice, please contact the Company, your financial advisor, stockbroker or solicitor.

**Ordinary Business.**

**Re-election of Director**

The Company’s Constitution Clause 3.3 (a) and ASX Listing Rule 14.4 require a Director appointed by the Board during the year to retire at the next general meeting after their appointment. Any Directors who retire in accordance with Clause 3.3 (a) are eligible for re-election at the general meeting.

**Resolution 1.**

Mr. Michael Stewart retires in accordance with Clause 3.3 (a) of the Company’s Constitution “Appointment by the Board” and offers himself for re-election.

Mr. Michael Stewart was appointed a Director of Eastland Medical Systems Ltd on 11 June 2009. Mr. Stewart has a broad corporate and management background and has been extensively involved in bilateral doner funded and World Bank co-financed aid projects in under developed countries.

The Board recommends that shareholders vote in favour of Mr. Stewart’s re-election.

**Special Business.**

**Resolutions for the Ratification of Allotment of Previous Issue of Securities.**

**Resolution 2.** On 21 October 2008 the Company issued 805,000 ordinary fully paid shares in the Company, at an issue price of $0.14 cents per share to sophisticated investors of RM Capital Pty Ltd (RM Capital) (AFSL 221938) for a value of $112,700 before broker expenses. Funds raised were utilised for working capital requirements including ArTiMist™ pharmaceutical treatment products. The recipients are not related parties and the shares issued are on the same terms as existing fully paid shares ranking equally in all respects.

**Resolution 3.** RM Capital Pty Ltd (AFSL 221938) sophisticated investors who participated in the share placement of 21 October, 2008 also received 805,000 ordinary listed options exercisable at $0.20 cents expiring 31st May 2011 in the Company, at an issue price of $0.005 cents per option. Upon the issue of these Options, payment of $4,025 was received and utilised for working capital requirements including ArTiMist™ pharmaceutical treatment products. The recipients are not related parties and the options issued are on the same terms as existing listed options exercisable at $0.20 cents expiring 31st May 2011 ranking equally in all respects.

**Resolution 4.** On the 21 October, 2008 the Company issued 112,700 free ordinary listed options exercisable at $0.20 cents expiring 31st May 2011 in the Company, to RM Capital Pty Ltd (RM Capital) (AFSL 221938) in terms of the RM Capital Mandate dated 8th August, 2008. This Mandate allows for the placement of up to 8 million ordinary shares at an issue price of $0.14 cents and up to 8 million options exercisable at $0.20 cents to expire 31 May, 2011, and the issue of Broker options aligned to the capital raised. The recipients are not related parties of the company and the options issued are on the same terms as existing listed options exercisable at $0.20 cents expiring 31st May 2011 ranking equally in all respects.
Resolution 5. On the 21 October, 2008 the Company issued 500,000 ordinary listed options exercisable at $0.20 cents expiring 31st May 2011 in the Company, at an issue price of $0.05 cents per option. The issue of these Options to Barron’s Court were for the payment of market research services in relation to ArTiMist sub lingual treatments for the value of $25,000. The recipients are not related parties and the options issued are on the same terms as existing listed options exercisable at $0.20 cents expiring 31st May 2011 ranking equally in all respects.

Resolution 6. On the 21 October, 2008 the Company issued 447,000 free ordinary listed options exercisable at $0.20 cents expiring 31st May 2011 in the Company to Monterra Pty Ltd in terms of a Placement Agreement. The recipients are not related parties and the options issued are on the same terms as existing listed options exercisable at $0.20 cents expiring 31st May 2011 ranking equally in all respects.

Resolution 7. On the 17 December, 2008 the Company issued 1,193,498 ordinary fully paid shares in the Company, at an issue price of $0.30 cents to increase its stake in Star Medical Botswana Limited to 97% by acquiring an additional 10% interest of the share capital from two South African shareholders. This agreement was on the same terms and conditions as previously announced for acquiring Star’s interests in November, 2007. The recipients are not related parties and the shares issued are on the same terms as existing fully paid shares ranking equally in all respects.

Resolution 8. On the 25 May, 2009 the Company issued 19,500,000 ordinary fully paid shares in the Company, at an issue price of $0.03 cents per share to sophisticated investors of Patersons Securities Limited (AFSL 239052) and RM Capital Pty Ltd (RM Capital) (AFSL 221938) for a value of $585,000 before broker expenses. Funds raised were utilised for working capital requirements including ArTiMist™ pharmaceutical treatment products. The recipients are not related parties and all of these shares issued are on the same terms as existing fully paid shares ranking equally in all respects.

Resolution 9. On the 19 June, 2009 the Company issued a further 9,700,000 ordinary fully paid shares in the Company, at an issue price of $0.03 cents per share to sophisticated investors of Patersons Securities Limited (AFSL 239052) and RM Capital Pty Ltd (RM Capital) (AFSL 221938) for a value of $291,000 before broker expenses. Funds raised were utilised for working capital requirements including ArTiMist™ pharmaceutical treatment products. The recipients are not related parties and all of these shares issued are on the same terms as existing fully paid shares ranking equally in all respects.

Resolution 10. The company released a Prospectus on the 27th May, 2009 inviting Shareholders to participate in a 1 for 2 Non-Renounceable Rights Issue to raise up to $3.28 million. In that document the company advised that it had issued 2 tranches of Secured Convertible Notes totalling $1.75 million with the first tranche of $750,000 being issued immediately, with the second tranche of $1 million being conditional on the overall capital raising and subsequent shareholder approval. On the 18 June, 2009 the Company issued 750,000 Secured Convertible Notes at $1.00 per Note, an interest rate at 6% with a maturity date of 30 June 2012. The Conversion Right of each Note is thirty three (33) fully paid ordinary shares for each $1.00 Note at any time after 21 December, 2009. (i.e. @ 03 cents per share). If these Note Holders were to exercise the full value of their Notes, the company would be required to issue 25,000,000 ordinary fully paid shares. These shares when issued will be on the same terms as existing fully paid shares ranking equally in all respects. Funds raised were utilised for working capital requirements including ArTiMist™ pharmaceutical treatment products. The recipients are not related parties of the company. (Refer to schedule 1 of the Memorandum for the details of the Note holders).

Resolutions for Share Holder Approval to Allot Securities.

Resolution 11. On the 27 May, 2009 the Company issued a Prospectus for a Non-Renounceable Rights Issue Offer at an issue price of 3 cents each. Patersons Securities Limited (AFSL 239052) agreed to partially Underwrite the Offer to $1.6 million which included the issue of 17,120,384 New Options on the same terms and conditions as the Rights Issue options to the Underwriter or its nominees. The recipients are not related parties and the options issued are on the same terms as existing listed options exercisable at $0.10 cents expiring 30th June 2011 ranking equally in all respects. The Rights Issue listed options exercisable at $0.10 cents expiring 30th June 2011 terms and conditions are set out in Annexure “B” of the Notice of Meeting.
Resolution 12. The Company also entered into a placement agreement with Cunningham Securities Pty Ltd (AFSL 294848) to assist with the Rights Issue placement for $700,000. This included the issue of 3,000,000 New Options on the same terms and conditions as the Rights Issue options. The recipients are not related parties and the options issued are on the same terms as existing listed options exercisable at $0.10 cents expiring 30th June 2011 ranking equally in all respects. The Rights Issue listed options exercisable at $0.10 cents expiring 30th June 2011 terms and conditions are set out in Annexure “B” of the Notice of Meeting.

Resolution 13. The company released a Prospectus on the 27th May, 2009 inviting Shareholders to participate in a 1 for 2 Non-Renounceable Rights Issue to raise up to $3.28 million. In that document the company advised that it had issued 2 tranches of Secured Convertible Notes totalling $1.75 million with the first tranche of $750,000 being issued immediately, with the second tranche of $1 million being conditional on the overall minimum capital raising of approximately $5.2 million and subsequent shareholder approval. The conditions of the Rights Issue Capital Raising have been achieved as set down by the Note Holders for the $1 million tranche. Application monies of $1 million received are currently held in trust pending the approval of the Secured Note Issue by share holders at General Meeting. The terms and conditions of these Secured Convertible Notes at $1.00 per Note are; an interest rate at 6% with a maturity date of 30 June 2012. The Conversion Right of each Note is thirty three (33) fully paid ordinary shares for each $1.00 Note at any time after 21 December, 2009. (i.e. @ 03 cents per share). If these Note Holders were to exercise the full value of their Notes, the company would be required to issue 33,333,333 ordinary fully paid shares. Funds raised were utilised for working capital requirements including ArTiMist™ pharmaceutical treatment products. The recipients are not related parties and the shares subject to the Convertible Note to be issued will be on the same terms as existing fully paid shares ranking equally in all respects. (Refer to schedule 2 of the Memorandum for the details of the Note holders).

All of these shares set out in the above Resolutions, have the same terms and conditions and will rank equally with existing shares on issue. The options set out in the above Resolutions, have the same terms and conditions as set out in Annexure “A” and “B” of the Notice of Meeting and will rank equally with existing options on issue.

Note: ASX Listing Rule 7.1 states that prior approval of shareholders is required for an issue of securities if the securities when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period. The Company is permitted to issue up to 15% of its securities within any 12 month period without shareholder approval.

ASX Listing Rule 7.4 states that an issue by a company of securities made without approval under Rule 7.1 is treated as having been made with such approval if the issue did not breach Rule 7.1 and the company’s members subsequently approve the issue. Resolutions No. 2, 3, 4, 5, 6, 7, 8, 9, and 10 seeks shareholder approval for, and ratification of the issue of securities as stated above.

ASX Listing Rule 7.3 states that for a company to approve an issue or an agreement to issue securities without approval under Rule 7.1 such approval is required by members to approve the issue. Resolutions No. 11, 12 and 13 seeks shareholder approval for the issue of securities as stated above.

NB. All of the above allotments, with the exception of Resolutions 11, 12 and 13, have been made within the 15% ceiling permitted under Listing Rule 7.1. This will provide the Company greater flexibility in managing future share issues, by reinstating the 15% threshold of its total ordinary shares in any twelve month period.”
Definitions.

In this Explanatory Memorandum the following terms have these meanings:

ASX means the stock exchange operated by Australian Securities Exchange Limited

Board means the Board of Directors of the Company

Company means Eastland Medical Systems Ltd (ABN 35 090 987 250)

Director means a Director of the Company

Explanatory Memorandum means this memorandum

Listing Rules means the listing rules of the Australian Securities Exchange Limited

Meeting means the Meeting convened by this notice

Notice means the notice of Extraordinary General Meeting accompanying this Explanatory Memorandum

Resolution means a Resolution set out in Notice of Meeting

Shareholder means a Shareholder in the Company

Schedule 1. Details of Secured Convertible Note Holders.

Details of the 19 Note holders who participated in $750,000 Notes issued on 18th June, 2009.

| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Reliant Resources Pty Ltd | ATFi The Goodwin Family Superannuation A/C |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr Mario Varone & Mrs Lucia Alice Varone | <Mario Varone Superfund A/C> |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Dr Martin Leslie Rodger & Ms Ellen Marie Nightingale | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr Matthew Brown | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Chegs Assets Pty Ltd | <J&K CHEGS SUPER FUND A/C> |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Underground Hire Services Pty Ltd | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr Grant Ross Tanner | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr Peter Patrick Ormond + Mrs Christine Ann Ormond | < P & C Ormond Super Fund A/C > |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Obi-Wan Investments Pty Ltd | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr William John Plowman & Mrs Judy Anne Plowman | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr Robert Victor & Raelene Filmer | <Filmer Superannuation Fund A/C> |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mrs Raelene Peta Filmer | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Buprestid Pty Ltd | <Hanlon Family Superfund A/C> |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Devomp Pty Ltd | <Atlanta Super Fund A/C> |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr Robert Patrick Wilson & Mrs Leanne Kerry Wilson | <RP & LK Wilson Superfund A/C> |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Mr James Ronald Lambert | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Australian Trade Access Pty Ltd | |
| RBC Dexia Investors Services Australia Nominees Pty Ltd <MLCi> | Kamala Holdings Pty Ltd | <1994 Super Fund> |
Schedule 2. **Details of “Escrow” Secured Convertible Note Holders.**

Details of the 23 Note holders who participated in $1,000,000 Notes held in Trust pending shareholder approval.

<table>
<thead>
<tr>
<th>Name and Company</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Peter Charles Langford &amp; Mrs Pauline Mary Langford</td>
<td>&lt;ATF Majestic Superannuation Plan&gt;</td>
</tr>
<tr>
<td>Ausdrill International Pty Ltd</td>
<td></td>
</tr>
<tr>
<td>Coal of Africa Limited</td>
<td></td>
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<tr>
<td>Arrisan Pty Ltd</td>
<td>&lt;Eloura Super Fund A/C&gt;</td>
</tr>
<tr>
<td>Mrs Vanessa Squillace</td>
<td></td>
</tr>
<tr>
<td>Mrs Michelle Quinsee</td>
<td></td>
</tr>
<tr>
<td>Kamala Holdings Pty Ltd</td>
<td>&lt;1994 Super Fund&gt;</td>
</tr>
<tr>
<td>Mrs Sally Reading</td>
<td></td>
</tr>
<tr>
<td>Mr Michael Grove &amp; Mrs Jane Grove</td>
<td>&lt;Gladgrove Super Fund A/C&gt;</td>
</tr>
<tr>
<td>Cydac Pty Ltd</td>
<td></td>
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<tr>
<td>Foskin Pty Ltd</td>
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<tr>
<td>Greensea Investments Pty Ltd</td>
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<tr>
<td>Glenn Brown Pty Ltd</td>
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<tr>
<td>Dragon Gas Limited</td>
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<tr>
<td>Botsis Holdings Pty Ltd</td>
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<tr>
<td>Bamber Investments Pty Ltd</td>
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<tr>
<td>Paladin Energy Ltd</td>
<td></td>
</tr>
<tr>
<td>Jemaya Pty Ltd</td>
<td>&lt;The Featherby Family A/C&gt;</td>
</tr>
<tr>
<td>Melden Investments Pty Ltd</td>
<td></td>
</tr>
<tr>
<td>Zerrin Investments Pty Ltd</td>
<td></td>
</tr>
<tr>
<td>Mr Carrick Durant Ryan + Mrs Regina Valerie Ryan</td>
<td>&lt;CD &amp; RV Ryan Super Fund A/C&gt;</td>
</tr>
<tr>
<td>Mr Darren Lee Reed</td>
<td></td>
</tr>
<tr>
<td>Detroit Capital Pty Ltd</td>
<td>&lt;Pistons Super Fund A/C&gt;</td>
</tr>
</tbody>
</table>
Form of Proxy
2009 Extraordinary General Meeting

I/We
..........................................................................................................................................................................................
being a member/s of Eastland Medical Systems Ltd, and entitled to attend and vote hereby appoint:
..........................................................................................................................................................................................
or in his/her absence,

☐ The Chairman of the Meeting (mark with an ‘X’)

as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of the Company to be held at 2.00 pm (WST) on Friday 28th August, 2009 or at any adjournment of that meeting.

Individual /Security holder 1 Security holder 2
Director Director/Secretary

this day of 2009

Please sign here

Unless otherwise instructed the proxy will vote as he or she thinks fit, or abstain from voting. It is the Chairs intention to vote in favour of these resolutions. Should the member wish to direct the proxy how to vote, the resolutions should be completed.

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box.

☐ Please mark with an ‘X’

By marking this box, you acknowledge the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

NB. If transmitting your Proxy Vote by facsimile, ensure both pages are transmitted.
Ordinary Business:

Re-election of Directors

Resolution 1. Re-election of M. Stewart as a Director.

Special Business:

Resolution 2. Ratify the Allotment of 805,000 ordinary shares

Resolution 3. Ratify the Allotment of 805,000 ordinary listed options

Resolution 4. Ratify the Allotment of 112,700 ordinary listed options

Resolution 5. Ratify the Allotment of 500,000 ordinary listed options

Resolution 6. Ratify the Allotment of 447,000 ordinary listed options

Resolution 7. Ratify the Allotment of 1,193,498 ordinary shares

Resolution 8. Ratify the Allotment of 19,500,000 ordinary shares

Resolution 9. Ratify the Allotment of 9,700,000 ordinary shares

Resolution 10. Ratify the issue of 750,000 Secured Convertible Notes

Resolution 11. Ratify the Allotment of 17,120,384 ordinary listed options

Resolution 12. Ratify the Allotment of 3,000,000 ordinary listed options

Resolution 13. Ratify the issue of 1,000,000 Secured Convertible Notes

Appointing a second Proxy.

I/We wish to appoint a second proxy

Mark with an ‘X’ if you wish to appoint a second proxy AND % OR State the percentage of your voting rights of the number of securities for this Proxy Form

NB. If transmitting your Proxy Vote by facsimile, ensure both pages are transmitted.
Instructions to complete this Proxy Form

1. **Your Name and Address**
   This is your name and address as it appears on the share register of Eastland Medical Systems Ltd. If this information is incorrect, please obtain a form from the Share Registry and mark the box and make the correction on that form. Security holders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your shares using this form.**

2. **Appointment of a Proxy**
   If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and vote on your behalf. A proxy may be an individual or a corporation, but need not be a security holder of Eastland Medical Systems Ltd.

3. **Votes on Items of Business**
   You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy will vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. **Appointment of a Second Proxy**
   If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the share registry of Eastland Medical Systems Ltd or you may copy this form.
   
   When more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.
   
   To appoint a second proxy you must:
   (a) indicate that you wish to appoint a second proxy by marking the form.
   (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointment does not specify the percentage or number of the shareholders’ voting rights each proxy may exercise half the votes
   (c) return both forms together in the same envelope.

5. **Signing Instructions and Authorised Signature(s)**
   You must sign this form as follows in the spaces provided:

<table>
<thead>
<tr>
<th>Joint Holding:</th>
<th>where the holding is in more than one name all of the holders must sign.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power of Attorney:</td>
<td>if signed under a Power of Attorney, this document must have already been lodged with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.</td>
</tr>
<tr>
<td>Companies:</td>
<td>a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. A sole Director of a corporation without a Company Secretary can sign, pursuant to s127 of the Corporations Act 2001. Please indicate the office held by signing in the appropriate space.</td>
</tr>
</tbody>
</table>

   If a representative of the corporation is to attend the meeting the appropriate “Certificate of Appointment of Corporate Representative” should be produced prior to admission. A form of the certificate may be obtained from the share registry or Eastland Medical Systems Ltd administration.

**Lodgement of Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 2.30 pm 26 August, 2009 being 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:  
by posting, or

By facsimile to Eastland Medical Systems Ltd share registry at the number opposite:

Eastland Medical Systems Ltd share registry:
Advanced Share Registry Ltd
PO Box 1156, Nedlands. W.A. 6909 Australia
Facsimile 61 8 9389 7871