

EASTLAND MEDICAL SYSTEMS LTD

ABN 35 090 987 250

NOTICE OF ANNUAL GENERAL MEETING

DATE: Thursday, 25th November 2010

TIME: 10:00 am (WST)

VENUE: Perth Convention and Exhibition Centre
21 Mounts Bay Road, Perth

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 6142 5555

29/25 Walters Drive, Osborne Park, WA 6017
Phone: 08 6142 5555 Fax: 08 9446 4895
Email: eastland@eastlandmedical.com.au

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VENUE

The Annual General Meeting of Shareholders of the Company to which this Notice of Meeting relates will be held at 10.00 am (WST) on 25th November 2010 at:

- **Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth WA**

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual 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 AGM 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:

- **By Mail:** By posting to Eastland Medical Systems Ltd share registry at the following address:
Advanced Share Registry Ltd, PO Box No 1156, Nedlands WA 6909, Australia or
- **By Facsimile:** 61 8 9389 7871 (Advanced Share Registry Ltd.) **OR**
61 8 9446 4895 (Eastland Medical Systems Ltd); or
- **In Person:** Advanced Share Registry Ltd, 150 Stirling Highway, Nedlands WA

so that it is received not later than 10.00 am (WST) on 23rd November 2010

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 23rd November 2010 at 10.00 am (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 Annual General Meeting.

**NOTICE OF 2010
ANNUAL GENERAL MEETING**



**Eastland Medical
Systems LTD**

ABN 35 090 987 250

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of *Eastland Medical Systems Ltd* ("Company") will be held at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, WA on Thursday 25th November 2010 at 10:00am (WST).

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

AGENDA

Ordinary Business

Item 1 Annual Financial Report, Directors' and Auditor's reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010, together with the Directors' report and Auditor's report.

Item 2 Resolution 1 – Remuneration Report (Non-binding advisory vote)

To consider the Remuneration Report for the financial year ended 30 June 2010 as it appears in the Directors Report, and if thought fit, pass the following non-binding advisory resolution as an ordinary resolution in accordance with section 250R of the Corporations Act 2001:

"That the remuneration report as set out in the Annual Report for the financial year ended 30 June 2010 be adopted"

The remuneration report is set out on pages 8 - 11 of the 2010 Annual Report.

N.B. This resolution shall be determined as if it were an ordinary resolution, but under s250R (3) of the Corporations Act, the vote does not bind the Directors or the Company.

Item 3 Resolution 2 – Re-election of Non-Executive Director – Mr Peter Jooste QC

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr P. Jooste QC, a Non-Executive Director retiring by rotation in accordance with clause 3.6 of the Company's Constitution, being eligible, and offering himself for election, be re-elected as a Non-Executive Director of the Company."

Eastland Medical Systems Ltd

Item 4 Resolution 3 – Election of Director, Stephen Carter

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, Mr Stephen Carter, being a director of the company who was appointed to the Board since the last AGM, retires in accordance with clause 3.3 of the company’s Constitution and being eligible and offering himself for re-election, be re-elected as a Director of the Company”.

Special Business

Item 5 Resolution 4 – Ratification of Allotments of previous issues of 56,925,000 ordinary 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 56,925,000 fully paid ordinary shares issued at \$0.04 per share, to sophisticated investors in terms of the Corporations Act 2001 sections 708 and 708A, and within the limits of Eastland Medical Systems Ltd’s 15% placement capacity”.

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

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.
-

Item 6 Resolution 5 – Non-Executive Directors’ maximum aggregate remuneration

To consider, and if thought fit, pass the following as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.17 of the Australian Stock Exchange Limited Listing Rules and in accordance with clause 10.2 of the Company’s Constitution the total maximum aggregate remuneration of the Non-Executive Directors be increased by \$125,000 from \$75,000 to a maximum aggregate amount of \$200,000 for each financial year effective immediately, to be divided between those Directors in such proportions as the Directors see fit.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by:

- any Director of the Company, and
- any associates of that Director.

However, the Company need not disregard a vote if:

Eastland Medical Systems Ltd

Voting Exclusion Statement :

However, the Company 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 October 2010

By Order of the Board,



Dermot Patterson
Company Secretary

A member is entitled to attend and vote, or to appoint a proxy to attend and vote in their stead. That person need not be a member of the company but should be a natural person over the age of 18 years.

Proxy Forms must be lodged no later than 10am WST on 23rd November 2010. They can be lodged:

- **By Mail:** By posting to Eastland Medical Systems Ltd share registry at the following address:
Advanced Share Registry Ltd, PO Box No 1156, Nedlands WA 6909; or
- **By Facsimile:** 61 8 9389 7871 (Advanced Share Registry Ltd;) OR
61 8 9446 4895 (Eastland Medical Systems Ltd); or
- **In Person:** Advanced Share Registry Ltd, 150 Stirling Highway, Nedlands, WA

EASTLAND MEDICAL SYSTEMS LTD.

ABN. 35 090 987 250

EXPLANATORY MEMORANDUM TO SHAREHOLDERS TO ACCOMPANY

Notice of Annual General Meeting, 25th November 2010

The purpose of this Explanatory Memorandum (which is included in and forms part of the Notice of Annual General Meeting dated 27th October 2010) has been prepared for the information of shareholders in relation to the business to be conducted at the Company's 2010 Annual General Meeting to be held on Thursday 25th November 2010 at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, WA commencing at 10:00 am, Australian Western Standard Time.

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

Financial Statements and Reports.

Pursuant to the Corporations Act, the Directors of a Public Company that is required to hold an Annual General Meeting must table the financial statements and reports of the Company (including the Directors' Report, Directors' Declaration and Auditor's Report) for the previous year before the members at that Annual General Meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, Directors' Report and Auditor's Report in the Annual Report of the Company and the consolidated group for the year ended 30 June 2010. A copy of the Annual Report has been forwarded to those shareholders who elected to receive one. The Annual Report can also be viewed, printed and downloaded from the Company's website www.eastlandmedical.com.au. A copy of the financial statements, Directors' Report, Directors' Declaration and the Auditor's Report will also be tabled at this meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the Annual General Meeting is to provide the shareholders with the opportunity to be able to ask questions or discuss matters arising from the financial statements or reports at the meeting. It is not the purpose of the meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no formal resolution to adopt, receive or consider the Company's financial statements or the reports (other than the Remuneration Report) will be put to the shareholders at the meeting.

Members will be given a reasonable opportunity at the meeting to ask questions and make comments on the financial statements and the reports. The Company's auditor will be available at the meeting to answer any questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and independence of the Auditor in relation to the conduct of the audit.

Resolution 1: Remuneration Report.

The Corporations Act 2001 requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. The Company's Remuneration Report which forms part of the Directors' Report is set out on pages 8 to 11 of the Annual Report and reports on the remuneration arrangements in place for executive directors, non-executive directors and specified executives.

The Corporations Act expressly provides that voting on this resolution is advisory only and does not bind the Directors or the Company.

Shareholders attending the Annual General Meeting will be given reasonable opportunity to ask questions about, or make comments on the Remuneration Report.

Resolution 2: Re-election of Director.

The Company's Constitution Clause 3.6 requires one third (or the nearest number) of the Directors (excluding Directors appointed by the Board and the Managing Director) to retire at the annual general meeting of the Company. Listing Rule 14.4 also requires Directors to retire at the third annual general meeting following their last appointment. Any Directors who retire in accordance with Clause 3.6 are eligible for re-election at the annual general meeting.

Mr. Peter Jooste QC retires in accordance with Clause 3.6 of the Company's Constitution "Rotation of Directors" and being eligible offers himself for re-election.

The Board recommends that shareholders vote in favour of Mr. Jooste's re-election

Resolution 3 – Election of Director, Stephen Carter

Mr Stephen Carter retires in accordance with Clause 3.3 of the Company's Constitution and being eligible, offers himself for re-election.

Mr Carter was appointed a Director of Eastland Medical Systems Ltd on October 26, 2010.

Mr Carter has an extensive pharmaceutical background and experience. He has held senior positions such as Non-Executive Chairman, Managing Director and CEO in a number of ASX listed companies.

Mr Carter brings to the company experience in liaising with capital markets to ensure effective pre and post IPO funding as well as experience in the US capital market and ADR programs. He is also well experienced in managing administrative, technical, clinical and regulatory Programs; liaising with the medical community to ensure that timely and effective clinical, pre-clinical and non-clinical trial programs are developed; developing and maintaining effective overseas regulatory partnerships to ensure the effective registration of products in targeted export markets; designing and implementing technical proposals with Contract Research Organisations and Universities; developing and implementing, achieving and compliance with appropriate Quality systems to ISO9001:2000, GMP, GCP; as well as designing and building the appropriate infrastructure such as laboratories and manufacturing facilities.

The Board recommends that shareholders vote in favour of Mr. Carter's election

Special Business

Resolutions: Ratification of Allotments of previous Issues of Shares & Options:

Resolution 4: On 18th August 2010 the Company placed 56,925,000 ordinary fully paid shares in the Company at \$0.04 per share, to sophisticated investors in terms of the Corporations Act 2001 sections 708 and 708A, and within the limits of Eastland Medical Systems Ltd's 15% placement capacity. The proceeds of the placement will be used by Eastland Medical Systems Ltd to fund the anti-malaria sublingual Phase III clinical field trials, and working capital. None of the recipients is a related party of the Company.

All the shares set out in the above Resolution 4 have the same terms and rank equally from allotment with all existing shares on issue.

Notes:

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.

Resolution No. 4 seeks shareholder approval for, and ratification of, the issues of securities as stated above.

N.B. All of the above allotments 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.

Resolution 5 – Non-Executive Directors' maximum aggregate remuneration

That, for the purposes of Listing Rule 10.17 of the Australian Stock Exchange Limited Listing Rules and in accordance with clause 10.2 of the Company's Constitution the total maximum aggregate remuneration of the Non-Executive Directors be increased by \$125,000 from \$75,000 to a maximum aggregate amount of \$200,000 for each financial year effective immediately, to be divided between those Directors in such proportions as the Directors see fit.

Definitions

In this Explanatory Memorandum the following terms have these meanings:

ASX	means the securities exchange operated by ASX 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 ASX
Meeting	means the Meeting convened by this notice
Notice	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum
Option Holder	means an Option holder in the Company
Resolution	means a Resolution set out in the Notice of Meeting
Shareholder	means a Shareholder in the Company

Form of Proxy

2010 Annual General Meeting



**Eastland Medical
Systems LTD**

ABN 35 090 987 250

I/Weof.....,

being a member/s of Eastland Medical Systems Ltd, and entitled to attend and vote hereby appoint:

..... of or in their absence,

The Chairman of the Meeting (mark with an 'X')

as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at 10:00 am (WST) on Thursday, 25th November 2010 or at any adjournment of that meeting.

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

this day of 2010

Please sign here

Unless otherwise instructed the proxy will vote as he or she thinks fit, or abstain from voting. It is the Chair's 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 Chair of the Meeting may exercise your proxy notwithstanding 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 Chair 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.

Ordinary Business:

Resolution 1 Adoption of the Remuneration Report.

For	Against	Abstain
<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>

The vote on this resolution is advisory only and does not bind the Company or its directors

Resolution 2 Re-election of Mr. Peter Jooste QC as Non-Executive Director

<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>
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Resolution 3 Election of Mr. Stephen Carter as Director

<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>
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Special Business:

Resolution 4 Ratify the Allotment of 56,925,000 ordinary shares

<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>
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Resolution 5 Non-Executive Director's maximum aggregate remuneration

<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>	<input style="width: 100%; height: 100%;" type="checkbox"/>
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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 or the number of securities for this Proxy Form

Instructions to complete this Proxy Form

1	<p>Your Name and Address</p> <p>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.</p>						
2	<p>Appointment of a Proxy</p> <p>If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chair 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 Chair 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.</p>						
3	<p>Votes on Items of Business</p> <p>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 they choose. If you mark more than one box on an item your vote on that item will be invalid.</p>						
4	<p>Appointment of a Second Proxy</p> <p>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.</p> <p>When more than one proxy is appointed, neither proxy is entitled to vote on a show of hands.</p> <p>To appoint a second proxy you must:</p> <p>(a) indicate that you wish to appoint a second proxy by marking the form.</p> <p>(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 shareholder's voting rights, each proxy may exercise half the votes</p> <p>(c) return both forms together in the same envelope.</p>						
5	<p>Signing Instructions and Authorised Signature(s)</p> <p>You must sign this form as follows in the spaces provided:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 20%; padding: 5px;">Joint Holding :</td> <td style="padding: 5px;">where the holding is in more than one name all of the holders must sign.</td> </tr> <tr> <td style="padding: 5px;">Power of Attorney:</td> <td style="padding: 5px;">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 style="padding: 5px;">Companies:</td> <td style="padding: 5px;">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> </table>	Joint Holding :	where the holding is in more than one name all of the holders must sign.	Power of Attorney:	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.	Companies:	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.
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Companies:	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.						

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 10.00 am on 23rd November 2010 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 **by posting** to Eastland Medical Systems Ltd share registry at the address opposite, **or**

Advanced Share Registry Ltd
PO Box 1156, Nedlands. W.A. 6909 Australia

By facsimile to Eastland Medical Systems Ltd share registry:
OR by facsimile to Eastland Medical Systems Ltd, **or**

Facsimile 61 8 9389 7871
Facsimile 61 8 9446 4895

In Person at the address opposite:

Advanced Share Registry Ltd, 150 Stirling Highway, Nedlands WA