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Companies Announcement Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney, NSW 2000

European trial for BPH investee Cortical BAR Monitor

Dear Sir/Madam

BPH Energy Ltd ("BPH") is pleased to provide the following confirmation of a European trial for investee Cortical Dynamics Ltd ("**Cortical**") BAR Monitor.

Cortical Dynamics Limited is pleased to announce that last week it dispatched a BAR Monitor to Hôpital Foch as part of the trial agreement with the French Hospital. The arrangement with Hôpital Foch will be the second installation of the BAR Monitor technology internationally (after New Zealand) and the first for Cortical Dynamics in Europe.

David Breeze, Chairman of Cortical Dynamics Limited says, "We are delighted with the collaboration of Hôpital Foch and Cortical on this important milestone of trialing the BAR Technology in France. Europe is potentially a huge market for us."

Established in 1929, and named after the French military hero Marshal Ferdinand Foch (Supreme Allied Commander World War 1), the hospital was initially founded with a view to helping the needy post the war. Today the Hôpital Foch is still a private non-profit institution, with a public service mission. With a workforce of 2,000 employees including 300 doctors, 600 beds installed, 270,000 non-maternity and emergency consultations, and more than 33,000 full hospitalisations per year, make Hôpital Foch one of the largest hospitals in Ile-de-France (Paris region).

The hospital's high level of multidisciplinary care in almost all medical and surgical fields is backed by its strong involvement in teaching, training and research. Its advanced medical technological focus combined with its tradition of hospitality make it one of France's most successful private non-profit hospitals. The Franco-American Foundation Foch, which created and built the Hôpital Foch helps in the management and strategic initiatives of its activities.

Yours faithfully,

David Breeze
Executive Director

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About Cortical

Cortical is an Australian based medical device technology company that has developed a next generation Brain Function Monitor (BAR). The core-product the BAR monitor has been developed with the objective of better detecting the effect of anaesthetic agents on brain activity, aiding anaesthetists in keeping patients optimally anaesthetised.

The BAR monitor improves on currently used electroencephalogram (EEG) technologies by incorporating the latest advances in understanding of how the brain's rhythmic electrical activity, the EEG, is produced. The approach used is fundamentally different from all other devices currently available in the market in that its underlying algorithm produces EEG indexes which are directly related to the physiological state of the patient's brain.

The global brain monitoring market in 2012 was valued at \$1.08 billion and is poised to grow at a CAGR of 8.6% to reach \$1.63 billion by 2017. The global brain monitoring devices market is broadly segmented into three categories based on its product, application, and end-user. Fueling market growth is the various technological advancements which are leading to high functionality, lower costs, ease of operation, and miniaturization of devices. Initial marketing will focus on TIVA (Total Intravenous Anaesthesia), a method of inducing and maintaining general anaesthesia without the use of any inhalation agent. This is becoming more widely accepted, particularly in Western Europe.

Cortical's technology has a versatility that goes beyond depth of anaesthesia and may be applied to other EEG based markets, such as Neuro-diagnostic, drug discovery, drug evaluation and the emerging Brain Computer Interface (BCI) market.

There are considerable opportunities offered by subsequent expansion of the company's core technology through developing the product to carry out additional functions including neuro-diagnostics of changes in brain and memory functions to provide early warning of degenerative diseases, pain response and tranquilizer monitoring for trauma patients in intensive care units.

The BAR monitor is protected by five patent families in multiple jurisdictions worldwide consisting 22 granted patents.

About the BAR Monitor

The BAR monitoring system measures a patient's brain electrical activity, the electroencephalogram (EEG), in order to indicate how deeply anaesthetised a patient is during an operation via an adhesive sensor applied to the forehead. The BAR monitor is designed to assist anaesthetists and intensive care staff in ensuring patients do not wake unexpectedly, as well as reducing the incidence of side effects associated with the anaesthetic. Cortical believes that the BAR monitoring system will offer many significant sustainable competitive advantages to key stakeholders including the patients, the anaesthetists, and the hospitals/day clinics. These advantages may reduce the risks associated with surgical procedures, increase levels of patient care, optimize the use of anaesthetic agents, increase efficiencies and reduce costs through a reduction in drug usage and a faster bed turnaround in the theatre and post-operative recovery rooms around the globe.

The electrical activity recorded from the scalp, the EEG, is amongst the most important quantifiable measures of brain function. Unsurprisingly, EEG is used to monitor brain function in a variety of clinical situations such as neurological diagnosis, where the EEG is analysed for early signs of degenerative diseases, or within the operating room, where the EEG is used to indicate the depth of anaesthesia within the surgical patient.

Such monitoring is now gaining significant use during surgery, however even with the use of EEG monitors; it is not uncommon for there to be a critical imbalance between the patient's anaesthetic requirements and the anaesthetic drugs administered. While a number of EEG monitors are commercially available, one that is reliably able to quantify the patient's anaesthetic state is still desperately needed.

Prior to the development of the BAR monitor, all of the existing EEG based depth of anaesthesia monitors operate in the context of a number of well documented limitations:

- _ Inability to monitor the analgesic effects; and
- _ Not all hypnotic agents are reliably measured.

The above limitations highlight the inadequacies in existing EEG based depth of anaesthesia monitors; particularly given surgical anaesthesia requires both hypnotic and analgesic agents.

