

QUARTERLY HIGHLIGHTS – 31 MAR 2009

MAJOR HIGHLIGHTS

- **Granted European patent for NSL-043**
- **Suspended financial contributions to the NSL-043 programme to preserve company cash, while future strategy is discussed with joint development partner**
- **Total Revenue of A\$553k for the quarter**
- **Close monitoring of cash position - cash reserves of A\$1.54 million**

Research and Development Programmes

NSL-101

The Company does not anticipate performing further clinical studies on this efficacious natural product formulation and is currently seeking an appropriate licensing and/or collaborative partner or partners, who will undertake further development and receive the rights to market this product.

NSL-043

The company's key patent for its neuropathic pain development programme, NSL-043, was granted in Europe and has now entered the national phase in key territories.

As previously announced, the Company has suspended contributions to the NSL-043 programme to preserve financial resources. In addition, having served notice on Sosei Co Ltd under the Collaboration Agreement, it has been agreed with Sosei that NeuroSolutions percentage ownership may fall from 50% to 33.5%. The dilution will only occur if NeuroDiscovery is unable to provide additional funds prior to 11th June 2009 to contribute to its outstanding payments and to its 50% share of the costs set out in agreed milestone budgets to achieve the next milestone or continue the development programme for the next twelve months. On-going financing discussions in relation to funding the further development of NSL-043 have not, as yet, been successfully concluded. The Company is actively pursuing funding avenues for NSL-043 which may not require raising further funds on the ASX. The Company will update the market if and when these discussions are successfully concluded.

NeuroSolutions' Specialist Service Business

Contract Revenues

NeuroSolutions recognised revenues of approximately A\$496k, a 33% decrease on last quarter but this only reflects fluctuations in demand. The Company recently entered into a specialist services agreement valued at approximately A\$540k and is expected to take around 12 months to complete.

Financial Summary

Key Financial Information (unaudited)	Quarter ended 31 Dec 2008 \$	Quarter ended 31 Mar 2009 \$	% increase/ (decrease)
Contract revenues	738,072	496,354	(33)
Other Revenue	67,693	56,170	(17)
Total Revenue	805,765	552,524	(33)
Gross profit contract business	349,142	116,067	(66)
Cash Reserves	1,414,293	1,537,418	9

Financial Management of the Group

The Company continues to monitor expenditure closely and may look to divest assets, if and when the Board thinks that strategy is warranted and appropriate.



NeuroDiscovery

NeuroDiscovery Ltd
ABN 89 113 824 141

Level 11
225 St Georges Terrace
Perth Western Australia 6000
Telephone: +61 8 9226 4033
Facsimile: +61 8 9226 0333

www.neurodiscoveryltd.com

Issued Capital
57,486,183 ordinary shares
4,992,255 options

Current Share Price A\$0.04
Market Cap A\$2.3 mil
Cash A\$1.5 mil

ASX Code: NDL – Shares

