

QUARTERLY HIGHLIGHTS – 30 JUNE 2009

MAJOR HIGHLIGHTS

- Patent application filed for NSL-101;
- Suspended financial contributions to the NSL-043 programme to preserve company cash, while future strategy continues to be proactively discussed with joint development partner;
- Total Revenue of A\$518k for the quarter;
- Close monitoring of cash position - cash reserves of A\$1.4 million.

Research and Development Programmes

NSL-101

The Company has filed an international (PCT) patent for this natural product and is currently seeking an appropriate licensing and/or collaborative partner or partners to undertake further development and receive the rights to market this product.

NSL-043

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 September 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. The Company is still in positive proactive discussions with Sosei on potential structures to continue the development of NSL-043 and is systematically pursuing international 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\$2.3m, a 13% increase on last year.

Financial Summary

Key Financial Information (unaudited)	Year ended 30 June 2008 \$	Year ended 30 Jun 2009 \$	% increase/ (decrease)
Contract revenues	2,024,822	2,302,907	13
Net Loss before income tax	(2,401,067)	(386,404)	(84)
Cash Reserves	1,745,641	1,395,072	(20)

Financial Management of the Group

The Company continues to monitor expenditure closely and is strategically reviewing its asset portfolio, if and when the Board thinks that strategy is warranted and appropriate.

The quarter has seen a number of board changes as part of a expenditure review and has included the appointment of Mr Harry Karelis who represents the largest shareholder, BioTech Capital Ltd. Mr Karelis has led investments in drug discovery, regenerative medicine, medical devices and several other technology platform areas.



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
3,992,255 options

Current Share Price A\$0.036
Market Cap A\$2.0 mil
Cash A\$1.4 mil

ASX Code: NDL – Shares

