



The Manager
Company Announcements Office
ASX Limited
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UPDATE ON NSL-043 CLINICAL PROGRAM

- **Sosei completes licensing agreement with Beijing Tide Pharmaceutical Co., Ltd.**

NeuroDiscovery Ltd (ASX: NDL), a specialty neuroscience drug development company, today provided an update on the status of the NSL-043 clinical development program for the treatment of neuropathic pain.

As previously announced, the Company and Sosei Corporation Limited (Sosei) successfully completed two positive Phase I trials, in addition to further pivotal pre-clinical efficacy data for NSL-043.

Following that success, and for financial reasons alone, the Company announced on 17 March 2010 it had terminated a Collaboration Agreement with Sosei and entered into an Assignment Agreement with respect to all the intellectual property for NSL-043.

Under the terms and conditions of the agreement, Sosei agreed that, for the life of the granted patent/s and in any or all jurisdictions where they are maintained, approximately 32% of any future revenue (being all and any payments, fees, revenue and other consideration of any nature whatsoever received by Sosei and/or its Group in respect of the development, licensing, assignment, exploitation, commercialization and/or use of and/or any other dealings whatsoever in the whole of any part of the current NSL-043 granted intellectual property) would be paid to NeuroDiscovery Ltd. The percentage entitlement remains the same today.

Sosei today informed NeuroDiscovery it had assigned the intellectual property rights to a Chinese Pharmaceutical company, Beijing Tide Pharmaceutical Co., Ltd. ("Beijing Tide") which plans to develop NSL-043 for the Chinese market. In return Sosei maintains a potentially significant interest in the commercial outcome of any clinical trial/s success, and as such NeuroDiscovery would also benefit to the extent of its current agreement with Sosei. No assignment fee or any other fee has been paid to Sosei at this stage.

Beijing Tide intends to conduct a proof of principle Phase II clinical trial at its sole discretion with respect to financing and clinical design. Importantly, Beijing Tide will maintain the current patent portfolio world-wide while it continues development in China. This would mean that upon clinical success or commercialisation in China, Sosei may choose to have certain territories outside China re- assigned to Sosei.

The Sosei and Beijing Tide Assignment Agreement announced today ensures the NSL-043 program can now potentially move forward into Phase II trial/s. NeuroDiscovery congratulates Sosei on achieving this outcome.

NeuroDiscovery is pleased it continues to have a potentially significant commercial interest in the NSL-043 program.

Yours faithfully

David McAuliffe
Executive Director