

ASX Announcement

Melbourne, 21 September 2006

CogState Signs its First Agreement with Merck

Key points:

- **CogState technology to be used for the first time by Merck in a clinical trial**
- **CogState's contracted future revenue exceeds A\$2.4m**
- **Merck is a global pharmaceutical company**

CogState Ltd (ASX:CGS) announced today that it has signed its first agreement with Merck & Co., Inc for the use of CogState's cognitive testing technology, and associated services, in a Phase 1 clinical trial.

Merck is a global research-driven pharmaceutical company and this agreement signifies the first time that Merck has used CogState's technology to test changes in cognition of participants in a clinical trial.

CogState has recently announced sales contracts with companies such as Pfizer, GlaxoSmithKline, and Lundbeck, whereby CogState technology will be used in their clinical trials.

Mr Brad O'Connor, CEO of CogState, commented: "This is another demonstration of the traction we are getting in the clinical trial market. We have been focused on expanding our customer base for some time and since 30 May 2006 we have signed agreements with three new customers; GlaxoSmithKline, Lundbeck and Merck."

Following today's announced agreement with Merck, the total value of CogState's contracted future revenue exceeds A\$2.4m. Contracted future revenues are revenue amounts to be recognised in coming periods, from signed agreements currently in place.



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About CogState

CogState Ltd (ASX: CGS) specialises in the development and commercialisation of rapid, computerised tests of cognition (brain function). The tests are sold to pharmaceutical, biotechnology, nutraceutical and functional food companies to quantify the effect of drugs or other interventions on human subjects participating in clinical trials.

Since sales into the clinical trials market began in 2004, CogState has secured agreements with organisations including Pfizer, Centres for Disease Control (USA), ALZA Corporation (a member of the Johnson and Johnson group), Organon USA and GlaxoSmithKline. CogState is currently expanding its existing activities in the US and UK clinical trial markets.

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