BrainZ Instruments Limited
2008 Special Meeting
Asset Purchase Agreement
From Natus Medical Inc.

5 November 2008

Natus Asset Purchase Agreement: Background

- Slow sales growth
- Ongoing cash burn despite cost control
- Lack of clear timeline to substantial market growth - likely related to outcomes data
- Merger and acquisition opportunities did not come to fruition
- OEM arrangements or partnerships involving specific product (e.g. RecogniZe) did not lead to firm proposals
- Integration of BrainZ into a broader neonatal business was the third strategic goal, in order to achieve the necessary critical mass and capital; Natus Medical is such a business (NASDAQ: BABY).

Natus Asset Purchase Agreement: the assets

- All products and inventories
- All intellectual property related to or used in connection with the products
- All governmental authorisations obtained by BrainZ
- All rights under assumed contracts, including accounts receivable
- Other assets as described in the Explanatory Statement

Natus Asset Purchase Agreement:

Amongst other agreements or conditions:

- Approval by BrainZ shareholders (75%)
- Exclusivity
- Exclusive Distribution Agreement with GE terminated on terms reasonably acceptable to BrainZ, Natus and GE
- Break fee NZ$100,000 in the event that shareholder approval is not obtained, or if the Agreement is terminated following the Board of BrainZ changing its unanimous recommendation supporting the proposal.

Natus Asset Purchase Agreement

Purchase Price

- on completion of the sale: NZ$ 1.3 million

Obligations assumed

- Claims under express product warranties given by BrainZ
- Product support and maintenance under the assumed contracts

Natus Asset Purchase Agreement: Financial

Application of purchase price

- approximately $525,000 to pay Company's advisers (NZ$425,000 to JT Campbell & Co Pty Ltd, NZ$100,000 in legal fees)
- Approximately NZ$650,000 for current debts and liabilities, including employee-related payments of NZ$520,000

Plans for the future

- The Board is considering a return of capital towards end 2009 after the business is fully wound down (estimated NZ$0.03-0.04 per share)

Natus Asset Purchase Agreement:

Indicative Timetable:

Completion of sale of all or substantially all of the Company's assets:

On or prior to 30 November 2008

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Questions