



COMPANY ANNOUNCEMENT
19 January 2006

NEURODISCOVERY AND CSIRO COLLABORATE ON DRUG DISCOVERY PROGRAMMES

NeuroDiscovery Ltd (**NeuroDiscovery**) (ASX Code:NDL), a neurology-focused research and development company, is pleased to announce it has entered into a research collaboration with CSIRO, one of the world's largest and most diverse scientific research organisations.

Over many years CSIRO's Division of Molecular and Health Technologies has developed a large and diverse chemical library. Under the agreement between CSIRO Molecular and Health Technologies and NeuroDiscovery, NeuroDiscovery will screen that chemical library in order to discover new connexin and pannexin drug candidates for the treatment of various neurological conditions, including but not limited to neurological pain.

Once identified NeuroDiscovery and CSIRO will collaborate to optimise these leads and NeuroDiscovery will undertake the preclinical and clinical development of these compounds.

NeuroDiscovery is a leader in the area of connexin and pannexin drug research.

CSIRO is involved in more than 850 current, and recently completed, research projects, working with leading scientific organisations and businesses in Australia, the US, Japan, and Europe, and with developing countries, especially in Asia. To date, more than 80 spin-off companies are based on CSIRO-generated intellectual property and expertise.

NeuroDiscovery Executive Director, Mr David McAuliffe said, "It is with great pleasure that we are able to announce that we are working with Australia's leading innovator, CSIRO. We look forward to working with CSIRO as both groups utilise each other's expertise and capacity in the development of potential new drug candidates."

"We believe CSIRO is ideally positioned as a key provider of scientific capabilities to support the formation and growth of promising Australian companies in the biotechnology sector," said the Chief of CSIRO Molecular and Health Technologies, Dr Graeme Woodrow. "By forming partnerships with Australian biotech companies, CSIRO can assist companies such as NeuroDiscovery in their growth strategies."

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Background Information

About NeuroDiscovery

NeuroDiscovery Ltd is an ASX listed neurology research and development company which owns 100% of NeuroSolutions Ltd (ASX Code NDL).

About NeuroSolutions

NeuroSolutions Limited is a profitable service company, applying its broad expertise and drug discovery platforms to become a leading provider of specialised electrophysiological assays to the biopharmaceutical industry. Electrophysiology is a specialised technique which is used to record electrical activity in membranes, cells, tissues or in vivo.

NeuroSolutions current clients include many other established pharmaceutical and biotechnology companies. In parallel to running its service business, the Company is also exploiting its in house technologies and expertise for its own internal R&D and has a mature pipeline of programmes underway for the treatment of pain.

About CSIRO

CSIRO is Australia's national science agency and one of the largest in the world.

CSIRO research delivers solutions for agribusiness, energy and transport, environment and natural resources, health, information technology, telecommunications, manufacturing and mineral resources.

CSIRO work delivers improvements to every aspect of life from oceans to energy, metals to medicine, and sustainability to food. CSIRO also works at the forefront of emerging sectors, such as information and communication technologies, gene technology and nanotechnology.

Working from sites across the nation and around the globe, CSIRO staff are focused on providing new ways to improve quality of life and the economic and social performance of our industries.