

QUARTERLY HIGHLIGHTS – 31 MARCH 2007

NeuroSolutions' Research and Development Programmes

During the quarter NeuroSolutions has actively progressed and increased the funding of its pipeline of development compounds for the treatment of neuropathic pain and this will continue to be the main focus of the Group as we undertake clinical trials in man during 2007.

NSL-043

Following successful pre-clinical testing of its lead neuropathic pain development compound NSL-043, in collaboration with its 50/50 partner Sosei Group Corporation (Sosei), a significant milestone was achieved upon a Clinical Trial Application (CTA) being submitted and approved by UK regulatory authorities to commence a single dose Phase I clinical trial in human volunteers.

- Key milestones anticipated within the coming twelve months:
 - First dose of NSL-043 to man.
 - Completion and results of Phase I single ascending dose.
 - Submit CTA for Phase 1 multiple ascending dose.
 - Commence Phase I multiple ascending dose.
 - Completion and results of Phase I multiple dose study.
 - Finalise Phase IIa strategy.
 - Initiate chronic toxicology for Phase II.

NSL-101

NeuroSolutions are currently in discussions with a number of key personnel to conduct a Phase IIa efficacy trial in dental pain, which may generate feasible human efficacy data for this novel naturally occurring analgesic.

- The following activities are currently on-going:
 - Drafting a protocol for double blind efficacy trial for treatment of dental pain following third molar extraction.
 - Identifying and selecting key personnel for conduct of the clinical trial and Good Manufacturing Practice manufacturing site.
- Key milestones in the coming months:
 - Finalise Phase IIa clinical trial protocol.
 - Prepare and submit regulatory dossier and ethics submission.
 - Initiate Phase IIa clinical trial.

NSL 105

- Encouraging pre-clinical results have been received for this compound as a potential novel analgesic; outsourced metabolic assay studies have demonstrated high levels of stability of this compound in human tissue.
- Ongoing, in-house evaluation by NeuroSolutions of this compound continues in a broad range of pre-clinical models of neuropathic pain in order to identify development targets.

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www.neurodiscoveryltd.com

Issued Capital

38,018,667 ordinary shares
1,541,866 performance shares
4,157,083 options

ASX Code: NDL – Shares

Financial Summary

Key Financial Information (unaudited)	9 month ended 31 March 2006 \$	9 month ended 31 March 2007 \$	% increase/ (decrease)
Contract revenues ⁽¹⁾	920,119	1,497,465	63%
Gross profit contract business	563,587	779,222	38%
Other Income ⁽²⁾	151,692	350,273	131%
Cash Reserves ⁽³⁾	2,373,255	1,491,784	(37%)
Net Profit (Loss) ⁽⁴⁾	31,040	(1,125,576)	(3,726%)

⁽¹⁾ Contract revenues – increased when compared to the prior comparative period, attributed to continued increases in customer base and contracts completed. Revenues also increased this quarter when compared to prior quarters this financial year by approximately 69%.

⁽²⁾ Other Income– comprises of interest, sponsorship revenues in relation to the Edinburgh Pain Conference, R&D project revenue and R&D tax rebate revenue.

⁽³⁾ Cash reserves decreased due to: the continued spend on R&D programmes, in particular NSL-043 and the purchase of the Q-Patch semi automated device.

⁽⁴⁾ Consolidated net loss increased due to: the increased spend on R&D programmes, in particular NSL-043.

NeuroSolutions' Specialist Service Business

Contract Revenues

Individual contracts entered into by NeuroSolutions with total revenues over \$A100,000 have been previously announced to the ASX during the year and the company has also completed, commenced and signed additional smaller contracts.

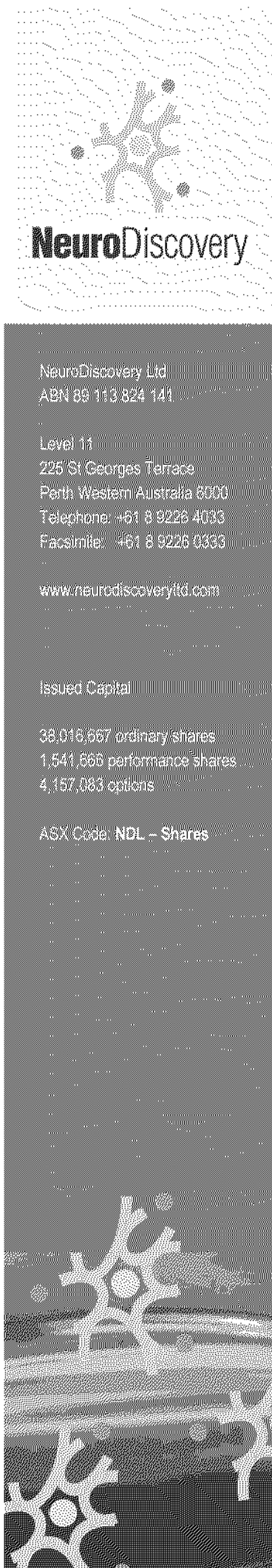
The Group anticipates it will be able to continue to build the revenue stream during the remainder of the 2007 year and continue to support to a certain extent, the costs of the pipeline of R&D programmes under development.

Business Development

Through attendance and exhibition at conferences in Atlanta in the USA and Edinburgh in the UK, the company has significantly raised its profile and has provided a number of new potential clients with quotes for specialized contract services.

In addition a recent trip to both China and Singapore has the potential to bring some significant opportunities from the Asia Pacific region.

Executives continue to look for potential acquisition opportunities in Australia and internationally.



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Corporate

Executive Director, Mr David McAuliffe, presented at the Excellence in Biotechnology and Investment Conference in Sydney, Australia on 20 and 21 March 2007. In addition Mr McAuliffe provided investor updates in Brisbane, Sydney and Melbourne.

Bioshares Edition 205 recommendation in February was Speculative Buy Class B.

Mr Mark Bianchini was appointed Company Secretary on the 1 March 2007 replacing Ms Narelle Lloyd who resigned due to personal commitments.