SUDA LTD

ACN 090 987 250

ASX Release

Company Update

- **Slight delay with ArTiMist™ Phase III Report. Now expected in April 2013**
- **NovaMist™ Due Diligence Committee to report to Board early February 2013**
- **Stephen Carter met with NovaDel management and consultants in USA**
- **Therapex batch manufacturing now scheduled for February 2013**
- **$7.6m funding Facility used to provide working capital as required**
- **New SUDA LTD website to be released early February 2013**

The past 3 months have seen a number of important events and changes within SUDA LTD (SUDA). From our attendance at Malaria 2012 "Saving Lives in the Pacific", restructuring the Board, change of company name to SUDA, finalising a $7.6million funding facility and the signing of the Option to acquire a suite of pharmaceutical assets from NovaDel Pharma, it has been a busy and exciting time for the Company.

These changes are pivotal and I trust that shareholders can understand that SUDA has moved on from its past and is putting key building blocks in place for a strong and focussed future.

Below is a series of project updates to provide shareholders with a more thorough understanding of the current position, the challenges and opportunities ahead and the potential being created as we move forward.

ArTiMist™ ART004 Clinical Update

As we notified the market in September 2012 the ART004 Clinical Field Trials were completed. Upon completion of the field trials there was an ongoing process of monitoring patients for a minimum of 28 days before the trial could be closed. It was then anticipated, based on advice from ProtoPharma Ltd that the final trial report would be completed by mid-January 2013. We have been in regular contact with ProtoPharma, and they have now informed us that there will be a slight delay in finalising the report.

Below is an extract from communications sent by Mr. David Laskow-Pooley, a Director of ProtoPharma that explains the reason for the delay:

"The delays have really arisen from the surge of patients we encountered after the much delayed rains in the region. Each sample taken had to be viewed in both "thick" and "thin" slide view, each patient having several samples. The slides actually took longer to process and count than originally anticipated a fact we only became aware of when we encountered the surge. Prior to this the lab had been able to mask the effect due to the

lower numbers passing through. Additionally we were unaware of the number of Pk tests we would have to perform until we had completed the slides This was a sequential part of the tests, i.e. could not be undertaken in parallel. Where possible we have undertaken tests in parallel to minimise time."

ProtoPharma have further informed us:

"The delays have been and are as previously mentioned. Currently the best and safest estimate is for us to have completed all the results and cleaned up all the data by the end of February latest. The draft report will then follow in April. I have to stress that these are our best estimates and should be taken as that. I will remain fully on the case monitoring and regularly progressing to try and reduce where possible and where I do I will let you know. Part of the extension to the time has been the knock on effect of longer than anticipated time to complete the tests, clean the data and move onto the Pk tests, which has resulted in slots and schedules being missed with people and groups then being rescheduled. As I say, I will pull this forward when and where I can …"

SUDA management will continue to work with ProtoPharma and keep you informed of progress.

Manufacturing Update

As announced earlier this year SUDA has signed a contract manufacturing agreement with Therapex, a division of E-Z-EM Canada Inc. which is a part of the BRACCO Group. Therapex is acknowledged by the American FDA, Canadian HPFBI and the European EMEA regulatory agencies and has an outstanding quality and regulatory compliance history.

Therapex has implemented the capital improvement programs on the ArTiMist™ filling equipment and filling room modifications are now complete. .Production batches are programmed to commence mid February 2013. The delay has primarily been due to some of the new equipment being held up in Customs when it arrived in Canada. All equipment is now installed and undergoing the final qualification testing ready for manufacturing.

Funding

SUDA LTD announced that it has entered into a$7,600,000 funding agreement with Bergen Global Opportunity Fund, LP ("Fund"), managed by Bergen Asset Management, LLC ("Bergen"). We have commenced accessing the facility to provide working capital.

NovaDel Pharma: Option to Acquire Assets

SUDA announced the signing of an Option to acquire a platform technology "NovaMist™" and a product pipeline from US drug company NovaDel Pharma Inc. (NovaDel). NovaDel is a specialty pharmaceutical company involved in developing oral spray formulations for a broad range of marketed therapeutics.

With respect to the due diligence we have established a Due Diligence Committee and appointed consultants to review and advise on pharmaceutical, patent and legal aspects of the proposed transaction. Stephen Carter held a series of meetings with NovaDel and its key consultants during January 2013 in the USA and a final decision on the acquisition

will be made early February by the Board based on recommendations from the Due Diligence Committee. If SUDA determines to move forward on the NovaDel asset acquisition, we will have 90 days to finalise the transaction.

Website

SUDA is in the process of updating its new website, www.sudaltd.com.au. It is anticipated that the website will be live by the middle of February. In the meantime to ensure that our shareholders remain informed, we are continuing to update the old Eastland website www.eastlandmedical.com.au.

The Directors of SUDA believe that the changes that have occurred and the opportunities that are currently being investigated have the potential to significantly affect the value of our company. We look forward to the future and thank you for your ongoing support.

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