

ASX Release

SUDA LTD signs Sale and Purchase Agreement for NovaMistTM Oro-Mucosal Platform Technology

Key Points:

- SUDA LTD (SUDA) to acquire NovaMistTM worldwide Patent Portfolio
- Key products include an oral spray version of Sildenafil (the active drug in ViagraTM)
- Acquisition price is in cash plus shares and options
- SUDA aims to become a major player in oro-mucosal products

SUDA is pleased to announce that it has signed a Sale and Purchase Agreement with NovaDel Pharma Inc. (NovaDel) for the purchase of intellectual property and inventory relating to the oro-mucosal NovaMistTM platform technology.

On 18th December, SUDA signed an Option to acquire the NovaMistTM technology from NovaDel and following the completion of the due diligence process, it informed the market on the 22nd February that it had decided to proceed with the proposed acquisition of NovaDel's NovaMistTM technology platform and IP portfolio based on the viability, feasibility and potential of the patent portfolio. The signed agreement is binding but the acquisition will be subject to appropriate statutory approvals.

SUDA and NovaMist[™]

The SUDA business model is to develop low-risk value added pharmaceutical products. The acquisition of NovaMistTM technology supports this model and provides a pipeline of products in various stages of development.

The proprietary NovaMistTM technology enables rapid delivery of drugs into the bloodstream, which can result in a faster onset of action and potential patient benefits in compliance, convenience and safety. Spray formulations represent a suitable alternative to solid dosage forms as demonstrated by the products already on the market. Sprays can deliver the drug into the salivary fluid or on to the mucosal surface of the mouth, thus making the drug readily available for absorption. This is a proven technology and a significant number of studies have been completed and published in peer-reviewed journals.

The further benefit of this technology is that it not only supports SUDA's current ArTiMistTM Project but it also provides a strong foundation for the development of other drug candidates which may open the doors to lucrative licensing agreements.

The NovaMist[™] platform can also provide a valuable life cycle extension strategy for innovators whose products are facing patent expiration and new product development opportunities for companies wishing to develop their own brand of a competitor's drug that is approaching expiration of its composition-of-matter patent.

With the acquisition of the NovaMistTM technology SUDA aims to become a major player in oro-mucosal products.

Patents

NovaDel currently holds a broad portfolio of granted patents and pending patents. Within these patents are several key opportunities for SUDA. SUDA is working with an external consultant to determine the primary drug targets from the existing portfolio and to identify the future drug targets that will bring the best potential return to our shareholders.

The patent portfolio covers the buccal/mucosal delivery of a wide range of drugs covering important areas such as the Central Nervous System (CNS), Erectile Dysfunction (ED), Pulmonary Arterial Hypotension (PAH), biologically active peptides hormones such as, insulin and cyclosporine. They cover antibiotics, antifungals, antivirals, anti-asthmatics, barbiturates and opioids as well as, polar and non-polar sprays or capsules.

The key product in development, DuromistTM, is a stable solution of lingual Sildenafil (the active ingredient in ViagraTM) that has shown preliminary bioequivalence to ViagraTM tablets in early clinical trials.

The Patents are broad and provide good cover to a wide range of potential targets for future development.

Acquisition Price

The acquisition price is broken into 3 components:

- 1. Cash \$400,000
- 2. Shares 50,000,000 shares to be issued on closing
- 3. Options 10,000,000 unlisted options to be issued on closing with exercise price at 5 cents, expiry date 31 December 2015.

The equity component is subject to a limit on trading clause to ensure the protection of SUDA's share price.

Both parties will use all reasonable endeavours to expedite the closing of the agreement. Settlement will take place in Perth upon notification of statutory approvals being received.

The SUDA Board is confident that this acquisition will provide a good return on investment for our shareholders. We believe that it will allow SUDA to further develop its corporate reputation within this specialised field, both locally and internationally, and will provide ongoing benefits for our shareholders.

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About NovaDel

NovaDel Pharma Inc. (OTCBB: NVDL) is a specialty pharmaceutical company developing oral spray formulations of a broad range of marketed therapeutics. The Company's proprietary NovaMist[™] technology enables rapid delivery of drugs into the bloodstream, which results in faster onset of action and potential patient benefits in compliance, convenience and safety. NovaDel's most advanced candidates target angina, insomnia, and nausea.

NovaDel's core technology utilizes a proprietary system, NovaMistTM, to deliver a broad range of marketed drugs through the highly absorptive lining of the mouth into the systemic blood circulation. NovaMistTM may provide substantial potential benefits compared to other modes of drug administration including:

- Faster onset of action
- Lower dose
- Enhanced patient compliance and convenience
- Avoiding the need to swallow
- Allowing medication to be taken without water
- Increased bioavailability of drug by avoiding metabolism by liver



The designation NovaMistTM describes the delivery of liquid formulations of pharmaceutical product to the oral cavity in the form of a mist that covers the oral mucosal membranes. The oral mucosa is richly supplied with blood vessels and the mucosal membrane is relatively permeable. As a result, contact with these surfaces enables rapid drug absorption into the systemic circulation.

NovaMistTM formulations reach the systemic circulation through different sites within the oral mucosal cavity:

- Sublingual (through the mucosal membranes lining the floor of the mouth)
- Buccal (via the mucosal membranes lining the cheeks) and
- Gingival (via the hard palate and especially through the junction between the gums and teeth).

There are many potential advantages to using NovaMistTM, the most important of which is the rapid achievement of therapeutic levels of a desired drug. This method of delivery provides direct access to the systemic circulation, bypassing the harsh environment of the stomach and avoiding the extensive metabolism associated with the first circulatory pass through the liver. Drug delivery via the oral mucosa can also minimize dose variation related to gastrointestinal tract motility, stomach emptying time, food effects, tablet/capsule disintegration and dissolution and enzymatic or chemical degradation in the gut. Due to decreased degradation and higher absorption, oral sprays often permit the use of a lower dose of the active ingredient compared with tablet formulations of the same drug potentially reducing the risk of adverse drug reactions. In many cases, including treatments for patients with difficulty swallowing or nausea, oral spray administration provides enhanced convenience resulting in greater compliance.

NovaMistTM is compatible with, and patented for, use in either pump (air-activated) or aerosol (propellant-driven) spray systems, and can be provided in either multi-dose or unit containers based on the medical need and marketing requirements for each product.