

ASX Release

Notice of General Meeting

In accordance with the ASX Listing Rules, we have enclosed the following documents which are being mailed to the Company's shareholders:

1. Notice of General Meeting of Suda Ltd to be held on Thursday 27th June 2013 at 10:30am (WST) at The Boulevard Centre, 99 The Boulevard, Floreat, WA.
2. Explanatory Statement
3. Proxy Form with instructions



Further information:
STEPHEN CARTER
EXECUTIVE CHAIRMAN
SUDA LTD

Tel: +61 8 6142 5555

sjcarter@sudaltd.com.au



ABN 35 090 987 250

NOTICE OF GENERAL MEETING

DATE: Thursday, 27 June 2013

TIME: 10:30 am (WST)

VENUE: The Boulevard Centre
99 The Boulevard
Floreat

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Chief Executive Officer on +61 8 6142 5555

12/55 Howe Street, Osborne Park, WA 6017
Phone: 08 6142 5555 Fax: 08 9443 8858
Email: suda@sudaltd.com.au

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VENUE

The General Meeting of the Shareholders of the Company to which this Notice of Meeting relates will be held at 10.30 am (WST) on Thursday, 27 June 2013 at:

- **The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia**

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out in this Notice.

VOTING BY PROXY

Please note that failure to complete and deliver the proper proxy form, or the failure to follow the instructions contained in the proper proxy form, may result in your vote not being counted when determining whether a quorum exists or when tallying the final votes. Even if you intend to attend the General Meeting in person, please sign, date and return the applicable proxy form as soon as possible.

To vote by proxy, please complete and sign the enclosed Proxy Form and return:

- **By Mail:** By posting to Suda Ltd share registry at the following address:
Advanced Share Registry Ltd, PO Box No 1156, Nedlands WA 6909; or
- **By Facsimile:** 61 8 9389 7871 (Advanced Share Registry Ltd.); or
61 8 9443 8858 (Suda Ltd); or
- **In Person:** Advanced Share Registry Ltd, 150 Stirling Highway, Nedlands WA,

so that it is received not later than 10:30 am (WST) on 25 June 2013.

Proxy Forms received after this time will be invalid.

DETERMINATION OF VOTING ENTITLEMENTS

In accordance with regulation 7.11 of the Corporations Regulations 2001 [Cwlth] for the purposes of the meeting, persons holding shares at 25 June 2013 at 10.30 am (WST) will be treated as shareholders. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to attend and vote in respect to that share at the General Meeting.

NOTICE IS HEREBY GIVEN that the General Meeting of the Shareholders of *Suda Ltd (Company)* will be held at The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia on Thursday, 27 June 2013 at 10:30am (WST).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary set out in the Explanatory Statement.

Resolution 1 – Ratification of Allotment of the Bergen Convertible Security with face value of \$600,000 issued 7 December 2012

To consider and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, the Company ratifies and approves the issue of the Bergen Convertible Security to Bergen pursuant to the Bergen Agreement at the price of \$600,000.00 which may be converted to shares at the conversion price and which has been issued on the terms as set out in the Explanatory Memorandum accompanying this Notice of General Meeting.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by Bergen, and their respective Associates.

However, the Company will not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Ratification of allotments of prior issue of 36,980,307 Ordinary Shares and 7,500,000 Unlisted Options to Bergen and HSBC Custody Nominees for the Account of Bergen pursuant to the Bergen Agreement

To consider and if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

“That, pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 36,980,307 fully paid ordinary shares to Bergen and HSBC Custody Nominees (for the account of Bergen) and 7,500,000 unlisted options to HSBC Custody Nominees (for the account of Bergen), in each case pursuant to the Bergen Agreement, issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting”.

Voting Exclusion: The Company will disregard any votes cast on Resolution 2 by the recipients of this allotment, and any associates of those recipients.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3: Approval to issue shares and options to NovaDel pursuant to the NovaDel Agreement

To consider and if thought fit, to pass with or without amendment the following resolution as an **ordinary resolution**:

"That, pursuant to Listing Rule 7.4 of the Listing Rules of ASX Limited, and for all other purposes, shareholders ratify the allotment and issue of 50,000,000 fully paid ordinary shares and 10,000,000 unlisted options, to NovaDel pursuant to the NovaDel Agreement."

Voting Exclusion: The Company will disregard any votes cast on this resolution by NovaDel and its' associates.

However, the entity need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4: Approval to issue 4,000,000 options to John Billingham

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, approval is given for the Directors to allot and issue to John Billingham 4,000,000 unlisted options at no cost, and exercisable at \$0.05 each within 2 years from date of issue pursuant to an employment agreement on the terms and conditions set out in the Explanatory Statement"

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by John Billingham and any of his associates.

However, the entity need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated this 22nd day of May 2013

By Order of the Board,



Joseph Ohayon
Company Secretary

A member is entitled to attend and vote, or to appoint a proxy to attend and vote in their stead. That person need not be a member of the company but should be a natural person over the age of 18 years.

Proxy Forms must be lodged no later than 10:00am WST on Tuesday 25 June 2013. They can be lodged:

- **By Mail:** By posting to Suda Ltd share registry at the following address:
Advanced Share Registry Ltd, PO Box No 1156, Nedlands WA 6909; or
- **By Facsimile:** 61 8 9389 7871 (Advanced Share Registry Ltd;) or
61 8 9443 8858 (Suda Ltd); or
- **In Person:** Advanced Share Registry Ltd, 150 Stirling Highway, Nedlands, WA

For personal use only

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of Suda Ltd (ABN 35 090 987 250) to be held at 10:30am (WST) on Thursday, 27 June 2013 at The Boulevard Centre, 99 The Boulevard, Floreat, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

RESOLUTIONS 1 and 2: Ratification of Allotment of the Bergen Convertible Security with face value of \$600,000, and ratification of allotments of prior issue of 36,980,307 Ordinary Shares and 7,500,000 Unlisted Options to Bergen and HSBC Custody Nominees for the Account of Bergen pursuant to the Bergen Agreement

On 10 December 2012, Suda announced that it had entered into a funding agreement with Bergen Global Opportunity Fund, LP (**Bergen**), managed by Bergen Asset Management, LLC that will provide up to \$7,600,000 to the Company over two years. Suda chose to deal with Bergen because of what Suda understands is Bergen's positive track record in the Australian public market.

Funds received from Bergen will be used for general corporate and working capital purposes. It will allow Suda to further develop the ArTiMist™ project through to the registration phase. The funds received will also give Suda the ability to develop and/or acquire other projects into the commercialisation pipeline.

The agreement with Bergen takes the form of a Share Purchase and Convertible Security Agreement (**Bergen Agreement**). Under the Bergen Agreement, Bergen may advance up to \$7,000,000 in tranches, which may be settled by the issue of shares by Suda over the term of the agreement, with an additional investment of \$600,000 on execution, by way of a Convertible Security, which is unsecured and interest-free.

Convertible Security ("the Bergen Convertible Security")

Details relating to the Bergen Convertible Security are as follows:

Number of convertible securities:	1
Face value of convertible security	\$600,000
Maturity date:	6 December 2014
Interest rate	Nil
Security provided	Nil
Conversion Price:	The lesser of: (a) 90% of the average of the five daily VWAPs per share, as selected by Bergen during the twenty consecutive trading days immediately prior to the conversion date rounded down to four decimal places, rounded down to the nearest 1/10 th of a cent (Conversion Price A); and (b) 130% of the average of the daily VWAPs per share for the ten consecutive trading days

immediately prior to the execution date of the Bergen Agreement (Conversion Price B). This has been confirmed as \$0.038.

The potential level of dilution if the convertible security is converted to shares is summarised as follows:

	Based on 12 month low	Based on 12 month high	Based on current price	Based on Conversion Price B
Share price for conversion (cents)	1.1	4.9	3.4	3.8
No of shares to issue on conversion	54,545,455	12,244,898	17,647,059	15,789,474
Dilution	7.86%	1.88%	2.69%	2.41%

The reference to the Based on 12 month low and Based on 12 month high, refers to share prices since 22 May 2012..

Unlisted Options

Details relating to the Unlisted Options are as follows:

No of unlisted options issued:	7,500,000
Entitlement of options:	1 share per option
Expiry date	6 June 2015
Exercise Price	\$0.05

The detailed terms of the Options issued to Bergen are set out in Annexure 1 to this Explanatory Memorandum.

Fees associated with the Bergen Agreement

On execution of the Bergen Agreement, Suda paid a commencement fee as follows:

Commencement fee:	\$150,000
Settled by:	issuance of 6,000,000 shares (which equates to a share price of \$0.025)
Terms of refund:	If Bergen terminates the Bergen Agreement before Bergen invests a total amount of \$1,600,000 in Suda, then Bergen will refund to Suda the amount of \$80,000.

Collateral

Suda issued to Bergen collateral shares on the following terms:

No of collateral shares:	6,000,000
Repayment of collateral shares:	Bergen will pay to Suda the value of the collateral shares calculated as the total number of shares multiplied by 90%

of the average of five daily VWAPs per share during the period commencing on the date that is twenty trading days prior to the date on which such payment is made by Bergen and ending on the date that is immediately prior to the date on which such payment is made by Bergen.

Details of draw-downs to date

In January and April 2013, Suda drew down \$200,000 for both months. In December, February and March 2013, Suda drew down \$100,000 each month. As part of the finance facility, if Suda does not draw down the maximum amount of \$300,000, then the difference between the actual draw down amount for a particular month and the maximum amount of \$300,000, is foregone.

Hence, for January and April, the foregone facility was \$100,000 per month, and for February and March, the foregone facility was \$200,000. In December 2012, the draw-down of \$100,000 was included in the calculation of the total finance facility, so there was no foregone component.

As at the time of preparing this report, the facility available is as follows:

Total facility provided	7,600,000
Less:	
Convertible Security	600,000
Tranches to date	700,000
Amount lost per monthly tranches	<u>600,000</u>
Total facility available at time of report	<u>\$5,700,000</u>

In relation to the tranches to date, the amount of the tranches and the number of shares issued are:

Month of draw-down	Amount of draw-down	Month shares issued	Number of shares issued	Issue price	Allottee
December 2012	\$100,000	January 2013	3,846,154	\$0.026	HSBC*
January 2013	\$200,000	February 2013	6,451,613	\$0.031	HSBC*
February 2013	\$100,000	March 2013	3,571,429	\$0.028	HSBC*
March 2013	\$100,000	April 2013	3,703,704	\$0.027	Bergen
April 2013	\$200,000	May 2013	7,407,407	\$0.027	Bergen
Total	\$700,000		24,980,307		

- HSBC means HSBC Custody Nominees for the account of Bergen.

Specific Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- the 36,980,307 shares were allotted and issued to Bergen or HSBC Custody Nominees for the account of Bergen as per monthly tranches shown in the table above (24,980,307 shares), the commencement fee (6,000,000 million shares) and

the collateral shares (6,000,000 million shares). Also, a convertible security with a face value of \$600,000 was issued and 7,500,000 unlisted options;

- (b) the 24,980,307 shares were issued at the issue price shown in the table above, the commencement fee shares were issued at \$0.025;
- (c) the shares issued were fully paid ordinary shares in the capital of the Company and were issued on the same terms and conditions as the Company's existing shares;
- (d) the purpose of the issue was to provide capital for general corporate and working capital purposes and to fund its projects and future pipeline; and
- (e) 7,500,000 unlisted options were issued to Bergen.

Summary of and Rationale for Bergen Agreement

1. Certainty of access to funding

The facility amount is to be made available to Suda in regular tranches as follows:

- \$700,000 was provided in December 2012 (\$600,000 in a 0% interest, 24 month, unsecured Convertible Security, plus \$100,000 being the first tranche of a \$7,000,000 share purchase facility which was satisfied by the issue of shares to HSBC Custody Nominees (for the account of Bergen) Bergen by the Company; and
- \$100,000 - \$300,000 in monthly share purchases for up to an additional 23 months (\$100,000 per month which can be increased up to \$300,000 by mutual consent), up to a maximum amount of \$7,000,000 in aggregate. In January and April 2013, Suda drew down \$200,000 for both months. In February and March 2013, Suda drew down \$100,000.

The regularity and the substantial size of the tranches eliminate financing uncertainty and allow management to focus on executing the Suda's business plan.

Suda granted Bergen 7,500,000 unlisted options with an exercise price of \$0.05 and with an expiry date of 30 months after the first drawdown. Suda also paid Bergen a fee by way of 6,000,000 shares.

The Bergen Agreement is secured against 6,000,000 shares.

2. Funding without over-leveraging

Other than the \$600,000 Convertible Security invested on execution, the funding is being made available to Suda in equity tranches, which does not result in debt on Suda's balance sheet.

3. Minimising dilution and Price at which shares will be issued to Bergen

The investment structure allows Suda to issue shares at prices that are linked to prices prevailing at the time which would minimise any dilution for its existing shareholders. The price at which shares will be issued in the tranches under the Bergen Agreement is 90% of the average of five volume weighted average prices per share during a specified period prior to the date of the issuance of the shares (**Price A**).

On two occasions only, the issue price of the shares issued in the tranches under the Bergen Agreement may be at 130% of the average daily volume weighted average prices per share for the ten consecutive trading days prior to the execution date of the Bergen Agreement (**Price B**). The Convertible Security will be convertible at the lesser of Price A and Price B.

4. Additional safeguards

Suda has additional safeguards against dilution in that it can opt to repay in cash, rather than in shares, the tranche amount outstanding at any time, and terminate the Bergen Agreement with the investor, if the price at which Suda would be issuing shares to Bergen were to be lower than a specified floor price. Additionally, Suda can also terminate the Bergen Agreement at any other time on the payment of a modest cancellation fee.

Bergen has also agreed to substantial limitations on its ability to dispose of the shares on-market.

5. Interest rate and focus on capital appreciation

Bergen's return on capital depends on the level of Suda's share price appreciation and the Convertible Security does not accrue interest (provided that Suda is not in default under its terms).

6. Validation of the business model by a US institutional investor

An agreement with a US institution validates Suda's business model and the potential of ArTiMist™. It also raises Suda's profile in the US financial market as well as with players operating in the US pharmaceutical industry.

7. Additional capital raising

The terms of the Bergen Agreement do not prevent Suda being able to enter into future debt funding arrangements or to carry out additional private placements of equity, rights issues and shareholder purchase plans.

8. No financial ratio covenants

The investment is not subject to any financial ratio covenants.

9. Future business opportunities

The Bergen Agreement does not prevent Suda from entering into strategic industry partnerships or undertaking mergers and acquisitions transactions.

The Directors recommend that the Shareholders of the Company vote in favour of Resolutions 1 and 2.

Resolution 3: Approval to issue shares and options to NovaDel pursuant to the NovaDel Agreement

On 18 December 2012, Suda signed an Option to acquire the NovaMist™ technology from NovaDel and following the completion of the due diligence process, it informed the market on the 22 February that it had decided to proceed with the proposed acquisition of NovaDel's NovaMist™ technology platform and Intellectual Property 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. On 8 April 2013 Suda announced that it had entered into a binding agreement with NovaDel in respect of the purchase of the NovaMist™ technology and inventory (**NovaDel Agreement**).

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.

Specific Information required by Listing Rule 7.3

Listing Rule 7.3 requires that the following information be provided to holders of ordinary securities to approve an issue or agreement to issue under Listing Rule 7.1:

- (a) The maximum number of securities Suda is to issue is 50,000,000 shares and 10,000,000 unlisted options;
- (b) The date by which Suda will issue the securities is no later than 1 September 2013. The issue date is to occur on execution of the Sale and Purchase Agreement which is expected to occur in July 2013 but no later than 1 September 2013;
- (c) Suda will issue the shares and options to NovaDel at nil cash consideration;
- (d) The securities to issue are fully paid ordinary shares in the capital of the Company and unlisted options in the Company. The shares are to be issued on the same terms and conditions as the Company's existing shares. The terms of the options are outlined in Appendix 2 of the Explanatory Statement;
- (e) The purpose of the issue is in respect of settlement of the acquisition of intellectual property and inventory pursuant to the NovaDel Agreement;
- (f) The issue date will be within 2 business days after the execution of the Sale and Purchase Agreement.

About NovaDel

NovaDel (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 utilises a proprietary system, NovaMist™, to deliver a broad range of marketed drugs through the highly absorptive lining of the mouth into the systemic blood circulation. NovaMist™ 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; and
- Increased bioavailability of drug by avoiding metabolism by liver.



The designation NovaMist™ 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.

NovaMist™ 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 NovaMist™, 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.

NovaMist™ 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.

Rationale for the acquisition

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

The proprietary NovaMist™ 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 ArTiMist™ 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 NovaMist™ 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, Duromist™, is a stable solution of lingual Sildenafil (the active ingredient in Viagra™) that has shown preliminary bioequivalence to Viagra™ tablets in early clinical trials.

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

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 3.

Resolution 4: Approval to issue 4,000,000 options to John Billingham

General

Mr John Billingham was employed under an employment agreement by Suda's wholly owned subsidiary; Westcoast Surgical and Medical Supplies Pty Ltd, as the General Manager.

Under the terms of the agreement, dated 20 July 2011, Mr Billingham is entitled to receive, as part of his long term incentive program, 4,000,000 unlisted options at the end of two years of service as the General Manager.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 4 will be to allow the Directors to issue the options pursuant to Mr Billingham's employment agreement during the period of 3 months after the Meeting without using the Company's 15% annual placement capacity.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the issue of unlisted options:

- (a) The maximum number of unlisted options to be issued to John Billingham is 4,000,000;
- (b) The Options will be issued no later than 3 months after the date of the Meeting and it is intended that allotment will occur on the same date;
- (c) The unlisted options will be issued at no cost;
- (d) The unlisted options will be allotted and issued to John Billingham, General Manager of Westcoast Surgical and Medical Supplies Pty Ltd;
- (e) The unlisted options will be issued on the terms set out in Appendix 3:

The Directors recommend that the Shareholders of the Company vote in favour of Resolution 4.

GLOSSARY

ASX means ASX Limited, and where the context requires, the Australian Securities Exchange operated by ASX Limited;

Bergen means Bergen Global Opportunity Fund LP a Delaware Limited Partnership;

Bergen Agreement has the meaning defined in the section of this Explanatory Statement commenting on Resolutions 1 and 2;

HSBC Custody Nominees means HSBC Custody Nominees (Australia) Limited ABN 003 094 568

Listing Rules means the Listing Rules of the ASX;

NovaDel means NovaDel Pharma Inc, a corporation incorporated in Delaware;

NovaDel Agreement has the meaning defined in the section of this Explanatory Statement commenting on Resolution 3;

Suda and the Company means Suda Ltd ABN 35 090 987 250;

VWAP in respect of the Bergen Agreement means in relation to a trading day, the volume weighted average price (in Australian dollars, rounded to four decimal places) of the shares traded in the ordinary course of business on the ASX on that trading day, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options over shares, subject to all adjustments set out in this Agreement provided that:

- (a) if on that trading day, shares were quoted on the ASX as cum dividend or cum any other distribution or entitlement, and the issue of shares for the purpose of which the VWAP is being determined will occur after that date, and those shares no longer carry that dividend or other distribution or entitlement, then the VWAP on that trading day shall be reduced by an amount (**Cum Value**) equal to:
 - (i) in the case of a dividend or other distribution, the amount of that dividend or other distribution;
 - (ii) in the case of any other entitlement which is traded on the ASX on that trading day, the VWAP of such entitlements sold on the ASX on that trading day; or
 - (iii) in the case of an entitlement not traded on the ASX on that trading day, the value of the entitlement as reasonably determined by the Investor; and
- (b) if on that trading day, shares were quoted on the ASX as ex-dividend or ex any other distribution or entitlement, and the shares for the purpose of which the VWAP is being determined would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on that trading day shall be increased by the Cum Value.

Appendix 1: TERMS OF OPTIONS ISSUED TO BERGEN PURSUANT TO THE BERGEN AGREEMENT

1.1 Nature of Options

- (a) Each Option shall grant the holder of that Option the right but not the obligation to be issued by the Company one Share at the Option Exercise Price.
- (b) Each Option shall be exercisable, by the Option holder complying with its obligations under these conditions at any time after the time of its grant and prior to the date that is twenty four (24) months after First Closing (being 10 December 2012) (the **Option Expiration Date**), after which time it will lapse.
- (c) The Options will be unlisted.

1.2 Exercise of Options

- (a) Without limiting the generality of, and subject to, the other provisions of the Bergen Agreement, an Option holder may exercise any of its Options at any time prior to their expiration, by delivery of:
 - (i) a copy, whether facsimile or otherwise, of a duly executed Option exercise form substantially in the form attached to the Bergen Agreement as Annexure A (the **Exercise Form**), to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder); and
 - (ii) payment of an amount equal to the Option Exercise Price multiplied by the number of shares in respect of which the Options are being exercised at the time (the **Exercise Price**), by wire transfer to the account specified by the Company from time to time or by bank draft delivered to the Company during normal business hours on any Business Day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the Option holder).
- (b) As soon as reasonably practicable, but in any event no later than one (1) Business Day after receipt of a duly completed Exercise Form and the payment referred to in clause 1.2(a)(ii), the Company shall cause its securities registrar to:
 - (i) issue and Electronically Deliver the shares in respect of which the Options are so exercised by the Option holder; and
 - (ii) provide to the Option holder holding statements evidencing that such shares have been recorded on the Share register.

1.3 Bonus Issues

If prior to an exercise of an Option, the Company makes an issue of shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such shares to at least all the holders of shares resident in Australia, then on exercise of the Option, the number of shares over which an Option is exercisable shall be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.

1.4 Rights Issues

If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of shares resident in Australia for the subscription for cash with respect to shares, options or other securities of the Company on a pro rata basis relative to those holders' share holding at the time of the offer, the Option Exercise Price shall be reduced as specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

1.5 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:

- (a) the number of the shares to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the shares shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- (b) an appropriate adjustment shall be made to the Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

1.6 Cumulative Adjustments

Full effect shall be given to the provisions of clauses 1.3 to 1.5, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to shares already on issue.

1.7 Notice of Adjustments

Whenever the number of shares over which an Option is exercisable, or the Option Exercise Price, is adjusted pursuant to this Agreement, the Company shall give notice of the adjustment to all the Option holders, within one (1) Business Day.

1.8 Rights Prior to Exercise

Prior to its exercise, an Option does not confer a right on the Option holder to participate in a new issue of securities by the Company.

1.9 Redemption

The Options shall not be redeemable by the Company.

1.10 Assignability and Transferability

The Options shall be freely assignable and transferable, subject to the provisions of Chapter 6D of the Corporations Act and the applicable Law.

1.11 Quotation

- (a) The Company undertakes to use its good faith best efforts, and to execute and lodge all documents that are necessary to be executed and lodged (including execution and lodgement with ASX of each Appendix 3B), so as to obtain quotation of each

parcel of the Investor's Shares on the ASX no later than on the Business Day immediately after the day of the issuance of such parcel.

- (b) If requested by the Investor, no later than on the Business Day on which the ASX grants quotation of the Investor's shares, the Company shall provide the Investor with documentary evidence of the ASX having granted such quotation.

Appendix 2: TERMS OF OPTIONS TO BE ISSUED TO NOVADEL RELATING TO RESOLUTION 3

In these terms "Company" means Suda Limited (ACN 090 987 250)

1. Each Option entitles the holder of the Option (referred to in these Terms of Options as the **Option Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at the price of \$0.05 (five cents) per Share (**Exercise Price**). The Exercise Price is subject to adjustment in accordance with these Terms of Options.
2. Application will not be made to ASX for official quotation of the Options.
3. The Options are exercisable at any time up to 31 December 2015 (**the Expiration Date**) by the Option Holder giving notice signed by the Option Holder which states the number of Options being exercised and delivering it, together with the payment for the number of shares, which must not be less than the number specified in paragraph 7 of these Terms of Options (**Relevant Number**), in respect of which the Options are exercised (**Settlement Price**), to the registered office of the Company together with the certificate issued by the Company in respect of the Options. Any Options not exercised by the Expiration Date will lapse.
4. The Company must within 5 Business Days of the receipt by it of the last of the documents referred to in paragraph 3 of these Terms of Options, and subject to receipt by the Company of the Settlement Price:
 - (a) issue to the Option Holder the Relevant Number of shares;
 - (b) issue, or cause to be issued, to the Option Holder a holding statement for the Relevant Number of shares; and
 - (c) if applicable, issue a replacement Option certificate to the Option Holder for the balance of any unexercised Options.
5. The shares issued pursuant to the exercise of the Options will be issued as fully paid and will, from the date they are issued, rank pari passu in all respects with the Company's then issued shares.
6. Until the Expiration Date for so long as the Option Holder holds any unexercised Options, the Company will:
 - (a) give the Option Holder notice of all general meetings of the Company and of all resolutions to be considered at those meetings and all other statements, notices, annual reports or circulars at the same time the shareholders of the Company are issued with those notices; and
 - (b) not do anything by way of altering its constitution or otherwise which has the effect of changing or converting any shares into shares of another class, or which restricts the Company's ability to issue the Options or to issue shares on the exercise of Options.
7. The Option Holder may exercise some only of the Options at any time before the Expiration Date, which does not affect the Option Holder's right to exercise the remainder of the Options by the Expiration Date. Options must be exercised in multiples of 100 at a time, unless the Option Holder exercises all Options able to be exercised at that time.

8. The Options are transferable. Promptly following any transfer of the Options the transferor and the transferee will notify the Company of the transfer and (subject to the return of the relevant certificate relating to the transferred Options) the Company must, within 10 Business Days of receipt of the relevant notification and certificate, issue a new Option certificate to the transferor and the transferee reflecting their respective holdings of Options.
9. Until the Expiration Date, the Company must ensure that the Option Holder is given at least 10 Business Days' written notice prior to the Record Date in relation to any Pro-Rata Issue of shares or rights to subscribe for shares issued or to be issued by the Company (**Additional Rights**).
10. An Option does not confer any right on the holder to participate in a new issue without exercising the Option.
11. The Option Holder will be entitled to participate in any rights to take up Additional Rights on the same terms and conditions as applicable to the other offerees or shareholders of the Company provided that the Option Holder has exercised any Option prior to the Record Date for the relevant offer.
12. If there is a Pro Rata Issue (except a Bonus Issue), from the date of the issue the Exercise Price of Options on issue is reduced according to this formula:

$$A = O - \frac{E \{P - (S + D)\}}{(N + 1)}$$

Where:

- A= the new Exercise Price of the Option;
- O= the old Exercise Price of the Option;
- E= the number of underlying shares into which one Option is exercisable;
- P= the average closing sale price per share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days ending on the day before the ex rights date or ex entitlement date (excluding special crossings or overnight sales);
- S= the subscription price for a share under the Pro Rata Issue;
- D= the dividend due but not yet paid on each Share at the relevant time (except those to be issued under the Pro Rata Issue); and
- N= the number of shares that must be held to entitle holders to receive a right to one new Share in the Pro Rata Issue.
13. If there is a Bonus Issue to holders of shares, the number of shares over which an Option is exercisable is increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the Record Date for the Bonus Issue.
14. If, at any time the issued capital of the Company is reorganized or reconstructed, all rights of the optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganization or reconstruction, and:

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- (a) the Company must notify the Option Holder of any proposed variation to the terms of Options no less than 5 Business Days prior to the date of variation; and
 - (b) the Company must provide confirmation to the Option Holder immediately after the date of variation that the terms of the Options have been varied as proposed.
15. At the time any shares are issued upon the exercise of an Option, the Company will:
- (a) apply to ASX for official quotation of the shares as soon as practicable, and in any event within 2 Business Days after the date that the Shares are issued;
 - (b) procure that the relevant ASIC and ASX forms are lodged to reflect the issue of the shares, including a notice under section 708A(5)(e) of the Corporations Act in accordance with paragraph (c) below; and
 - (c) give to the ASX a notice under section 708A(5) of the *Corporations Act 2001* (Cth) (**Corporations Act**) within the time specified in section 708A(6) of the Corporations Act the issue of shares on exercise of the Option unless it cannot meet the criteria in 'case 1' of section 708A of the Corporations Act in which case:
 - (i) the Company will comply with the criteria in 'case 2' of section 708A of the Corporations Act and issue a disclosure document under chapter 6D.2 of the Corporations Act as soon as reasonably practicable after the date of exercise of the Option and in any event within 20 Business Days of that date; and
 - (ii) until the Company has issued the disclosure document under paragraph (c)(1), the Option Holder will only transfer the relevant shares to a person that comes within section 708(8), (10) or (11) of the Corporations Act.
16. Subject to the Listing Rules, the terms of the Options and the certificate may be varied at any time by written agreement between the Company and the Option Holder.
17. If any Option certificate is lost, stolen, mutilated, defaced or destroyed, the holder of the relevant Options may apply for a replacement certificate. The Company must issue a replacement certificate within 10 Business Days of receiving such an application.
18. In these Terms of Options the expressions:
- (a) **ASIC** means the Australian Securities & Investments Commission;
 - (b) **ASX** means ASX Limited, and where the context requires, the Australian Securities Exchange operated by ASX Limited;
 - (c) **Listing Rules** means the Australian Securities Exchange Listing Rules;
 - (d) **Bonus Issue** has the meaning given to that term in the Listing Rules;
 - (e) **Business Day** means a day on which banks are open for business in Sydney and Perth excluding a Saturday, Sunday or public holiday;
 - (f) **Pro Rata Issue** has the meaning given to that term in the Listing Rules; and
 - (g) **Record Date** has the meaning given to that term in the Listing Rules.
19. These Terms of Options and the Options are governed by the laws of Western Australia.

Appendix 3: TERMS OF OPTIONS TO BE ISSUED TO JOHN BILLINGHAM RELATING TO RESOLUTION 4

In these terms **Company** means Suda Limited (ACN 090 987 250).

1. Each Option entitles the holder of the Option (referred to in these Terms of Options as the **Option Holder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at the price of \$0.05 (five cents) per Share (**Exercise Price**).
2. Application will not be made to ASX for official quotation of the Options.
3. Subject as provided in condition 12 below, the Options are exercisable at any time up to 21 July 2015 (**the Expiration Date**) by the Option Holder giving notice signed by the Option Holder which states the number of Options being exercised and delivering it, together with the payment for the number of shares, which must not be less than 10,000 (**Relevant Number**), in respect of which the Options are exercised (**Settlement Price**), to the registered office of the Company together with the certificate issued by the Company in respect of the Options. Any Options not exercised by the Expiration Date will lapse.
4. The Company must within 5 Business Days of the receipt by it:
 - (a) issue to the Option Holder the Relevant Number of shares;
 - (b) issue, or cause to be issued, to the Option Holder a holding statement for the Relevant Number of shares; and
5. The shares issued pursuant to the exercise of the Options will be issued as fully paid and will, from the date they are issued, rank pari passu in all respects with the Company's then issued shares.
6. The Option Holder may exercise some only of the Options at any time before the Expiration Date, which does not affect the Option Holder's right to exercise the remainder of the Options by the Expiration Date. Options must be exercised in multiples of 10,000 at a time, unless the Option Holder exercises all Options able to be exercised at that time.
7. The Options are not transferable.
8. An Option does not confer any right on the holder to participate in a new issue without exercising the Option.
9. The Option Holder will be entitled to participate in any rights to take up Additional Rights on the same terms and conditions as applicable to the other offerees or shareholders of the Company provided that the Option Holder has exercised any Option prior to the Record Date for the relevant offer.
10. If at any time the issued capital of the Company is reorganized or reconstructed, all rights of the optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganization or reconstruction.
11. At the time any shares are issued upon the exercise of an Option, the Company will apply to ASX for official quotation of the shares as soon as practicable, and in any event within 2 Business Days after the date that the shares are issued;
12. In these Terms of Options the expressions:

(a) **ASX** means ASX Limited, and where the context requires, the Australian Securities Exchange operated by ASX Limited; and

(b) **Related Body Corporate** has the meaning defined in the Corporations Act 2001.

13. The Options must be exercised no later than 30 days after the Option holder ceases to be employed by the Company or any of its Related Bodies Corporate (or such later time as the Company may agree in writing) and if they are not exercised within this time they shall lapse.
14. These Terms of Options and the Options are governed by the laws of Western Australia.

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Proxy Form

If you propose to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of SUDA LIMITED ABN 35 090 987 250 and entitled to attend and vote hereby appoint:

☒ the Chairman of the Meeting
(mark box)

☐ **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

Or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the General Meeting of the Company to be held at 10.30am (WST) on Thursday, 27 June 2013 and at any adjournment of that meeting. Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received at the Company's share registry no later than 48 hours before the meeting.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 1, 2, 3 and 4.

If you appoint the Chairman of the Meeting as your proxy you acknowledge that in acting as your proxy the Chairman may exercise your undirected proxy votes (if you do not specify below how your proxy is to vote) even if he or she has an interest in the outcome of the resolution which carries a voting exclusion providing that votes cast by him or her other than as a proxyholder will be disregarded because of that interest. The Chairman intends to vote undirected proxies **IN FAVOUR** of each resolution.

Should you desire to direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below.

	For	Against	Abstain*
Resolution 1 Ratify allotment of Bergen Convertible Security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Ratify allotment of prior issue of shares and options to Bergen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to issue shares and options to NovaDel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval to issue options to John Billingham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Securityholder 1 (individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (individual)

Director

Contact Name

Contact Daytime Telephone or Email

Date

Proxy Instructions

Generally

A shareholder entitled to attend and vote at the General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a shareholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry by calling +61 8 9389 8033.

Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes. Fractions of votes will be disregarded.

Signing Instructions

Individuals: The shareholder must sign personally.

Joint Holding: If the holding is in more than 1 name, all of the shareholders must sign.

Company: Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please sign in the appropriate place to indicate the office held.

Power of Attorney: The attorney must sign and the power of attorney must be deposited at the Company's share registry for inspection and return, when the proxy is lodged.

Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be lodged at, or sent by facsimile transmission to, the offices of the share registry of the Company so that it is received no later than 10.30 am (WST) 25 June 2013.

Documents may be lodged:

IN PERSON Share Registry – Advanced Share Registry, 150 Stirling Highway Nedlands WA 6009, Australia

BY MAIL Share Registry – Advanced Share Registry, PO Box 1156, Nedlands WA 6909, Australia

BY FAX +61 8 9389 7871

Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form and sign it. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.