

ASX Release

SUDA LTD SHAREHOLDER UPDATE

PERTH, AUSTRALIA – 7 June 2016: SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, notes the weakness in its share price and today provides an update on its activities. Negotiations with pharmaceutical companies to license SUDA's first-in-class oro-mucosal sprays continue to advance towards final agreements. These discussions span various products and territories. Subject to successful contract negotiations, SUDA could finalise several agreements in the next few weeks and months.

SUDA has recently expanded its business development outreach in China and met with over 20 Chinese pharmaceutical companies at the ChinaBio conference in Suzhou on 18-19 May 2016. Some of these meetings have already advanced to full due diligence and discussions of terms.

The business development team is currently attending the annual BIO International Convention, which is the largest partnering event for the industry. The event is being held in San Francisco on 6-9 June 2016. The Company has approximately 40 meetings with prospective partners, including companies with which SUDA is in advanced term-sheet negotiations.

The Company is also working towards several value-inflection milestones for its lead development-stage products. In relation to ArTiMist™, SUDA's sublingual anti-malarial spray, the Company aims to submit a registration application to the Australian Therapeutics Goods Administration for severe paediatric malaria before the end of CY2016. In addition, applications for grant financing are ongoing, with the objective of securing funding for a Phase III trial of ArTiMist™ as an early interventional treatment of paediatric malaria in the pre-referral setting.

The Company has completed its *in-vitro* and *ex-vivo* studies of a new-generation formulation of SUD-003 for treatment of erectile dysfunction. The data suggest that the rate of absorption and bioavailability with the new formulation are significantly enhanced compared to SUDA's first-generation spray. The Company is finalising a new patent application and initiating an *in-vivo* study that is designed to validate the improvements to the formulation. Data from this study are anticipated before the end of CY2016.

Commenting on SUDA's activities, Mr Stephen Carter, Chief Executive Officer of SUDA said: "The weakness in our share price is disappointing and doesn't reflect the progress and strength of our business. We have established a truly novel portfolio of oral sprays, based on our OroMist technology, and we are advancing towards several potentially value-enhancing commercial and development goals over the coming weeks and months."

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NOTES TO EDITORS:

About SUDA LTD

SUDA LTD (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing novel oral spray formulations of existing off-patent pharmaceuticals using its proprietary OroMist® drug delivery technology platform. The many potential benefits of administering drugs through the oral mucosa (ie: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist®, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist® has been approved in the USA and SUDA has rights to the product outside of North America. SUDA's most advanced development-stage product, ArTiMist™, is a novel sublingual malaria treatment for children. In a Phase III trial, ArTiMist™ was shown to be superior to intravenous quinine. Other products in development include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction and pre-procedural anxiety. For more information, visit www.sudaltd.com.au

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