



2 June 2011

Companies Announcement Office
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Cortical Dynamics Ltd – Initial Public Offering

BPH Energy Ltd (ASX: BPH) is pleased to provide an update regarding the commencement of Cortical Dynamics' initial public offering.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "D Ambrosini", is written over a light blue circular watermark.

Deborah Ambrosini
Director and Company Secretary



2 June 2011

Companies Announcements Office
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Investor,

Initial Public Offering – Cortical Dynamics Ltd

Cortical Dynamics Ltd (“**Cortical Dynamics**”) is pleased to announce that it has today lodged a prospectus with the Australian Securities and Investment Commission (“**ASIC**”) and is intending to apply for admission of its securities to the official list of the Australian Securities Exchange.

Cortical Dynamics will offer of up to 10 million Shares at an issue price of \$0.20 per Share together with one (1) free attaching Option exercisable at \$0.20 on or before 30 June 2012 for every one (1) Share issued, to raise up to \$2 million.

Oversubscriptions of up to a further 10 million Shares at an issue price of \$0.20 per Share together with one (1) free attaching Option exercisable at \$0.20 on or before 30 June 2012 for every one (1) Share issued, to raise up to a further \$2 million may be accepted.

Cortical Dynamics is an Australian company which was incorporated in 2004 to commercialise technology developed at Swinburne University of Technology, Melbourne. Research managed by Associate Professor David Liley led to the invention of a new methodology of brain function monitoring using an algorithm to measure direct physiological responses and give real time feedback. The methodology was initially applied to monitoring the depth of anaesthesia and the BAR monitoring system was developed.

The differentiating feature of the BAR monitoring system is that its underpinning algorithm utilises advances in our understanding of how the brain’s electrical activity is produced and how it is affected by anaesthetic and sedative agents and has the potential to enhance patient care and reduce hospital costs through a reduction in drug usage and a faster bed turn around in the theatre and post-operative recovery rooms. The BAR objective is to reduce the risk of post-operative medical conditions and care demands.

Based on the current electroencephalography (EEG) applications to date, three main applications for the BAR monitoring system have been identified. These are:

- patient monitoring by trained staff in hospital wards, operating theatres or research laboratories;

Cortical Dynamics Ltd
ACN 107 557 620
PO box 317, North Perth, WA, 6906
14 View Street, North Perth, Western Australia
T: +61 8 9328 8366 F: +61 8 9328 8733
contact@corticaldynamics.com www.corticaldynamics.com



- neuro-diagnostics of changes in the brain and memory functions to provide early warning of degenerative diseases for hospitals and research trials or studies; and
- pain response and tranquiliser monitoring for hospitals and especially trauma patients in Intensive Care Units.

Other applications may include drug discovery, drug evaluation and the emerging Brain Computer Interface (BCI) market.

A copy of the prospectus can be downloaded at www.corticaldynamics.com.

Should you have any questions please do not hesitate to contact the Company Secretary Ms Deborah Ambrosini on 08 9328 8366.

Yours sincerely

Deborah Ambrosini
Director and Company Secretary

Cortical Dynamics Ltd

ACN 107 557 620

PO box 317, North Perth, WA, 6906

14 View Street, North Perth, Western Australia

T: +61 8 9328 8366 F: +61 8 9328 8733

contact@corticaldynamics.com www.corticaldynamics.com