



22 December 2011

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

Cortical Dynamics Ltd – EXTENSION OF INITIAL PUBLIC OFFERING

Please find attached an operational update from BPH Energy (**ASX: BPH**) investee company Cortical Dynamics Ltd.

Yours sincerely,

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

Deborah Ambrosini
Director and Company Secretary



22 December 2011

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

Dear Investor,

Initial Public Offer – Closing Date Extended to 30 April 2012

The Board of Cortical Dynamics Ltd (“Cortical”) wishes to advise that as a result of continued market volatility, the closing date for the recently announced Initial Public Offer (“IPO”) has been extended to 30 April 2012.

Pursuant to Cortical’s prospectus dated 6 July 2011, the First supplementary prospectus dated 23 August 2011, the Second supplementary prospectus dated 30 September 2011 and the Third supplementary prospectus dated 22 December 2011 (together the “Prospectus”), Cortical offers 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 September 2013 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 September 2013 for every one (1) Share issued, to raise up to a further \$2 million may be accepted.

Under the Corporations Act, if a company offers securities under a prospectus and the prospectus states that the securities are to be quoted on a financial market (e.g. ASX) and the securities are not admitted to quotation within 3 months after the date of the prospectus (“Quotation Condition”), then, in the absence of any modification of this rule by ASIC, an issue or transfer of securities in response to an application made under the disclosure document is void and the person offering the securities must return the money received by the person from the applicants as soon as practicable. In order for Cortical to comply with the Quotation Condition under the Prospectus, its securities must be admitted to official quotation on ASX by 29 December 2011. However, as outlined above, the Board has resolved to extend the Offer. On 28 September 2011, Cortical was granted a modification of the Corporations Act by ASIC (**ASIC Modification**). The effect of the ASIC Modification is to give Cortical a further 3 months after the date of a supplementary prospectus to comply with the Quotation Condition and obtain Official Quotation of its securities on ASX. Further details of the effect of the modification (including withdrawal rights for existing applicants) is contained in a further supplementary prospectus (“Third Supplementary Prospectus”) lodged with ASIC on 22 December 2011. The withdrawal rights for existing applicants will be valid for a period of 1-month from the date of the Third Supplementary Prospectus.

A copy of the Prospectus (including the First Supplementary Prospectus lodged by Cortical on 23 August 2011, the Second Supplementary Prospectus lodged by Cortical on 30 September 2011 and the Third Supplementary Prospectus lodged by Cortical on 22 December 2011) can be downloaded at www.corticaldynamics.com. The Third Supplementary Prospectus will include a new application form which should be used by anyone who wishes to apply for securities under the Offer and has not already done so. **Applicants who have already submitted an application form and who do not wish to withdraw their applications, will not need to do anything.**

The Directors of Cortical would like to thank you for your support and look forward to extending a warm welcome to all new shareholders of Cortical.

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

Yours faithfully

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