



5 December 2011

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

Cortical Dynamics Ltd – Announced as Finalist in the Australian Innovation Challenge

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

Yours sincerely,

A handwritten signature in black ink, appearing to read "D. Breeze". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

David Breeze
Chairman



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Cortical Dynamics - Announced as a Finalist in the Australian Innovation Challenge

Cortical Dynamics Ltd ("**Cortical**"), an investee company of BPH Energy Limited (ASX: BPH), is proud to announce that it has been selected as a finalist for the health category in the Australian Innovation Challenge. The Australian Innovation Challenge is a multiple category competition that assists some of the nation's best ideas to commercialisation or adoption. It is sponsored by The Australian in association with Shell, and supported by the Commonwealth Department of Innovation, Industry, Science and Research.

The finalists of the health category are innovations that lead to the prevention, diagnosis and treatment of disease, and the improvement of quality of life through good health.

Cortical's Chief Scientific Officer, Associate Professor David Liley, will attend a ceremony to be held in Brisbane on 7 December 2011, at which point the winners for each category will be announced. Dr Liley said, "we are extremely proud that the BAR monitor has been selected as a finalist for the health category of The Australian Innovation Challenge. It is humbling to think that Cortical's technology has been acknowledged as one of Australia's innovative health technologies".

About the BAR Monitor

The BAR monitoring system measures a patient's brain electrical activity, the electroencephalogram (EEG), in order to indicate how deeply anaesthetised a patient is during an operation via an adhesive sensor applied to the forehead. The BAR monitor is designed to assist anaesthetists and intensive care staff in ensuring patients do not wake up un-expectedly, as well as reducing the incidence of side effects associated with the anaesthetic.

The BAR monitor improves on currently used EEG monitors by utilising advances in understanding of how the brain's electrical activity is produced, and how it is affected by anaesthetic and sedative drugs. The BAR's unique physiological approach is aimed at independently monitoring the hypnotic and analgesic states associated with anaesthesia, a feature no known existing EEG based depth-of-anaesthesia monitor is able to achieve.

Cortical Dynamics Ltd

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Objectively monitoring of hypnotic and analgesic state will lead to improved anaesthetic and surgical outcomes, by reducing recovery times and minimising drug costs.

About Cortical Dynamics

Cortical Dynamics is a medical technology company that was established in 2004 to commercialise intellectual property relating to brain function monitoring developed by Associate Professor David Liley and his scientific team at Melbourne's Swinburne University of Technology.

Cortical, has applied for admission to the Official List of the Australian Securities Exchange and the offer closing date has been extended to 5:00pm (AWST) on Monday 31st January 2011.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Breeze'.

David Breeze
Chairman

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