10 January 2013

ASX Market Announcements
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Cortical Dynamics Ltd – Second Australian Patent Granted For BAR Monitoring System

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

Yours sincerely,

Deborah Ambrosini
Director and Company Secretary

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Second Australian Patent Granted For BAR Monitoring System

Cortical Dynamics Ltd ("**Cortical**") is pleased to announce that a key patent relating to its Brain Anaesthesia Response (BAR) monitoring unit has been granted in Australia. Currently, Cortical has patents awarded in Australia, New Zealand, the United States, Japan and the People's Republic of China. The issued patent entitled 'EEG analysis system', patent number 2007257336, is valid until June 2027.

Cortical has developed an extensive patent portfolio encapsulating the BAR monitoring unit, providing patent protection across a number of key brain monitoring markets. Chairman of Cortical, Mr David Breeze stated, 'We are very pleased to secure yet another key patent for the BAR monitor. We believe that the allowance of this patent is further validation of Cortical's unique intellectual property and is a significant addition to Cortical's growing patent portfolio. Maintaining commercial exclusivity of Cortical's unique physiological approach is crucial to Cortical's commercial strategy.'

Cortical recently announced the completion of patient recruitment in its first human clinical trial which was conducted at St Vincent's Hospital, Melbourne. This trial represents a significant event in the BAR monitors' development program as it is the first time the complete BAR monitoring system has been employed within the operating theatre. The blinded data is now being processed with a clinical report to be produced.

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 unexpectedly, as well as reducing the incidence of side effects associated with the anaesthetic.

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

Yours Sincerely,

David Breeze
Chairman

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