

NEEDLEFREE COMMERCIALISATION ARRANGEMENT

Medical technologies group Norwood Abbey Ltd [ASX:NAL] advises that it has entered into a new agreement with the Massachusetts Institute of Technology (MIT) that replaces the previous license over all patents and all intellectual property flowing from its sponsored research in relation to the Needle-free project.

Under the new agreement, NAL will be entitled to 25% of the net revenues flowing from the future development and/or commercialisation of the Needle-free technology. Net revenues shall be determined after allowance for MIT administrative costs, un-reimbursed patent prosecution costs and previous amounts outstanding to MIT under the prior Sponsored Research Agreement. MIT will assume all responsibility for ongoing management and commercialisation of the technology. NAL will have no further financial obligations in relation to the Needle-free project, including current accrued costs of approximately US\$510,000.

NAL is very pleased with the new arrangement which provides NAL with an opportunity to benefit from future commercialisation.

Company Update

Norwood is continuing its program of restructuring. This has entailed numerous and extensive discussions and negotiations, resulting in a significant reduction in the carrying value of liabilities.

These outcomes, together with the dividend received from Norwood Immunology, have brought the company to a position where it is now able to complete its half-yearly and annual accounts. Processing of these two sets of accounts concurrently will reduce the overall costs to the company.

It is expected that, upon completion of the audit process, the company will be in a position to seek a resumption of quotation. This is likely to occur towards the end of July.

Whilst it is unfortunate that the company's share have not traded for several months, the processes that have been followed will result in the company reducing its liabilities from over \$5 million just over year ago to around \$500,000. This is seen as a pleasing outcome given the effects on fund-raising of the global financial crisis.

Norwood also advises that it is continuing to work towards a merger with another group. A prerequisite to completing such a deal has been the resolution of the overall liabilities position. The company now expects to be able to progress prospective merger opportunities vigorously. A further detailed update is planned immediately prior to re-quotation of the company's shares.

To find out more about the Norwood group, visit www.norwoodabbey.com

For further information please contact:

Norwood Abbey Ltd
+61-3-9770-0063