



26 September 2011

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

Dear Investor,

Initial Public Offer – Closing Date Extended to 31 January 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 31 January 2012.

Pursuant to Cortical’s prospectus dated 6 July 2011 and the first supplementary prospectus dated 23 August 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 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 September 2012 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 5 October 2011. However, as outlined above, the Board has resolved to extend the Offer. Accordingly, Cortical has applied to ASIC for a modification of the Corporations Act. The effect of the ASIC Modification (if granted) will be to give Cortical a further 3 months to obtain Official Quotation of its securities on ASX. Further details of the effect of the modification (including withdrawal rights for existing applicants) will be contained in a further supplementary prospectus (“Second Supplementary Prospectus”) to be lodged with ASIC shortly. The withdrawal rights for existing applicants will be valid for a period of 1-month from the date of the Second Supplementary Prospectus. Cortical will make a further announcement when the outcome of the ASIC modification application is known.

A copy of the Prospectus (including the First Supplementary Prospectus lodged by Cortical on 23 August 2011) can be downloaded at www.corticaldynamics.com. A copy of the Second Supplementary Prospectus will be available on Cortical’s website once it has been lodged with ASIC. The Second 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

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