

**Narhex Life Sciences Ltd**

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UPDATED EXPENDITURE BUDGETS

The Company provides the following update in relation to the use of funds raised under the prospectus dated 17 January 2011, being the maximum subscription amount of \$2,500,000.

Use of Funds – Expenditure Budget	Year 1	Year 2	Total
Ongoing equity contributions under NLSI Shareholders Agreement for the development of DG-17 and Cavid AB	\$500,000	\$750,000	\$1,250,000
Identification and consideration of other business opportunities	\$200,000	\$100,000	\$300,000
Repayment of Loan from Tittel	\$125,000	-	\$125,000
Expenses associated with the Offer and Recapitalisation Proposal	\$612,500	-	\$612,500
General working capital	\$92,500	\$120,000	\$212,500
Total Funds Utilised	\$1,530,000	\$970,000	\$2,500,000