Notice of Extraordinary General Meeting
Novogen Limited ABN 37 063 259 754

Notice is given that the Extraordinary General Meeting of Novogen Limited (the "Company") will be held at 2:00pm on 7 May 2012 at the Education and Conference Centre Macquarie (NSEC)(in the grounds of the Macquarie Hospital), main entrance 51 & 53 Wicks Road, North Ryde, New South Wales, Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Extraordinary General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

Business Agenda

1. **Acquisition of Common Stock in Marshall Edwards, Inc.**

   To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

   "That, subject to all necessary regulatory approvals and in accordance with ASX Listing Rule 10.1 and for all other purposes, approval be granted for the Company to acquire up to US$4 million of common stock in Marshall Edwards, Inc. as outlined in the accompanying Explanatory Statement."

By order of the Board.

Ron Erratt
Company Secretary
Sydney
3 April, 2012

TIME AND PLACE OF MEETING AND HOW TO VOTE

These notes form part of the Notice of Meeting.

Entitlement to vote

For the purposes of the meeting, in accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members at 3 May 2012. Accordingly, transactions registered after that time will be disregarded in determining members entitled to attend and vote at the meeting.

How to Vote

Shareholders may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, shareholders should attend the meeting on the date and at the place set out in the Notice of Meeting. The meeting will commence at 2:00p m.

Appointment of a Proxy

A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies, neither of whom needs to be a shareholder of the Company. If one proxy is appointed, that proxy may exercise all of the member's voting rights. If a shareholder appoints 2 proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.

A proxy may be, but need not be, a shareholder and can be an individual or a body corporate.

A body corporate appointed as a proxy may appoint a representative to exercise any of the powers the body corporate may exercise as a proxy at the Extraordinary General Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting by Proxy

The proxy form, and the Power of Attorney (if any) under which the form is signed must be received at:

- the Company's registered office: Novogen Limited, 140 Wicks Road, North Ryde, NSW, 2113; or
- the Company's Share Registry, Computershare Services Pty Limited: GPO Box 242, Melbourne, Victoria, 3001, Australia,

not less than 48 hours before the appointed time of the meeting.

For this purpose it is sufficient if the proxy is received at the Company's Share Registry by facsimile transmission or by similar means of communication in a reasonably legible form. The facsimile number of the Share Registry is +61 3 9473 2555.

Enquiries

Shareholders are invited to contact the Company Secretary, Mr Ron Erratt, on +61 2 9878 0088 if they have any queries in respect of the matters set out in this Notice of Meeting or the Explanatory Statement.

A personalised form of proxy is included with these documents.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide shareholders with information about the business to be conducted at the Company's Extraordinary General Meeting to be held at 2:00pm on 7 May 2012 at the Education and Conference Centre Macquarie (NSEC)(in the grounds of the Macquarie Hospital), main entrance 51 & 53 Wicks Road, North Ryde, New South Wales, Australia.

The Explanatory Statement is an important document and should be read carefully by shareholders.

Agenda Item 1 - Acquisition of common stock in Marshall Edwards, Inc.

Marshall Edwards, Inc. ("Marshall Edwards") proposes to distribute to its shareholders subscription rights ("Rights") to purchase an aggregate of US$7.6 million of common stock ("Rights Offering").

Marshall Edwards intends to use the net proceeds from the Rights Offering primarily to continue clinical development programs.

The Company currently holds 58.1% of the Common Stock of Marshall Edwards. As part of the Rights Offering the Company has the right to acquire up to US$3.789 million of common stock.

Acquisition of common stock

The Company has agreed with Marshall Edwards, subject to approval of the Company's shareholders, to the extent not acquired by the Company's shareholders under the Rights distributed to them (as described in the section headed Dividend below), to acquire up to a maximum of US$4 million of common stock.

Marshall Edwards represents the Company's most important asset, and the proposed acquisition will allow the Company to continue to support the efforts of, and cooperate with, Marshall Edward's emerging oncology programs and its need for new capital to move the drug compounds through the long and expensive process of development.

The Directors believe that Marshall Edwards will be able to add significant value to the Company's investment over the longer term and that it provides the best opportunity for the Company's shareholders to see added value to their investment.

The Rights Offering will not only allow Novogen to continue to support the efforts of Marshall Edwards' development program but will also allow the Company's shareholders to participate directly in Marshall Edwards through the exercise of the distributed Rights following the Dividend.

The Directors recommend that you vote in favour of the proposed acquisition in this Agenda Item 1.

Dividend

On 12 March 2012, the Directors of the Company resolved to distribute to the Company's shareholders by way of an in specie dividend, 90% of the Rights that the Company receives under the Rights Offering.

Following declaration of the dividend, Shareholders will receive the Rights together with a prospectus which sets out information on the Rights and which will also include a copy of the prospectus sent by Marshall Edwards to its shareholders in relation to the Rights Offering. That document will explain the process which shareholders need to follow in order to exercise the Rights distributed to them.

Legal and regulatory requirements

Under ASX Listing Rule 10.1, a listed company must not acquire a substantial asset from specified persons or entities without the approval of shareholders at a general meeting.

An asset is treated as a substantial asset if its value, or the value of the consideration for it, is 5% or more of the listed company's equity interests as set out in the latest financial statements given to ASX.

The proposed acquisition under the Rights Offering may exceed 5% of the Company's equity interests and therefore may be a substantial asset for these purposes.

Marshall Edwards is a subsidiary of the Company. At the date of this Explanatory Statement, the Company held approximately 58.1% of the common stock of Marshall Edwards.

Independent expert's report

Under ASX Listing Rule 10.10.2, where approval of the Company's shareholders is sought under ASX Listing Rule 10.1, shareholders must be given an independent expert's report on the proposed acquisition. The report must state whether the proposed acquisition is fair and reasonable to shareholders that are not associated with the Company ("Non-Associated Shareholders").

The Directors of the Company appointed Grant Thornton to prepare the report to the shareholders, a copy of which is included in the accompanying documentation.

On the basis of the matters discussed in its report, Grant Thornton has formed the opinion that the proposed acquisition is fair and reasonable to Non-Associated Shareholders. Shareholders should read Grant Thornton's report in full.

Voting exclusion and recommendation

William D Rueckert and any other associate of the Company or Marshall Edwards will be excluded from voting in relation to the Resolution in Agenda Item 1.

The Directors recommend that you vote in favour of the Resolution in Agenda Item 1.

Requests for additional information

Shareholders will have the opportunity at the Extraordinary General Meeting to raise questions and to make comments on the proposed Rights Issue.

Shareholders may also wish to submit written questions in relation to the proposed resolutions to Company no later than 5:00pm on 30 April 2012, addressed as follows:

Company Secretary,
Novogen Limited,
140 Wicks Road,
North Ryde, NSW, 2113, Australia,

or by facsimile addressed to the Company Secretary on facsimile number +61 2 9878 0055.

Novogen Limited

Independent Expert's Report and Financial Services Guide

23 March 2012

Grant Thornton

The Independent Directors
Novogen Limited
140 Wicks Road
North Ryde NSW 2113

23 March 2012

Dear Sirs

Independent Expert's Report and Financial Services Guide

Introduction

Novogen Limited ("NRT" or the "Company") is a biotechnology company listed on the Australian Securities Exchange ("ASX") with a market capitalisation of approximately A$9.5 million as at 21 March 2012[1].

Marshall Edwards Inc ("MSHL") is an oncology company focused on the clinical development of novel therapeutics targeting cancer metabolism. MSHL is listed on the National Association of Securities Dealers Automated Quotation system ("NASDAQ") in the United States ("US") and had a market capitalisation of US$10.9 million as at 21 March 2012. As at the date of this report, NRT held 58.1% interest in the common stock of MSHL ("MSHL Shares").

On the 19 March 2012, NRT announced the terms of a rights offering to existing shareholders and Series A warrant holders to purchase up to US$7.6 million ("Rights Offering")[2]. Based on the Rights Offering, MSHL will distribute one subscription right ("Unit") for each share of common stock and each Series A warrant on issue as at 30 March 2012 ("Subscription Right").

Each Unit will entitle the holder to purchase 0.5 MSHL Shares and a warrant to purchase 0.25 MSHL Shares ("Rights Offering Warrants"). The issue price of the MSHL Shares is US$0.89 per share. The Rights Offering Warrants have an exercise price of US$1.19 per share and an expiry date of five years.

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[1] NRT also has approximately 1.9 million American Depositary Receipts ("ADRs") listed on the National Association of Securities Dealers Automated Quotation system in the United States.
[2] The Rights Offering was initially announced on 21 February 2012.

Under the Rights Offering, NRT will be entitled to Subscription Rights to acquire up to US$3.789 million MSHL Shares. NRT intends to distribute 90% of its Subscription Rights to shareholders of NRT ("NRT Shareholders") by way of an in specie dividend.

As there is uncertainty in relation to the take-up of the Rights Offering by NRT Shareholders and other MSHL Shareholders, NRT has committed, subject to shareholders approval, to acquire up to a maximum of US$4.0 million in the common stock of MSHL ("Consideration Paid") to the extent the subscription of rights are not exercised by NRT Shareholders (the "Proposed Transaction") or other MSHL Shareholders[3].

Purpose of the report

The Directors of NRT except for William D Rueckert[4] ("the Independent Directors") have requested Grant Thornton Corporate Finance to prepare an independent expert's report to assess whether the Proposed Transaction is fair and reasonable to NRT Shareholders in accordance with Chapter 10 of the ASX Listing Rules.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Proposed Transaction is fair and reasonable to NRT Shareholders.

Fairness assessment

In forming our opinion in relation to the fairness of the Proposed Transaction to NRT Shareholders, Grant Thornton Corporate Finance has compared the value of the Consideration Paid (US$4 million) and to the value of the securities acquired under the Proposed Transaction.

The following table summarises our assessment:

Fairness assessment	Section reference	Low US$	High US$
Value of the securities acquired under the Rights Offering	9.0	4,756,404	5,856,180
Value of Consideration Paid		4,000,000	4,000,000
Premium / (Discount)		**756,404**	**1,856,180**
Premium % / (Discount) %		**18.9%**	**46.4%**

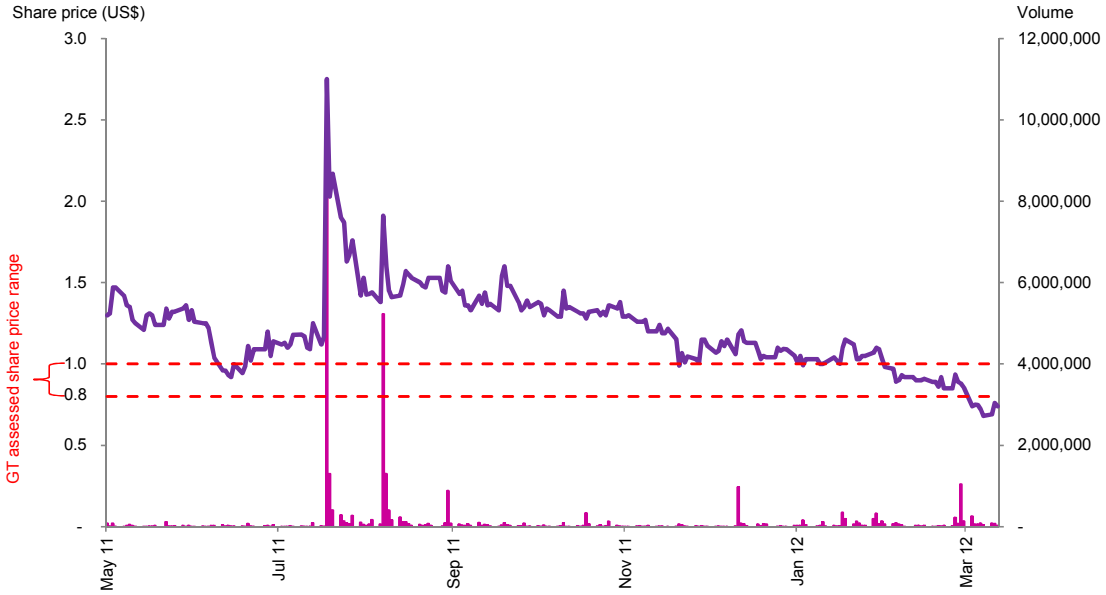
Source: Calculations

The value of the Consideration Paid is lower than our assessment of the value of the securities acquired under the Proposed Transaction. Accordingly, we conclude that the Proposed Transaction is fair to NRT Shareholders.

[3] We note that NRT will need to utilise part of the oversubscription facility (if available) to subscribe up to US$4.0 million of Units given NRT's total pro rata entitlement under the Rights Offering is US$3.8 million.
[4] William D Rueckert is the chairman of NRT and is also a member of the Board of MSHL.

Our valuation assessment of the value of the securities acquired under the Rights Offering is based on the trading prices of MSHL and an assessed value per MSHL Share between US$0.75 and US$0.90 (refer to section 6 for a discussion of the selected valuation methodologies).

Set out below, we have also summarised the historical share price of MSHL and our selected valuation range.



Source: CapitalIQ

In our opinion, the analysis above in conjunction with the development of MSHL's compounds since May 2011 support our assessment of the fairness of the Proposed Transaction.

Due to the volatility in the MSHL share price, we have conducted a sensitivity analysis around the share price of MSHL to highlight the potential impact on the value of securities acquired under the Rights Offering:

Sensitivity Analysis

Value per MSHL Share (US$)	Value of the securities issued under the Rights Offering (US$)	Consideration Paid (US$)	Premium / (Discount)	Premium % / (Discount) %
0.60	3,830,999	4,000,000	(169,001)	(4.2%)
0.65	4,158,621	4,000,000	158,621	4.0%
0.70	4,486,664	4,000,000	486,664	12.2%
0.75*	4,756,404	4,000,000	756,404	18.9%
0.80	5,143,146	4,000,000	1,143,146	28.6%
0.85	5,472,913	4,000,000	1,472,913	36.8%
0.90*	5,856,180	4,000,000	1,856,180	46.4%
0.95	6,131,881	4,000,000	2,131,881	53.3%
1.00	6,461,573	4,000,000	2,461,573	61.5%
1.05	6,791,814	4,000,000	2,791,814	69.8%
1.10	7,122,099	4,000,000	3,122,099	78.1%
1.15	7,452,578	4,000,000	3,452,578	86.3%
1.20	7,783,237	4,000,000	3,783,237	94.6%

Source: Calculations

We note that our fairness assessment has taken into account movements in MSHL's share price up to and including 21 March 2012 (closing share price of US$0.74 per share). As set out in the sensitivity analysis above, if the share price of MSHL trades for a prolonged period of time before the Extraordinary General Meeting at or below US$0.60 per share, this may have an impact on our fairness assessment and accordingly we may need to re-consider our opinion and issue a supplementary report.

Reasonableness of the Proposed Scheme

We note that in accordance with RG111, a transaction is reasonable if it is fair. However in our assessment of the Proposed Transaction, we have also considered the following likely advantages and disadvantages associated with the Proposed Transaction.

Advantages

Arm's length Rights Offering issue price

In our opinion, the terms of the Rights Offering issue price have been established on an arm's length basis. We note that the terms of the Rights Offering were determined by a pricing committee which included two independent non-executives directors of NRT. Furthermore, based on our discussions with the Independent Directors of NRT, we understand that the terms of the Rights Offering were benchmarked against registered direct offerings by companies operating in the biotechnology, pharmaceuticals and healthcare sectors in the United States ("US").

In addition to the benchmarking analysis, the pricing committee considered a number of factors when determining the subscription price including:

- The price at which the stockholders, including NRT, might be willing to participate in the Rights Offering.
- Historical and current trading prices for MSHL Shares.
- The need for liquidity and capital.
- The desire to provide an opportunity to MSHL stockholders to participate in the Rights Offering on a pro rata basis.
- Historical and future financial performance and financial position of MSHL.

Finally, we note that the Subscription Rights are offered on the same terms to all MSHL Shareholders (including NRT) and NRT intends to distribute 90% of its Subscription Rights to NRT Shareholders as an in specie distribution.

MSHL is NRT's primary investment

NRT holds 58.1% in the common stock of MSHL which is NRT's primary investment. In order to maximise the return on investment in MSHL, NRT is required to continue to support the research

and clinical development of MSHL's therapeutics to a stage where the likelihood of commercialisation is relatively more attractive to investors and potential interested parties.

The funds raise from the Rights Offering will allow MSHL to continue its research and development for a further 12 months. If the clinical testing yields positive results during this period, it may represent a significant price catalyst for the stock and NRT's investment may be positively affected.

If NRT does not support the Rights Offering, it may result in MSHL raising a limited amount of capital which will impact on its ability to continue to develop its compounds and accordingly have a material adverse effect on NRT's investment.

Terms of the Rights Offering

NRT will receive Rights Offering Warrants which entitle the holder to acquire further MSHL Shares. The value of the Rights Offering Warrants may be significant if MSHL is successful in continuing to progress the development of its compounds over the next five year term.

The Rights Offering Warrants will also allow NRT to reduce the dilutionary impact of future capital raising of MSHL that NRT may not be able to support given its current limited cash resources.

Potential ability to maintain influence over MSHL

If the Proposed Transaction is approved, NRT's interest in MSHL on an undiluted basis under different potential scenarios is summarised below:

Assumption	From	To
The Subscription Rights are fully subscribed by NRT Shareholders and other shareholders of MSHL	58.1%	36.7%
NRT exercises its pro-rata entitlement up to US$3.8 million of Subscription Rights and the other shareholders of MSHL subscribe for their pro-rata allocation.	58.1%	55.0%[5]
NRT exercises US$4 million worth of Subscription Rights and the other shareholders of MSHL subscribe for their pro-rata allocation (including any shortfall).	58.1%	56.0%[5]
NRT is the only one to subscribe for the Subscription Rights (up to US$4 million)	58.1%	67.9%

Based on the different scenarios above, if the Proposed Transaction is approved, NRT may be able to potentially maintain its influence over MSHL if it participates in the Rights Offering. The benefits of maintaining influence over MSHL includes:

- The ability to block a takeover which is not favourable to NRT Shareholders.

[5] The Rights Offering is dilutive on NRT's shareholding of MSHL as the Series A Warrant holders are also entitled to the Subscription Rights.

- The ability to influence the operating and financing decisions of MSHL.
- Influence over the board of directors of MSHL.

Disadvantages

MSHL additional financing requirement

MSHL has limited existing financial resources and it does not generate material revenue. Based on the use of funds of the Rights Offering, MSHL is likely to be required to raise additional funding after the first quarter of 2013 to continue to develop its compounds.

Based on the current cash resources, NRT may have limited ability to further sustain and support future capital raisings of MSHL. MSHL may be unable to obtain the necessary future funds at market value due to the potential lack of support of its major shareholder (i.e. NRT). Accordingly, MSHL may be required to raise funds at substantial discount which may have a significant dilutionary impact on NRT's shareholding (if unable to participate).

Cash resources

If the Proposed Transaction is approved and NRT subscribes for up to US$4.0 million worth of Units in the Rights Offering, the cash balance of NRT will reduce from A$7.7 million[6] to approximately A$3.9 million[7].

Other shareholders' actions/intentions

Under the Rights Offering, NRT will obtain Subscription Rights to acquire up to US$3.789 million of MSHL Shares. NRT intends to distribute 90% of its Subscription Rights to NRT Shareholders by way of an in specie dividend.

As there is uncertainty in relation to the take-up of the Rights Offering by NRT Shareholders, NRT has committed, subject to shareholders approval, to acquire up to a maximum of US$4.0 million in the common stock of MSHL through the exercise of any subscription rights to the extent not exercised by NRT Shareholders.

Under these circumstances and if there is limited take-up of the Rights Offering by other MSHL Shareholders, NRT may be the only significant cash contributor to the development of MSHL's compounds over the next 12 months. Whilst the NRT's shareholding in MSHL will increase, in our opinion, biotechnology investments are high risk and capital intensive and it maybe more appropriate for NRT to share these risks with other shareholders.

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[6] Balance excludes US$5.0 million in cash held by MSHL which was included in NRT's cash balance per the reviewed accounts of NRT as at 31 December 2011 for consolidation purposes.
[7] Based on an exchange rate of A$1.00 = US$1.053 as at 21 March 2012.

Other factors

Same terms to all shareholders

Under the Rights Offering, NRT will be subscribing for shares in the common stock of MSHL at the same terms as other MSHL shareholders that are not related or associated with NRT. Accordingly, the terms of the Rights Offering are reasonable as the same terms are being offered to all MSHL Shareholders.

Uncertain commercialisation of technology and profitability

MSHL is an early stage development company and have incurred net losses of US$80.7 million since its inception in December 2000. MSHL expects to incur further operating losses and negative operating cash flow for the foreseeable future, and cannot provide assurance that it will be able to commercialise any of its current drug candidates or ever become profitable. In addition, MSHL's progress with developing its drug candidates will depend upon, among other things, the condition of the global credit markets and financial services industry to obtain additional funding, development of similar drugs by other companies.

NRT Shareholders' position if the Proposed Transaction is not approved

If the Proposed Transaction is not approved, it would be the current Directors' intention to continue operating NRT in line with its objectives. NRT Shareholders will continue to share in any benefits and risks in relation to MSHL's ongoing business.

It is likely that NRT's interest in MSHL will be diluted materially if the Rights Offering is fully subscribed.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Proposed Transaction is reasonable to the NRT Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Proposed Transaction is fair and reasonable to NRT Shareholders.

Other matters

Grant Thornton Corporate Finance has not provided any taxation advice in relation to the Proposed Transaction. NRT Shareholders should consider the information contained in the Notice of Meeting and Explanatory Memorandum as well as seek their own taxation advice in relation to any potential taxation implications.

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to approve the Proposed Transaction is a matter for each NRT Shareholder based on their own views of value of MSHL and expectations about future market conditions, potential outcomes for MSHL, risk profile and investment strategy. If NRT Shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Partner

SCOTT GRIFFIN
Partner

23March 2012

Financial Services Guide

Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Novogen Limited ("NRT") to provide general financial product advice in the form of an independent expert's report in relation to the Proposed Transaction. This report is included in the Company's Notice of Meeting and Explanatory Memorandum.

Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from NRT a fixed fee of A$25,000 plus GST, which is based on commercial rate plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

Independence

Grant Thornton Corporate Finance is required to be independent of NRT in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with NRT (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of expert" issued by the ASIC."

Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

1 Outline of the Proposed Transaction

1.1 Introduction

Novogen Limited ("NRT" or the "Company") is a biotechnology company listed on the Australian Securities Exchange ("ASX") with a market capitalisation of approximately A$9.5 million as at 21 March 2012. NRT also has approximately 1.9 million American Depositary Receipts ("ADRs")[8] listed on the National Association of Securities Dealers Automated Quotation system ("NASDAQ") in the United States ("US").

NRT key assets comprise the following:

- A 58.1% interest in the common stock of Marshall Edwards Inc ("MSHL"), an oncology company focused on the clinical development of novel therapeutics targeting cancer metabolism. MSHL is listed on the NASDAQ in US and had a market capitalisation of US$10.9 million as at 21 March 2012.

- A 80.7% interest in Glycotex, Inc. ("Glycotex"), a clinical stage biopharmaceutical company focused on discovering and developing a novel class of drugs intended to accelerate human wound healing and tissue repair in acute and chronic wounds.

- A$12.4 million in cash as at 31 December 2011[9].

On the 22 February 2012, NRT announced that MSHL had registered with the US Securities and Exchange Commission for a non-renounceable rights offering ("Rights Offering"). The terms of the Rights Offering were subsequently announced on 19 March 2012 and are summarised below[10]:

- MSHL is seeking to raise up to US$7.6 million (before deducting fees and expenses of the Rights Offering) via the issue of one subscription right for each share of MSHL common stock ("MSHL Share") and Series A Warrant owned at the record date (30 March 2012) ("Subscription Rights"). MSHL has 14,668,744 MSHL Shares and 2,460,617 Series A Warrants on issue as at the date of this report and accordingly it will issue 17,129,361 Subscription Rights.

- Each Subscription Right will entitle the holder to purchase one unit ("Unit"), which consists of 0.5 MSHL Share stock and a warrant to purchase 0.25 share of MSHL Shares ("Rights Offering Warrant"). Accordingly, for every two Units purchased in the Rights Offering, stockholder will receive MSHL Share at a price of US$0.89 per share and one Rights Offering Warrant to purchase one-half of a share of common stock.

- The Rights Offering Warrants have an expiry date of five years beginning on the closing date of the Rights Offering and an exercise price of US$1.19 per share.

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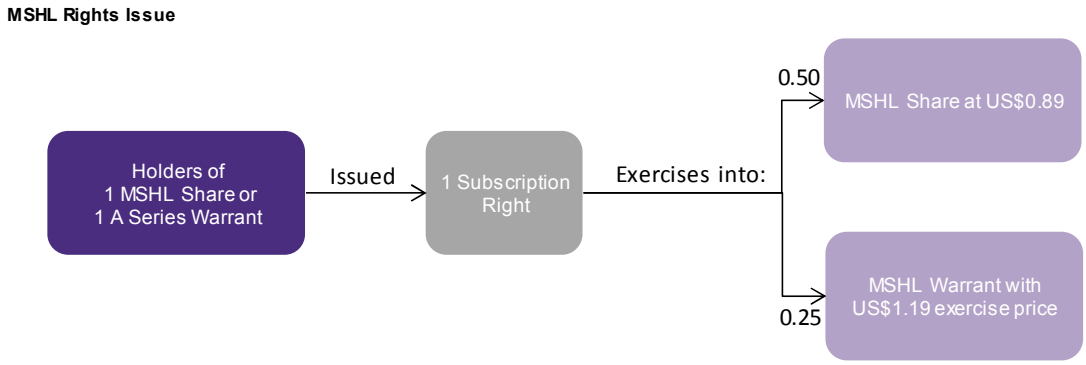
[8] ADRs represent the ownership in the shares of a foreign company trading on US financial markets. ADRs enable US investors to buy shares in foreign companies without undertaking cross border transactions. ADRs are denominated in US dollars and pay dividends in US dollars.
[9] Balance includes US$5.0 million in cash held by MSHL.
[10] Refer to the S-1 Form released by MSHL for the full terms and conditions of the subscription rights.

- The Rights Offering also includes an over-subscription privilege, which will entitle stock holders to purchase additional Units that remain unsubscribed at the expirations of the Rights Offering.

If the Subscriptions Rights are fully subscribed, MSHL will issue 8,564,680 MSHL Shares and 4,282,340 Rights Offering Warrants for total gross proceeds of US$7.6 million before the exercise of the Rights Offering Warrants. If all the Rights Offering Warrants are exercised, MSHL will raise an additional US$5.1 million.

The below diagram illustrates the components of the Rights Offering:



Source: MSHL announcements

NRT currently holds 8,515,909 MSHL Shares. Based on the terms of the Rights Offering, NRT is entitled to receive 8,515,909 Subscription Rights to acquire up to 4,257,954 MSHL Shares and 2,128,977 Rights Offering Warrants.

As set out in the Notice of Meeting and Explanatory Memorandum, NRT intends to distribute 90% of its entitlements to the Subscription Rights to its shareholders ("NRT Shareholders") by way of an in specie dividend.

NRT has also committed to acquire a maximum of US$4.0 million in MSHL Shares through the exercise of any Subscription Rights distributed to NRT Shareholders but not exercised (the "Proposed Transaction").

Based on NRT's pro-rata entitlement under the Rights Offering, NRT is entitled to purchase Units up to US$3.8 million. In order for NRT to acquire the maximum of US$4.0 million in MSHL Shares, if available, NRT will use the over-subscriptions facility to purchase any unsubscribed Units up to US$0.2 million to make up for the shortfall.

NRT and MSHL have common directors and MSHL is a subsidiary of NRT. The directors of NRT excluding William D Rueckert ("the Independent Directors") are seeking the approval of NRT shareholders not associated with MSHL ("Non-associated Shareholders") in relation to the potential purchase Units up to US$4 million through the exercise of the Subscription Rights to the extent not acquired by NRT Shareholders.

1.2 Effects of the Proposed Transaction

If the Proposed Transaction is approved by the Non-associated Shareholders, NRT may exercise Subscription Rights worth up to US$4 million to the extent they are not exercised by NRT Shareholders.

NRT's interest in MSHL after the Rights Offering will vary depending on the different circumstances. We have summarised below NRT's interest in MSHL on an undiluted basis under different potential scenarios:

Assumption	From	To
The Subscription Rights are fully subscribed by NRT Shareholders and other shareholders of MSHL	58.1%	36.7%
NRT exercises its pro-rata entitlement up to US$3.8 million of Subscription Rights and the other shareholders of MSHL subscribe for their pro-rata allocation.	58.1%	55.0%[11]
NRT exercises US$4 million worth of Subscription Rights and the other shareholders of MSHL subscribe for their pro-rata allocation (including any shortfall).	58.1%	56.0%[11]
NRT is the only one to subscribe for the Subscription Rights (up to US$4 million)	58.1%	67.9%

The cash balance of NRT will reduce from A$7.7 million[12] to approximately A$3.9 million[13] if NRT subscribes for up to US$4 million of Subscription Rights.

[11] The Rights Offering is dilutive on NRT's shareholding of MSHL as the Series A Warrant holders are also entitled to the Subscription Rights.
[12] Balance excludes US$5.0 million in cash held by MSHL which was included in NRT's cash balance per the reviewed accounts of NRT as at 31 December 2011 for consolidation purposes.
[13] Based on an exchange rate of A$1.00 = US$1.053 as at 21 March 2012.

2 Purpose and scope of the report

2.1 Purpose

Chapter 10 of the ASX Listing Rules requires the approval from the non-associated shareholders of a company if the company proposes to acquire or dispose a substantial asset from a related party or a substantial holder.

ASX Listing Rule 10.2 states that an asset is substantial if its value, or the value of the consideration, is 5% or more of the equity interest of the entity as set out in the latest financial statement provided to the ASX. Based on ASX Listing Rule 10.1.3, a substantial holder is a person who has a relevant interest, or had a relevant interest at any time in the six months before the transaction, in at least 10% of the voting power of the company.

ASX Listing Rule 10.10.2 requires that the Notice of Meeting be accompanied by a report from an independent expert stating whether the transaction is fair and reasonable to the non-associated shareholders.

With respect to the Proposed Transaction, we note that the value of NRT potential investment in MSHL (US$4.0 million) exceeds 5% of NRT's last reported net assets as at 31 December 2011. Accordingly, NRT's potential acquisition of US$4.0 million worth of MSHL Shares through the Rights Offering is considered a substantial asset for the purpose of Chapter 10 of the ASX Listing Rules. NRT and MSHL are related parties as NRT holds a majority shareholding in MSHL and have common directors.

As the Proposed Transaction represents the acquisition of a substantial asset from a related party, the Proposed Transaction requires the approval of NRT Shareholders in accordance with ASX Listing Rule 10.1.

Accordingly, the Independent Directors have engaged Grant Thornton Corporate Finance to prepare an independent expert's report to state whether, in Grant Thornton Corporate Finance's opinion the Proposed Transaction is fair and reasonable to NRT Shareholders for the purpose ASX Listing Rule 10.1.

2.2 Basis of assessment

In preparing this report, Grant Thornton Corporate Finance has had regard to Regulatory Guide 111 "Content of expert reports" ("RG 111"). RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer. RG 111 does not however, provide any direct guidance on transactions under Chapter 10 of the ASX Listing Rules.

In our opinion, the most appropriate approach to evaluate the fairness of the Proposed Transaction is to compare the value of the securities being offered by MSHL with US$4 million being the consideration payable by NRT. With respect to the reasonableness of the Proposed Transaction, we

have compared the likely advantages and disadvantages associated with the Proposed Transaction. In this regard, we have considered a number of factors, including:

- The terms and conditions of Rights Offering.
- The potential impact of the Proposed Transaction on the Shareholders.
- The position of the Shareholders if the Proposed Transaction is not approved.
- The likely advantages and disadvantages associated with the Proposed Transaction.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Proposed Transaction with reference to the ASIC Regulatory Guide 112 "Independence of Expert's Reports" ("RG 112").

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Transaction other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Transaction.

In accordance with RG 112 paragraph 34, we disclose the following professional relationships with NRT in the previous two years:

- In January 2011, Grant Thornton Corporate Finance was engaged to prepare an independent expert's report in relation to the sale of NRT's isoflavonoid intellectual property portfolio to MSHL. Grant Thornton Corporate Finance received a fixed fee of A$45,000 for the preparation of this report.

2.4 Consent and other matters

Our report is to be read in conjunction with the Notice of Meeting and Explanatory Memorandum dated on or around 26 March 2012 in which this report is included, and is prepared for the exclusive purpose of assisting the Shareholders in their consideration of the Proposed Transaction. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to the inclusion of this report in the Notice of Meeting and Explanatory Memorandum

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Transaction to NRT Shareholders as a whole. We have not considered the potential impact of the Proposed Transaction on individual NRT

Shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Transaction on individual shareholders.

The decision of whether or not to approve the Proposed Transaction is a matter for each NRT Shareholder based on their own views of value of MSHL and expectations about future market conditions, MSHL's potential, risk profile and investment strategy. If NRT Shareholders are in doubt about the action they should take in relation to the Proposed Transaction, they should seek their own professional advice.

3 Profile of the biotechnology industry

3.1 Overview

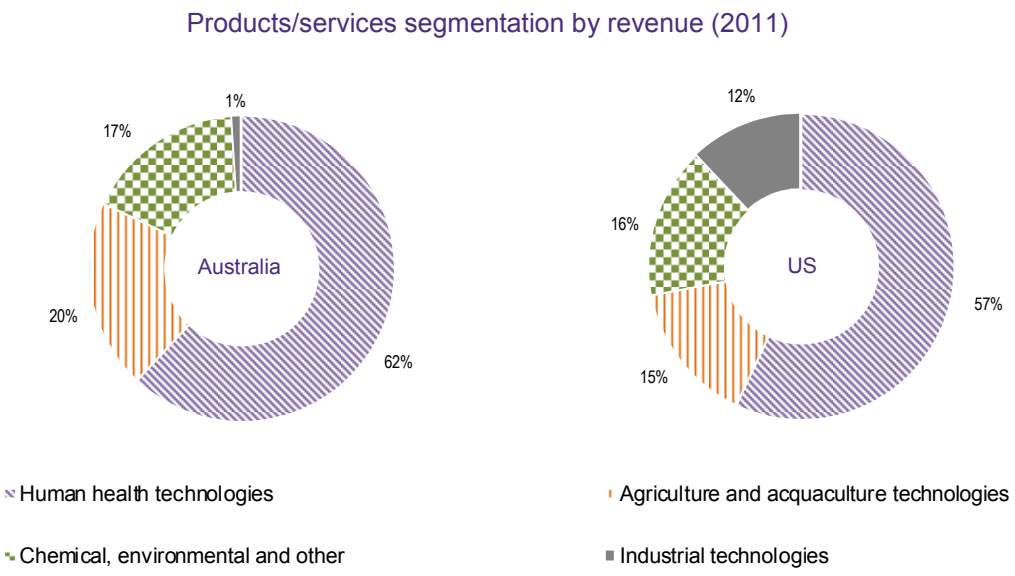
This section provides a snapshot of the biotechnology industry (the "Industry") in the United States ("US") and Australia.

The majority of participants in the Industry are small to medium sized companies which typically focus on a single research project. A large number of the companies in this Industry aim to develop unique products, but only a limited number of these are able to successfully commercialise them.

The Industry has undergone rapid growth relative to the general economy over the past five years driven by the introduction of new technologies. Products commercialised from research and development ("R&D") have experienced an increasing demand in the consumer market. However, compared with other emerging industries, the biotechnology sector has relatively high barriers to entry due to the capital investment required to conduct R&D.

3.2 Major products/services segments

The following graph summarises the major products and services segments in the Industry.



Source: IBISWorld

There are many small companies which focus on R&D and their major business activities involve licensing out technologies or developing products in conjunction with larger entities and major pharmaceutical or chemical firms with product lines in other industries.

3.3 Competition

Competition in the industry comes from pharmaceutical companies, biotechnology companies, universities and public and private research institutions. In the area of oncology (MSHL focus) the

development of therapeutic drugs is highly competitive and there are many potential alternative products focusing on the isoflavanoids'[14] targets in pre-clinical and clinical development.

Competition exists for staff, funding and the recruitment of eligible patients for clinical trials in addition to post approval marketing.

The barriers to entry into the Industry are high due to limited access to highly qualified specialists staff, expensive equipment and limited funding options. Small biotechnology companies often rely on foreign partnership to fund the set-up costs.

3.4 Key performance factors

Set out below are the key factors affecting the performance of the Industry:

- A aging profile of the population will increase the demand for life-enhancing products that are developed by this Industry.

- The proliferation of a large number of biotechnology companies will depend on investor sentiment, stock market return and real Gross Domestic Product ("GDP") growth.

- The Industry is heavily regulated and subject to ongoing political debate on the appropriate application of its technologies and direction of its research. Any change in the regulatory environment will create significant volatility in the Industry. Regulation is expected to have an increasingly significant influence on the performance of the Industry.

- The Industry sources most of its funding for R&D from the government. Accordingly, changes in the structure of government funding plays a significant role in the growth of this industry.

- It is important for biotechnology firms to target the needs of niche markets, since the competition in major biotechnological field is relatively strong.

- Employees who are highly skilled can bring higher efficiency and technological advantages to firms in the Industry.

[14] Isoflavanoids are a sub-group of the flavanoid family from which NRT has developed a number of product candidates considered to have treatment potential in the areas of cardiovascular, anti-inflammatory and oncology medicine.

3.5 Historical Performance

3.5.1 The biotechnology industry in Australia

The historical revenue performance of the Industry in Australia is set out below.

Source: IBISWorld

The biotechnology industry in Australia emerged around mid 1990s and there were about 170 biotechnology firms in Australia at that time. According to IBISWorld, the number of biotechnology firms more than doubled by 2005. A large number of biotechnology firms in Australia have been established as a spin-off from research institutes and universities.

A large number of companies underperformed in the second half of 2008 due to the Global Financial Crisis ("GFC") which had a material impact on the ability to access government and private financing.

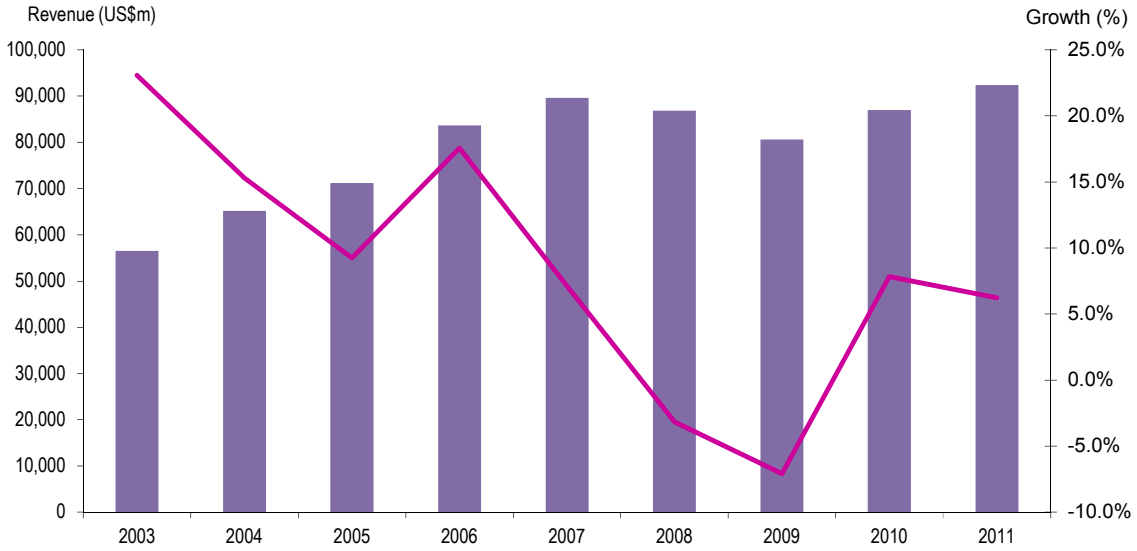
The Federal Government abolished the Commercial Ready and Commercial Ready Plus programs in the 2008 budget. The Commercial Ready program was aimed to assist small and innovative biotechnology companies in terms of funding support. The Commercial Ready Plus provided funding for universities and research institutes to convert into commercial operation.

From 2010-2011, growth for the Industry in Australia rebounded to an average rate of 10.4% per annum reflecting a return to stronger levels of investor confidence, in particular foreign investment, and favourable developments in the regulatory environment.

In 2009, the government of Australia established the Comercialisation of Australia to replace the previously abolished projects that provided support to the Industry in Australia, and introduced the Research & Development Tax Credit which became effective in July 2011.

3.5.2 The biotechnology industry in the US

The historical revenue performance of the Industry in the US is set out below.



Source: IBISWorld

Relatively easy access to capital and developments in technology from 2003 -2007 helped drive growth for the Industry in the US which experienced an average growth rate of 14.5% per annum over the period.

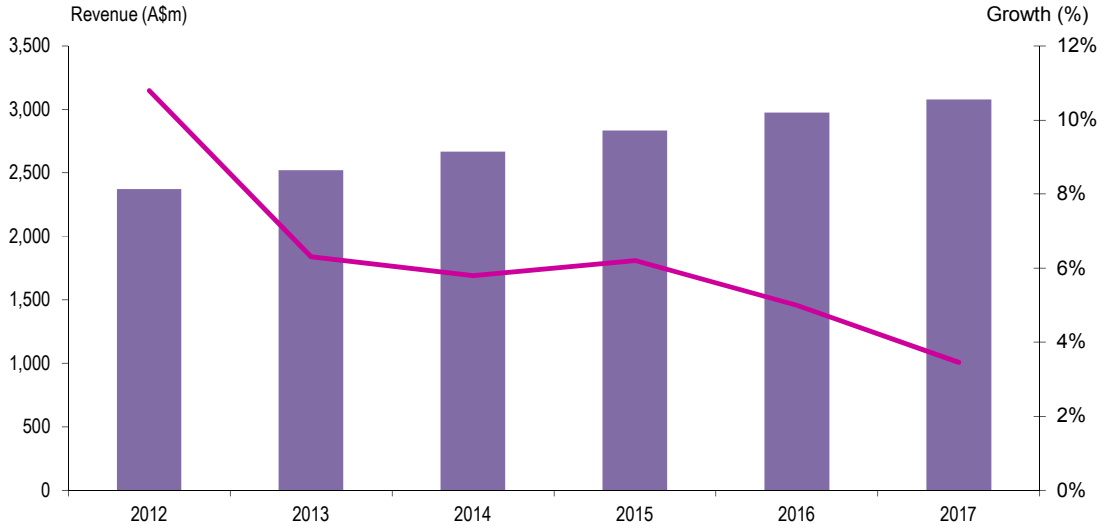
From 2008-2009, the development of the Global Financial Crisis ("GFC") resulted in a significant decrease in investor confidence and increased diversion of government funding towards economic stabilisation strategies. As a result access to government and private financing became largely restricted and as a result the Industry in the US experienced a negative average growth rate of 5.1% per annum over the period. In response, the Industry in the US took considerable steps to reduce costs and R&D expenditures.

From 2010-2011, growth for the Industry in the US rebounded to an average rate of 7.0% per annum reflecting a return to stronger levels of investor confidence and synergy created from an increasing number of mergers and acquisitions (M&A). Furthermore, a large number of biotechnology companies reached a commercialisation stage during the period, with the number of regulatory approved drugs reaching its highest level in 3 years in 2008.

3.6 Industry Outlook

3.6.1 The Industry outlook in Australia

The Industry's forecast revenue and growth rate for period 2012 - 2017 is set out below:



Source: IBISWorld

The demand for biotechnology products is expected to increase due to improving economic financial conditions. Rising incomes and private wealth, along with an ageing population will stimulate the demand for pharmaceuticals and nutritional products to improve quality of life, combat ailments associated with old age, and extend life span. Furthermore, new health technologies can help reduce demand for health services which can be attractive for some providers of health care funding.

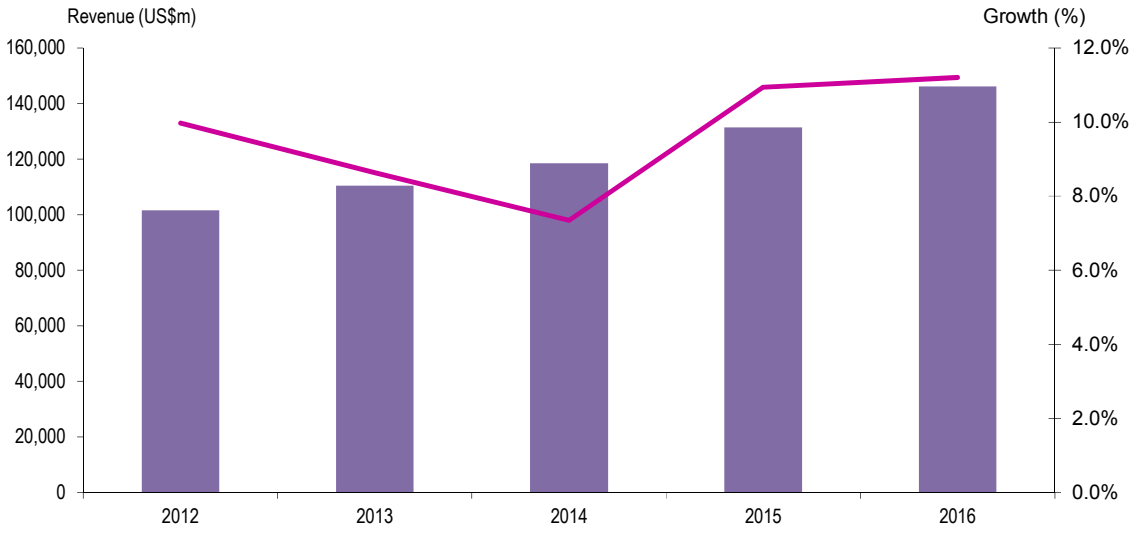
The success of a relatively small number of commercialised products will underpin the industry's revenue growth over the next five years, although a large number of small companies will have to rely on private and government funding for survival. Through the five year forecast period to 2017 and beyond, as the industry matures, a larger proportion of firms are expected to generate sales revenue and become profitable. The industry revenue is forecast to grow at an average rate of 5.3% per annum in the five years to 2017, to reach A$3.1 billion[15].

Legislation to replace the existing R&D Tax Concession was introduced into Parliament in May 2010 and the new R&D Tax Incentive was officially enacted with effect from 1 July 2011. The R&D Tax Incentive is intended to reduce the qualifications surrounding continuity of ownership and, for companies turning over less than A$20 million, to be "refundable" meaning that a company's tax liability may be reduced below zero, resulting in a payment to the company. The Tax Incentive effectively amounts to a refund of A$0.45 for every A$ spent on R&D.

[15] *Biotechnology in Australia,* IBISWorld

3.6.2 The Industry outlook in the US

The Industry's forecast revenue and growth rate for period 2012 to 2016 is set out below:



Source: IBISWorld

The Industry has a forecast growth rate of 9.6% per annum for the period 2011-2016. The relatively high forecast growth rate is expected to be supported by continued M&A activity, favourable legislative developments, an aging population and increased application of biotechnology in relation to environmental issues.

While it is expected that a large number of companies will be commencing commercialisation in the next five years, the Industry's growth will likely be driven by M&A activity which has outpaced the US Industry's growth rate over the five years to 2011 and is expected to accelerate over the next five years. M&A is expected to help broaden product lines and expansion into emerging markets where there are more opportunities for collaborative R&D.

Also, it is expected that an increasing number of large pharmaceutical manufacturers will seek to merge with or acquire a biotechnology company in response to expiring patents. This will enable biotechnology companies to gain access to superior R&D resources and collaboration opportunities.

Recently, the government of the US have introduced a number of federal aid programs and made legislative amendments which are expected to have a significant positive impact on the US Industry over the next five years. These include:

- US Health and Human Services programs which will offer a total of US$2.0 billion to help fund drug facility construction and development.

- National Institutes of Health aid research program which will offer a total of US$5.0 billion to help advance treatment research for a range of diseases.

- Amendment to the Patient Protection and Affordable Care Act which resulted in the introduction of the Therapeutic Discovery Project Credit which provides tax breaks for small biotechnology companies, and the Approval Pathway for Bio-similar Biological Products which permits biotechnology companies to maintain 12 years of market exclusivity after received regulatory approval for their products.

The US Industry is also expected to benefit from increasing environmental issues such as global warming and deteriorating economics of fossil fuel based products. Currently, the production of ethanol from corn has resulted in significant demand for biotechnology in relation to genetically modified crops. It is anticipated that biotechnology will find many more potential applications in the next five years.

3.7 Regulatory requirements

3.7.1 Australia

The development and approval of drugs in Australia is regulated by the Therapeutic Goods Administration ("TGA") under the Therapeutic Goods Act. A summary of the Australian drug approvals process is set out below:

- An application for a potential new drug is submitted to the TGA and assessed on an administrative level for further evaluation.

- Different parts of the application are then allocated to various sections of the TGA that will evaluate them:

  - Chemistry and quality control are evaluated by the Pharmaceutical Chemistry Evaluation section and the TGA Laboratories Branch.

  - Pharmacological and toxicological aspects by the Drug Toxicology Evaluation Section.

  - Clinical data assessed by the Clinical Evaluation Section.

- Chemistry and quality control aspects of a product are scrutinised by the Pharmaceutical Sub-Committee of the Australian Drug Evaluation Committee ("ADEC").

- The TGA takes into account the advice of the ADEC in reaching a decision to approve the new drug application, and any approval may have conditions attached.

Throughout the above process the TGA may request additional information from the applicant and the time taken to approval varies widely. The approval of drugs for certain serious conditions may be made based on Phase II trial data. There is no requirement for trials for every medicine to be conducted in Australia before approval, however trials must have been conducted in accordance with international good clinical practice and ethical standards and requirements regarding the minimum quality of trial data.

3.7.2 United States

The development and approval of drugs in the United States ("US") is regulated by the Food and Drug Administration ("FDA") under the Federal Food, Drug and Cosmetic Act ("FDCA"). A summary of the US drug approvals process is set out below:

- Pre-clinical laboratory in vitro and animal testing takes place to evaluate the safety and efficacy of the drug candidate.

- An Investigational New Drug ("IND") application is submitted for approval, providing details of the results of pre-clinical tests, manufacturing information and planned protocols for clinical tests.

- Institutional Review Boards ("IRBs") approval is sought for the commencement of clinical trials on human subjects.

- Clinical trials take place as follows:

  - Phase I – the drug is introduced into healthy human subjects or patients and tested for safety and maximum dosage tolerance.

  - Phase II – the drug is introduced into a limited number of individuals with the target condition to identify adverse reactions, efficacy and optimal dosage.

  - Phase III – large scale patient trials are carried out to demonstrate safety and efficacy in a larger population once initial safety and dosage testing has been completed.

- Manufacturing processes conforming to the FDA's current Good Manufacturing Practices are developed subject to inspection by the FDA.

- A New Drug Approval application ("NDA") is submitted, providing details of the results of pre-clinical and clinical testing and chemistry, manufacture and control information.

- On approval by the FDA the drug has reached commercialisation and may be shipped and sold.

The process described above typically takes several years, may cost hundreds of millions of dollars and may be suspended at any time on safety or efficacy grounds by the FDA, the IRB or the company conducting the trials.

4 Profile of Novogen

4.1 Introduction

NRT is a public company, listed on the ASX. As at the date of this report, NRT has two majority owned subsidiaries:

- 80.7% equity interest in Glycotex Inc ("Glycotex"). A description of Glycotex is set out in Section 4.3.

- 58.1% equity interest in MSHL. A profile of MSHL is set out in Section 5.

4.2 Recent Corporate history

In May 2011 the Company completed the sale of its entire isoflavonoid intellectual property portfolio (the "Isoflavanoid IP") to MSHL. Novogen received 1,000 shares of Class A Preferred Stock which is convertible into 4,827 MSHL Shares per Class A Preferred Stock for an aggregate of 4,827,000 MSHL Shares, equivalent to 39.7% of the enlarged share capital of MSHL. Additionally, should any of the acquired assets achieve a statistically significant result in Phase II clinical trials or the first patient is enrolled in a Phase III clinical trial, each share of Class A Preferred Stock not already converted will become convertible into 9,564 shares of MSHL Shares.

In August 2011, NRT disposed of its consumer products business to Pharm-a-Care Laboratories Pty Ltd for A$10.1 million. This business was considered to be non-core to the Company's future focus on drug development.

During FY11, NRT renegotiated the licence agreement in place with Archer Daniels Midlands Company ("ADM") which relates to the Company's soy patents. The result was that the Company received an upfront payment of US$2.9 million as full consideration for all unpaid amounts otherwise payable by ADM for the period to 31 May 2013. The funds were received during July 2011.

4.3 Glycotex

NRT holds an 80.7% equity interest in Glycotex, a development stage biopharmaceutical company based in the US. Glycotex is primarily focused on discovering and developing therapies intended to accelerate human wound healing and tissue repair across a wide range of human applications. NRT has licensed certain patent rights and know-how to Glycotex to use and exploit the technology in a wide range of wound healing applications.

GLYC-101[16] is being developed to stimulate and modulate the natural cascade of wound healing activities of several cell populations. The product candidate is a topical gel to be applied directly on the wound surface.

On the 27 June 2011, Glycotex, announced that it had submitted the final results of the two completed phase II clinical studies for GLYC-101 to the clincialtrials.gov database. These clinical

[16] Topical gel being developed by Glycotex to apply directly to wound surface to stimulate and modulate healing.

studies evaluated the effect of investigational GLYC-101 on wound closure in patients undergoing carbon dioxide laser skin resurfacing. Preliminary clinical activity of GLYC-101 was shown to regulate macrophage[17] function by inducing production of tumour necrosis factor alpha (TNFa)[18] in murine and human cells. Activation of wound macrophages by GLYC-101 represents one of the potential mechanisms by which this β-glucan[19] may benefit chronic wounds where inefficient inflammatory response is one of the underlying causes of impaired healing.

The strategic priorities for GLYC-101 include wound healing following laser ablation[20], burn wounds, surgical wounds, venous ulcers[21], and diabetic ulcers.

On 25 January 2012, the Company offered to purchase the shares held by the minority shareholders of Glycotex in exchange for issuing NRT Shares. We understand that NRT is currently in the process of finalising this transaction.

[17] A large scavenger cell, common in connective tissue and certain body organs, where it engulfs and destroys bacteria, and other foreign debris. Macrophages are also involved in the immune response.
[18] Cytokines (proteins, peptides or glycoproteins) involved in systemic inflammation that stimulate the class of proteins whose plasma concentrations increase or decrease in response to inflammation. Primary role of TNFa is the regulation of immune cells.
[19] A diverse group of molecules that can vary with respect to molecular mass, solubility, viscosity, and three-dimensional configuration. They occur most commonly as cellulose in plants, the bran of cereal grains, the cell wall of baker's yeast, certain fungi, mushrooms and bacteria.
[20] The process of removing material from a solid (or occasionally liquid) surface by irradiating it with a laser beam.
[21] A venous ulcer is damage and loss of skin above the ankle that is the result of a problem with the veins in the leg.

4.4 Consolidated Financial information

4.4.1 Financial performance

The following table summarises the audited consolidated income statements of NRT for FY10, FY11 and 1HY12 (representing the 6 months ending 31 December 2011):

NRT consolidated income statement	FY10 Audited A$'000	FY11 Audited A$'000	1HY12 Reviewed A$'000
Continuing			
Revenue	1,784	2,025	779
Gross profit	1,784	2,025	779
Other income	7	512	737
Research & development expenses	(7,550)	(3,902)	(2,339)
General and administrative expenses	(10,039)	(9,562)	(3,185)
Finance costs	(15)	(18)	-
Loss before income tax	**(15,813)**	**(10,945)**	**(4,008)**
Income tax expense	(1)	(1)	(1)
Loss after tax from continuing operations	**(15,814)**	**(10,946)**	**(4,009)**
Profit after tax from discontinuing operations	**568**	**1,467**	**7,323**
(Loss)/profit for the period	**(15,246)**	**(9,479)**	**3,314**
Net foreign exchange difference	(1,079)	(690)	(151)
Total comprehensive income	(16,325)	(10,169)	3,163
Total comprehensive income attributable to:			
Non-controlling interest	(3,212)	(3,388)	(1,395)
Novogen Limited	(13,113)	(6,781)	4,558
	(16,325)	(10,169)	3,163

Source: NRT

We note the following in relation to NRT's income statements:

- Revenue is primarily derived from royalty payments
- Royalty payments of approximately A$1.7 million were received in FY11 from ADM, in relation to the licensing of patents for isoflavones derived from soy; The royalty agreement was renegotiated during June 2011 which resulted in an upfront payment of US$2.9million, to be recognised over the relevant period. As a result, royalties in 1HY12 decreased to A$0.8 million compared to A$1.4 million for the same period last year.
- A decline in research and development costs was primarily due to the Company refocusing on smaller clinical studies of its next generation drug candidates, representing savings from the large Phase III OVATURE study conducted in previous years.

- General administrative expenses decreased during FY11 despite significant termination payments in relation to the restructuring of the Australian business and the increased cost of developing the MSHL management team to progress the Company's oncology drug development.

- Included in discontinuing operations is profit after tax from the NRT consumer products business, the sale of which was completed in August 2011. Revenue generated from consumer products in FY11 was A$10.8 million which is an increase of A$2.0 million from FY10. The consumer products business was considered non-core to the Company's focus on drug development.

4.4.2 Financial position

The balance sheets of NRT as at 30 June 2011 and 31 December 2011 are set out below:

NRT Consolidated balance sheet	As at 30-Jun-11 Audited	As at 31-Dec-11 Reviewed
Balance sheet	**$'000**	**$'000**
CURRENT ASSETS		
Cash and cash equivalents	6,016	12,428
Trade and other receivables	5,469	589
Assets held for sale - inventories	654	-
Other current assets	521	515
Total current assets	**12,660**	**13,532**
NON-CURRENT ASSETS		
Plant and Equipment	67	42
Total non-current assets	**67**	**42**
TOTAL ASSETS	**12,727**	**13,574**
CURRENT LIABILITIES		
Trade and other payables	6,386	4,109
Provisions	770	594
Derivitive liability	1,047	-
Total current liabilities	**8,203**	**4,703**
NON-CURRENT LIABILITIES		
Provisions	104	57
Total non-current liabilities	**104**	**57**
TOTAL LIABILITIES	**8,307**	**4,760**
NET ASSETS	**4,420**	**8,814**
EQUITY		
Contributed equity	194,295	192,191
Reserves	(3,422)	(3,484)
Accumulated losses	(186,644)	(180,899)
Capital and reserves attributable to owners of NRT	4,229	7,808
Non-controlling interest	191	1,006
TOTAL EQUITY	**4,420**	**8,814**

Source: NRT

We note the following in relation to NRT's balance sheets:

- Cash and cash equivalents increased to 31 December 2011 primarily due to proceeds received from the sale of the consumer products business.

- Trade and other receivables at 30 June 2011 included royalty prepayments of A$2.6 million received in terms of the new royalty agreement with ADM and receivables of the consumer business sold in August 2011.

- MSHL completed a private placement with institutional investors during May 2011. In addition to a common stock issue, MSHL issued series A and B warrants. The agreement provides for additional warrants to be issued should the share price trade below certain levels. A derivative liability arose at 30 June 2011, the fair value of which was calculated using a Monte Carlo simulation model. The series B warrants were determined to have a nil value as it was considered unlikely that they would be exercised.

4.5 Capital Structure

As at the date of this report, NRT has on issue:

- 102,125,894 fully paid ordinary shares (of which 48,358,400 are represented by 1,934,336 ADRs listed on the NASDAQ).

- 2,528,560 options.

4.5.1 Options

The terms of NRT's options are summarised in the table below:

Grant date	Vesting date	Expiry date	Exercise price A$	No. of shares under option
30-Mar-07	30-Mar-11	30-Mar-12	2.41	79,920
01-Mar-08	01-Mar-12	01-Mar-13	1.06	182,736
06-Mar-09	06-Mar-13	06-Mar-14	0.53	515,904
06-May-11	01-Jul-12	26-Jan-15	0.30	1,750,000
				2,528,560

Source: NRT

4.5.2 NRT share ownership

The top 20 shareholders of NRT as at 20 March 2012 on an undiluted basis are set out below:

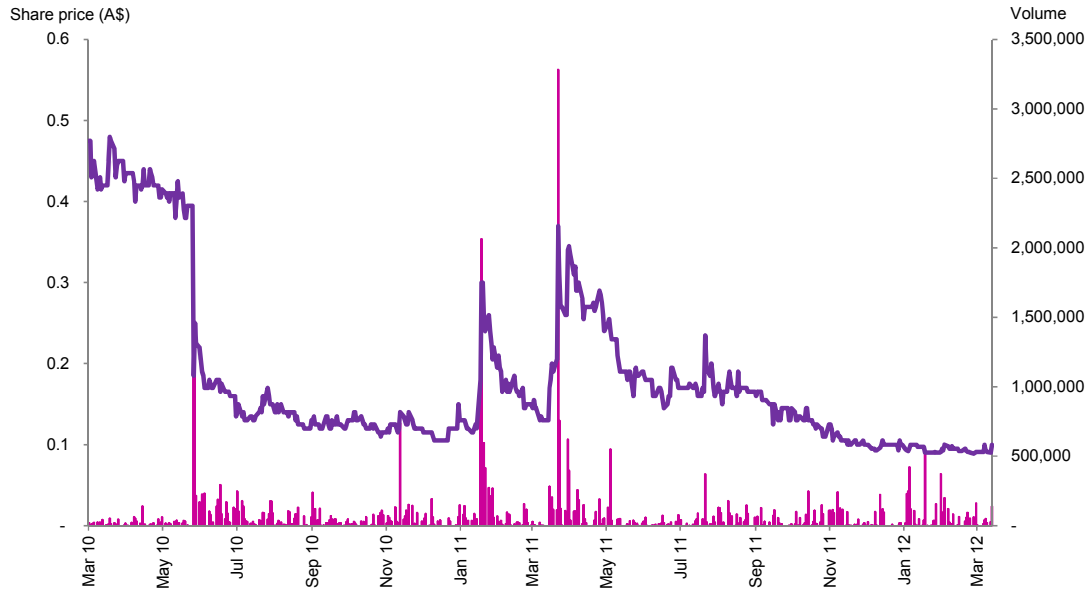
Name	Number of Ordinary shares	% Ownership
NATIONAL NOMINEES LIMITED (1)	48,157,069	47.2%
J P MORGAN NOMINEES AUSTRALIA LIMITED	9,837,400	9.6%
EL CORONADO HOLDINGS	4,531,633	4.4%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,046,928	3.0%
BENDE HOLDINGS PTY LIMITED	2,024,342	2.0%
AQUAGOLF PTY LIMITED <AQUAGOLF PTY LTD S/F A/C>	1,090,000	1.1%
PETLIND PTY LTD	908,658	0.9%
MR EVEN KNIGHT MORGAN + MRS CAROLYN MARY MORGAN <EVAN K MORGAN SUPER A/C>	835,000	0.8%
MR SUNDER RAJ ESWARA + MRS KALAVATHY SUNDER RAJ	825,876	0.8%
ANKERWYKE HOLDINGS PTY LTD	800,000	0.8%
MR AHMED BASHIR	800,000	0.8%
JONWOOD CONSTRUCTIONS PTY LTD <SUPERANNUATION FUND A/C>	560,000	0.5%
BERNE NO 132 NOMINEES PTY LTD <331898 A/C>	511,196	0.5%
COOLAWIN ROAD PTY LTD	503,300	0.5%
CATL PTY LTD <THE MINTO A/C>	490,000	0.5%
MR DUSKO VUKAS + MRS NEVENKA VUKAS <VUKAS SUPER FUND A/C>	400,300	0.4%
MR JOHN ANDERSON MAHER	400,000	0.4%
WERONA INVESTMENTS PTY LTD <JD SPENCER SETTLEMENT A/C>	362,911	0.4%
MR RODNEY COLIN WALLACE	350,000	0.3%
MR JOHN PETSAS	340,000	0.3%
	76,774,613	**75.2%**

(1) Represents the ADRs which are traded on the NASDAQ

Source: NRT

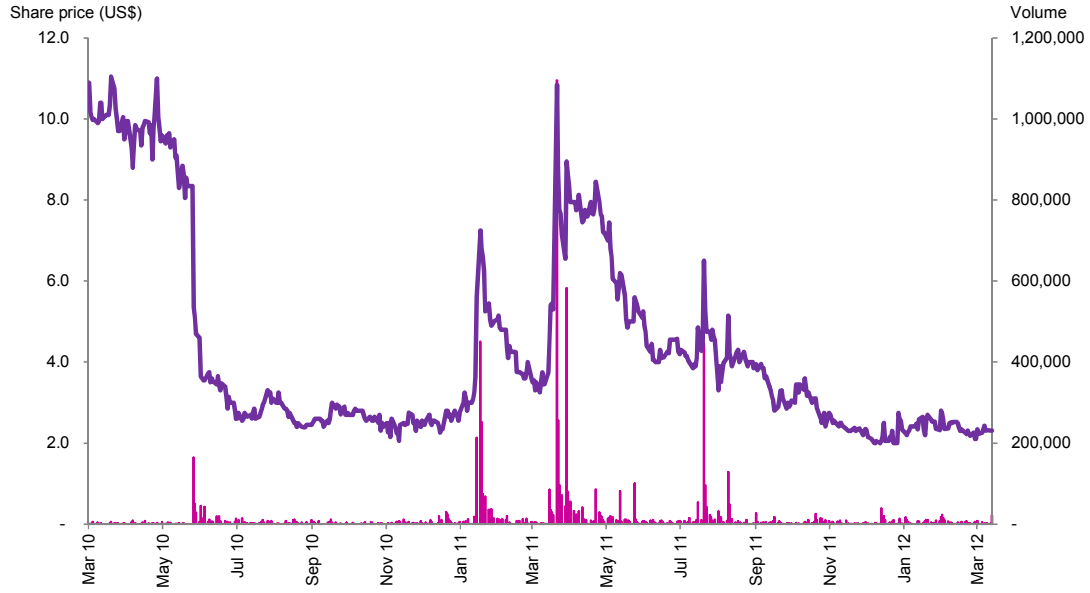
4.5.3 NRT share price

The daily movements in NRT's share price and trading volumes to 21 March 2012 are set out below:



Source: Capital IQ

The daily movements in NRT's ADR price and trading volumes to 21 March 2012 are set out below. We note that each ADR represents twenty five ordinary shares.



Source: Capital IQ

We note the following with regard to the share price history shown above:

Date	Comments
20 March 2012	MSHL announced the terms for the right offering which consists of 0.5 shares of the MSHL common stock and a warrant to purchase 0.25 shares of MSHL common stock. Share price close at A$0.10
07 March 2012	MSHL announced the submission of IND application for oncology drug candidate ME-344. Share price closed at A$0.09.
22 January 2012	MSHL announced rights offering to stockholders to purchase up to A$8.0 million of its common stock Share price closed at A$0.10.
3 January 2012	MSHL announced a new method of use patent for the lead oncology drug candidate ME-344 was granted by the US Patent and Trademark Office under US Patent No. 8,084,628. Share price closed at A$0.09.
30 December 2011	NRT announced modifications to its ADR, whereby the ADR conversion rate will change from 5 NRT shares for each ADR to 25 NRT shares for each ADR. Furthermore NRT announced an additional investment in its majority owned subsidiary, MSHL, with the purchase of 1,941,747 common shares for a total ofUS$2.0 million. Share price closed at A$0.10.
2 August 2011	NRT announced the completion of the sale of its consumer products division to Pharma-a-Care Laboratories Pty Limited for A$10.1million. Share price closed at A$0.20.
21 July 2011	NRT announced it had entered an agreement for the sale of its consumer products division. Share priced closed at A$0.17.
10 May 2011	NRT announced the closing of the asset purchase agreement with MSHL Share price closed at A$0.26.
6 April 2011	NRT announced notice for Extraordinary General Meeting (EGM) to vote on the asset sale purchase agreement. In an open letter to shareholders the Chairman of the board supports the decision to sell the isoflavone based intellectual property to MSHL. Share price closed at A$0.34.
22 March 2011	MSHL announced the publication of Phase II clinical trial results highlighting activity of intravenous phenoxodial. The study suggests a good safety profile and potential to reverse resistance to platinum based chemotherapy. Share price closed at A$0.17.
22 December 2010	NRT announced the signing of an asset sale purchase agreement whereby MSHL, a majority owned subsidiary, will acquire NRT's isoflavone based intellectual property portfolio in exchange for US$4 million in preferred stock. Share priced closed at A$0.15.

Source: ASX and Capital IQ

Set out below is the share price performance of NRT in the year to 21 March 2012:

Novogen Limited	Share Price			Average volume
	High A$	Low A$	Close A$	000'
Month ended				
Feb 2011	0.250	0.160	0.170	303
Mar 2011	0.460	0.130	0.270	1,191
Apr 2011	0.345	0.255	0.270	537
May 2011	0.295	0.160	0.180	300
Jun 2011	0.195	0.140	0.195	84
Jul 2011	0.255	0.155	0.195	198
Aug 2011	0.210	0.150	0.170	279
Sep 2011	0.165	0.115	0.145	160
Oct 2011	0.145	0.120	0.120	178
Nov 2011	0.125	0.100	0.100	332
Dec 2011	0.105	0.093	0.100	159
Jan 2012	0.105	0.090	0.090	414
Feb 2012	0.100	0.090	0.091	354
Mar 2012	0.100	0.088	0.093	211
Week ended				
2 Dec 2011	0.105	0.100	0.100	65
9 Dec 2011	0.105	0.100	0.100	61
16 Dec 2011	0.105	0.093	0.093	115
23 Dec 2011	0.105	0.096	0.100	467
30 Dec 2011	0.100	0.094	0.100	10
6 Jan 2012	0.105	0.093	0.100	44
13 Jan 2012	0.105	0.090	0.100	1,041
20 Jan 2012	0.100	0.097	0.097	170
27 Jan 2012	0.097	0.090	0.090	565
3 Feb 2012	0.095	0.090	0.090	236
10 Feb 2012	0.100	0.091	0.100	753
17 Feb 2012	0.100	0.095	0.095	243
24 Feb 2012	0.096	0.092	0.092	72
2 Mar 2012	0.095	0.090	0.090	241
9 Mar 2012	0.091	0.089	0.091	279
16 Mar 2012	0.100	0.091	0.091	128
21 Mar 2012	0.088	0.100	0.093	171

Source: Capital IQ

Set out below is the ADR price performance of NRT for the year to 21 March 2012:

Novogen Limited	Share Price			Average volume
	High US$	Low US$	Close US$	000'
Month ended				
Feb 2011	5.60	3.30	3.70	56
Mar 2011	14.85	3.15	7.65	380
Apr 2011	10.70	6.55	8.45	284
May 2011	8.90	4.70	5.60	99
Jun 2011	5.60	3.90	4.55	31
Jul 2011	8.25	3.70	4.75	180
Aug 2011	5.95	3.00	4.00	87
Sep 2011	4.74	2.51	3.10	27
Oct 2011	3.60	2.60	2.61	26
Nov 2011	2.80	2.20	2.33	23
Dec 2011	2.75	2.00	2.01	31
Jan 2012	3.00	2.10	2.53	27
Feb 2012	2.80	2.16	2.31	33
Mar 2012	2.59	2.03	2.31	24
Week ended				
2 Dec 2011	2.45	2.20	2.36	9
9 Dec 2011	2.35	2.00	2.15	12
16 Dec 2011	2.25	2.00	2.05	10
23 Dec 2011	2.70	2.00	2.06	86
30 Dec 2011	2.75	2.01	2.01	26
6 Jan 2012	3.00	2.10	2.33	19
13 Jan 2012	2.58	2.12	2.41	40
20 Jan 2012	2.59	2.34	2.59	16
27 Jan 2012	2.80	2.20	2.70	37
3 Feb 2012	2.80	2.28	2.35	22
10 Feb 2012	2.80	2.25	2.35	75
17 Feb 2012	2.68	2.25	2.52	18
24 Feb 2012	2.61	2.25	2.34	15
2 Mar 2012	2.44	2.03	2.18	20
9 Mar 2012	2.59	2.08	2.23	18
16 Mar 2012	2.47	2.23	2.32	15
21 Mar 2012	2.37	2.30	2.31	32

Source: Capital IQ

5 Profile of MSHL

5.1 Corporate overview

MSHL is a development stage oncology company incorporated in December 2000. MSHL is listed on the NASDAQ Global Market and is currently a 58.1% owned subsidiary of NRT.

The principal business of MSHL is the clinical development of novel therapeutics targeting cancer metabolism.

MSHL are currently focusing on the clinical development of their two lead isoflavone drug candidates, ME-143 (formerly NV-143) and ME-344 (formerly NV-344). These were previously licensed from NRT, however, were acquired in May 2011 together with selected other IP assets.

5.2 Clinical Product Development Programs

NADH Oxidase Inhibitors

The most advanced program of MSHL is a family of isoflavone compounds that include Phenoxodial and ME-143

Phenoxodiol

Phenoxodiol has been introduced into more than 400 patients via oral or intravenous routes and appears to be well tolerated with low toxicity. In a Phase II clinical trial of intravenously administered phenoxodiol in combination with platinum-based chemotherapy in women with recurrent ovarian cancer, a clinical response was observed in 19% of patients (3 out of 16). These results were published in the May 2011 issue of *International Journal of Gynaecological Cancer*. A Phase III clinical trial of orally administered Phenoxodial in combination with carboplatin in women with advanced ovarian cancer resistant or refractory to platinum-based drugs was halted due to slow patient enrolment.

Pharmacokinetic studies suggest that significantly higher blood plasma levels of active drug are measured when isoflavone compounds are administered intravenously versus orally. As a result of these findings the Company intends to pursue clinical development using an intravenous formulation.

Triphendiol

Triphendiol is a derivative of Phenoxodial and prodrug of ME-143. Preliminary laboratory screening studies identified Triphendiol as a candidate for drug development based on a favourable toxicity profile against normal cells and broad activity against cancer cells. Triphendiol was studied in two phase I human clinical tests in Australia and demonstrated an acceptable safety and pharmacokinetic profile.

In June 2011, MSHL announced the publication of results from pre-clinical studies of Triphendiol demonstrating its anti-proliferative activity in pancreatic cancer cells as both a monotherapy and as a chemosensitizer.

ME-143

ME-143 (formerly NV-143) is the primary active metabolite that is produced when triphendiol is introduced *in vivo*[22]. Pre-clinical studies show that ME-143 demonstrates enhanced anti-tumour activity against a broad range of tumour cell lines compared to both phenoxodiol and triphendiol.

In addition to being more active as a single agent, ME-143 is superior in its ability to synergise with existing chemotherapy methods, making ME-143 the standout drug candidate in the Isoflavanoid IP.

MSHL have completed investigational drug manufacturing and the required pre-clincal studies of ME-143 necessary to submit an Investigational New Drug (IND) application which was approved by the FDA in August 2011. In September 2011, a phase I open label, multicentre, dose escalation study of ME-143 in patients with refractory solid tumours. The final safety and pharmacokinetic data from this study is expected in the second quarter of calendar year 2012.

Mitochondrial Inhibitors

MSHL mitochondrial inhibitor program consists of a family of compounds that includes NV-128 and ME-344 (formerly NV-344). ME-344 appears to be significantly more active than NV-128 in pre-clinical studies.

NV-128

NV-128 is a novel mitochondrial inhibitor which has been shown in pre-clinical laboratory studies to disrupt mitochondrial function and induce cancer cell death by two distinct mechanisms

- Through induction of DNA fragmentation.
- Through the process of destructive autophagy, wherein a cell consumes itself.

Structurally, NV-128 is an analogue of Phenoxodial, but, in contrast, uses different molecular mechanisms to promote the death of cancer cells.

NV-128 has shown activity in pre-clinical models against a broad range of cancers, including KRAS-mutant[23], Tarceva[24]-resistant non-small cell lung cancer cell lines. Ongoing laboratory research demonstrates NV-128 is active against all chemotherapy-resistant ovarian tumor cells tested to date.

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[22] *In vivo* refers to the practice of carrying out trials in living organisms in contrast to *in vitro* (literally in glass), which refers to experiments performed in a test tube or petri dish.

[23] *KRAS mutant* is a protein that in humans is encoded by the KRAS gene. The protein product of the normal KRAS gene performs an essential function in normal tissue signalling, and the mutation of a KRAS gene is an essential step in the development of many cancers.

[24] Tarceva refers to a drug used to treat non-small cell lung cancer, pancreatic cancer and several other types of cancer.

ME-344

ME-344 is an active metabolite of NV-128. In preliminary laboratory studies, ME-344 demonstrated enhanced activity against a panel of human tumor cell lines as compared to NV-128. MSHL is currently completing drug manufacturing of ME-344 and expect to conduct the necessary pre-clinical animal toxicity studies to support submission of an IND application in the first quarter of 2012 and plan to initiate a phase I clinical trial of ME-344 shortly thereafter.

5.3 Financial information

5.3.1 Financial performance

The following table summarises the audited income statements of MSHL for FY10, FY11 and 1HY12 (representing the six months ending 31 December 2011):

MSHL Income Statement	FY10 Audited US$'000	FY11 Audited $'000	1HY12 Unaudited $'000
Fair value of derivitve liabilities in excess of proceeds	-	(508)	1,139
Adjustments to fair value of derivitive liabilities	-	49	-
Finance costs	-	-	(406)
Interest and dividend income	84	130	5
Total other income and expenses	84	(329)	738
Research and development	(4,031)	(2,115)	(2,105)
Licence fees	(1,500)	-	-
Selling, general and administrative	(2,448)	(4,336)	(1,785)
Total operating expenses	(7,979)	(6,451)	(3,890)
Loss from operations	**(7,895)**	**(6,780)**	**(3,152)**
Income Tax Expense	(1)	(1)	(1)
Net Loss arising during development stage	**(7,896)**	**(6,781)**	**(3,153)**

Source: MSHL 10K and 10Q

We note the following in relation to MSHL's income statements:

- MSHL issued derivative liabilities during FY11, however during 1HY12 obligations related to these liabilities were contractually completed resulting in the elimination of the derivate liability and a corresponding net decrease in their fair value of US$1.1 million.

- Finance costs were incurred on the Series A and series B warrants issued during the six months ending 31 December 2011.

- Research and development costs decreased in FY11 due primarily to lower spending for contract services related to the OVATURE phase III trial as well the termination of the service agreement with NRT, which was terminated effective 31 December 2010.

- Selling, general and administrative expenses increased in FY11 due primarily to the transfer of business operations from Australia to the United States, which included the hiring of US based management and staff.

- As a result of the termination of the service agreement with NRT, there were no license fees due in FY11 or 1HY12.

5.3.2 Financial position

The balance sheets of MSHL as at 30 June 2010, 30 June 2011 and 31 December 2011 are set out below:

MSHL Balance Sheet	As at 30-Jun-10 Audited US$'000	As at 30-Jun-11 Audited US$'000	As at 31-Dec-11 Unaudited US$'000
Current assets			
Cash and cash equivalents	9,031	3,858	4,991
Prepaid expenses and other current assets	102	272	200
	9,133	**4,130**	**5,191**
Non current assets			
Property Plant and Equipment	3	38	31
	3	**38**	**31**
Total assets	**9,136**	**4,168**	**5,222**
Current liabilities			
Trade and other payables	529	328	381
Accrued expenses	925	921	915
Amount due to related company	301	-	-
Derivitive liability	-	1,125	-
Total liabilities	**1,755**	**2,374**	**1,296**
Net assets	**7,381**	**1,794**	**3,926**
Equity			
Additional paid-in capital	78,188	79,382	84,667
Accumulated Earnings/(Deficit Accumulated)	(70,807)	(77,588)	(80,741)
Total Shareholders Equity	**7,381**	**1,794**	**3,926**

Source: MSHL

We note the following in relation to MSHL's balance sheets:

- Cash and cash equivalents decreased in FY11 due to increased general and administration expenditure relating to transfer of operations to the United States as well as ongoing research and development expenditure. A private placement with NRT increased cash and cash equivalents during 1HY12.

- MSHL completed a private placement with institutional investors during May 2011. Pursuant to this agreement MSHL issued to the purchasers the following:

  - 835,217 shares of common stock at US$1.33 per share.

- Series A warrants which represent the right to purchase up to 626,413 shares of common stock.

- Series B warrants which represent the right to purchase up to 2,165,534 shares of common stock.

- In addition MSHL agreed to issue certain adjustment shares to the extent the applicable price of the common stock was below US$1.33 per share, but greater than or equal to US$0.75 per share, for a one year period following the completion of the private placement. The number of adjustment shares was limited to 649,242.

As stated earlier, obligations related to these liabilities were contractually completed during the six months ending 31 December 2011.

- MSHL completed a private placement of 1,333,333 shares of common stock at a purchase price of US$1.50 per share to NRT on 29 September 2011.

- MSHL completed a private placement of 1,941,747 shares of common stock at a purchase price of US$1.03 per share to NRT on 29 December 2011.

5.4 Capital Structure

As at 31 December 2011, MSHL has the following stockholders equity:

- Common stock of 14,668,744 shares.

- Convertible Preferred stock, Series A 1,000 share issued to NRT and outstanding.

  - Each Series A Convertible Preferred Stock is convertible into 4,827 shares of Common Stock. In the event of a Phase II clinical trial involving any of the isoflaone technology acquired by MSHL has achieve a statically significant result (P=0.05 or less) or a first patient is enrolled in Phase III clinical trial involving he such technology, whichever is first, each share of Series A Convertible Preference Stock not already converted may be converted in 9,654 shares of Common Stock.

- Warrants

  - 248,003 outstanding warrants to purchase 248,003 MSHL Shares at exercise prices ranging from US$21.70 to US$36.00 which expire at various date in 2012 and 2013.

  - Series A warrants to purchase 2,460,617 MSHL Shares at an exercise price of US$1.00 per share, which expire in November 2016.

- Options

  - 862,560 outstanding options, of which 163,293 were vested, at exercise price ranging from US$0.77 per share to US$6.30 per share.

5.4.1 MSHL share price

The daily movements in MSHL's share price and trading volumes to 21 March 2012 are set out below:

Source: CapitalIQ

We note the following with regard to the share price history shown above:

Date	Comments
19 March 2012	MSHL announced the terms of the rights offering. Under the terms of the rights offering each subscription right will entitle the holder to purchase one Unit, which consists of 0.5 shares of the Company's common stock and a warrant to purchase 0.25 shares of the Company's common stock. Share price closed at US$0.69.
6 March 2012	MSHL announced the submission of an IND application for oncolody drug candidate ME-344. Share price close at US$0.93
23 January 2012	NRT received NASDAQ notice that MSHL has regained compliance with the Nasdaq listing rules. Share price closed at US$1.04.
22 January 2012	MSHL announced rights offering to stockholders to purchase up to A$8.0 million of its common stock Share price closed at US$1.04.
3 January 2012	MSHL announced a new method of use patent for the lead oncology drug candidate ME-344 was granted by the US Patent and Trademark Office under US Patent No. 8,084,628. Share price closed at US$1.10.
30 December 2011	NRT announced modifications to its ADR, whereby the ADR conversion rate will change from 5 NRT shares for each ADR to 25 NRT shares for each ADR. Furthermore NRT announced an additional investment in its majority owned subsidiary, MSHL, with the purchase of 1,941,747 common shares for a total ofUS$2.0 million. Share price closed at US$1.04.
27 October 2011	MSHL announced an exclusive license agreement with Ausio Pharmaceuticals, whereby Ausio Pharmaceuticals has the worldwide rights under certain MSHL patents to develop, manufacture and sell products utilising the isoflavone metabolite known as equol for non-oncology applications. Share price closed at US$1.28.

Date	Comments
19 September 2011	MSHL announce first patient dosed in phase I clinical trial of lead oncology drug candidate ME-143. Share priced closed at US$1.42.
8 September 2011	MSHL announced initiation of phase I clinical trial of lead oncology drug candidate ME-143, Share price closed at US$1.60.
17 August 2011	MSHL announced its investigational new drug application for ME-143 (formerly NV-143), the company's lead NADH oxidase inhibitor, was approved by the US Food and Drug Administration (FDA). Share price closed at US$1.60.
27 July 2011	MSHL announced publication of pre-clinical study showing activity in chemotherapy-resistant ovarian cancer stem cells from its NV-128 drug. The study showed NV-128 targeted mitochondria and was successful in inducing cell death in an otherwise chemo-resistant cell population. Share priced closed at US$2.75.
25 July 2011	NRT received NASDAQ notice that the last 30 consecutive business days the bid price of the Company's common stock closed below the minimum US$1.00 per share requirement for continued inclusion on the NASDAQ. Share price closed at US$1.12.
10 May 2011	NRT announced the closing of the asset purchase agreement with MSHL Share price closed at US$1.30.
2 May 2011	MSHL announced a private placement of common stock and warrants for gross proceeds of up to US$4million, before deducting fees and expenses of the offering. A total of 835,217 share of common stock at US1.33 would raise US$1.1 million with the balance consisting of one year series B warrants at an initial price of US$1.33 per share. Share price closed at US$1.48.
22 March 2011	MSHL announced the publication of Phase II clinical trial results highlighting activity of intravenous phenoxodial. The study suggests a good safety profile and potential to reverse resistance to platinum based chemotherapy. Share price closed at US$1.85.
22 December 2010	NRT announced the signing of an asset sale purchase agreement whereby MSHL, a majority owned subsidiary, will acquire NRT's isoflavone based intellectual property portfolio in exchange for US$4 million in preferred stock. Share priced closed at US$0.85.

Source: ASX and Reuters

Set out below is the share performance of MSHL to 21 March 2012:

Marshall Edwards Inc.	Share Price			Average volume
	High $	Low $	Close $	000'
Month ended				
Feb 2011	3.250	1.670	1.740	149
Mar 2011	2.370	1.390	1.580	668
Apr 2011	1.990	1.400	1.610	225
May 2011	1.580	1.180	1.340	203
Jun 2011	1.490	0.920	1.020	105
Jul 2011	3.280	0.981	2.170	3,105
Aug 2011	2.560	1.250	1.470	1,996
Sep 2011	1.980	1.290	1.480	434
Oct 2011	1.750	1.250	1.330	208
Nov 2011	1.450	0.950	1.066	120
Dec 2011	1.740	1.010	1.040	344
Jan 2012	1.279	0.920	1.030	307
Feb 2012	1.210	0.860	0.860	329
Mar 2012	1.130	0.660	0.740	764
Week ended				
2 Dec 2011	1.220	0.950	1.047	134
9 Dec 2011	1.220	1.010	1.110	69
16 Dec 2011	1.219	1.050	1.150	41
23 Dec 2011	1.740	1.040	1.130	1,171
30 Dec 2011	1.165	1.010	1.040	216
6 Jan 2012	1.156	1.060	1.090	41
13 Jan 2012	1.120	0.920	1.030	310
20 Jan 2012	1.090	0.960	1.010	184
27 Jan 2012	1.279	1.000	1.150	624
3 Feb 2012	1.200	1.020	1.050	352
10 Feb 2012	1.210	0.981	0.981	794
17 Feb 2012	1.000	0.870	0.920	282
24 Feb 2012	0.940	0.865	0.910	117
2 Mar 2012	0.930	0.850	0.850	80
9 Mar 2012	1.130	0.810	0.855	1,518
16 Mar 2012	0.885	0.663	0.680	530
21 Mar 2012	0.780	0.660	0.740	193

Source: CapitalIQ

6 Valuation methodologies

6.1 Introduction

Our fairness assessment involves comparing the value of the securities issued under the Rights Offering to the value of the consideration offered by NRT.

Grant Thornton Corporate Finance has assessed the value of the securities issued under the Rights Offering using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

6.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets.
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Amount available for distribution to security holders on an orderly realisation of assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

6.3 Selected valuation methods

6.3.1 Value of MSHL Shares acquired under the Rights Offering

In the selection of appropriate valuation methodologies to assess the market value of MSHL, we have considered the following:

- The DCF or other income approaches cannot be adopted due to the early stage of development of the MSHL's compounds. There is no certainty whether or not the clinical trials will be successful and accordingly, MSHL has not prepared long term financial forecast.

- An asset based approach is not relevant for the purpose of assessing the market value of MSHL. The majority of the value of MSHL is represented by intangible assets which are not recognised on the balance sheet.

- Market approach – We have considered listed comparable companies and comparable transactions which could provide evidence or an indication of the market value of MSHL. However, due to the lack of revenue and profitability typical of biotechnology companies and the specific circumstances, potential applications and stage of developments of the compounds of the different companies, we believe the market approach cannot be applied.

Accordingly, in our valuation assessment of MSHL, we have relied upon an analysis of the recent trading prices of MSHL Shares before and after the announcement of the Rights Offering on 22 February 2012 and the terms of the Rights Offering on 20 March 2012.

In our opinion recent trading in MSHL shares provides a reasonable estimate of the fair market value of the securities to be received by NRT.

As a cross check to the recent trading prices of MSHL, we have referred to recent capital raisings undertaken by MSHL.

6.3.2 Value of Rights Offering Warrants

There are a number of methodologies available to value options over shares in a company. The two most commonly used methodologies are the Black-Scholes Option Valuation Model ("Black-Scholes Model") and the Cox-Ross-Rubenstein Binomial Model ("Binomial Model"). These models value options using a statistical analysis of the behaviour of the value of the asset (shares) over which options are held, at various points in time.

The main difference between the Black-Scholes and the Binomial Models is that the Black-Scholes Model does not take into account the ability of the option holder to exercise their options prior to expiry while Binomial Model does. Furthermore, the Black-Scholes Model does not allow for dividends payment over the life of the options. Accordingly, in our opinion the Binomial Model is more appropriate for the purpose of the valuation, and has therefore been used to value the Warrants acquired under the Rights Offering.

The value of an option is then calculated as an output of the following fundamental determinants of option value:

- The market value of the underlying asset (share).
- The exercise price of the option.
- The time to expiry of the option.
- The prevailing level of the risk free interest rate.
- The expected volatility of the value of the underlying asset (share) over the period until the expiry of the option.
- The level of dividends expected to be paid on the asset (share) in the period until the expiry of the option and their timing.

7 Valuation of MSHL

7.1 Market price of MSHL Shares

In accordance with the requirements of RG111, we have considered the listed securities' depth, liquidity, and whether or not the trading price is likely to represent the market value of MSHL.

The following table summarises the monthly trading volume of MSHL Shares since February 2011:

Month end		Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of free float shares	Volume traded as % of outstanding shares
Feb 2011		595	2.418	1,439	26.9%	8.1%
Mar 2011		3,072	1.863	5,723	138.6%	41.8%
Apr 2011		946	1.597	1,511	42.4%	12.8%
May 2011		893	1.340	1,196	40.0%	12.1%
Jun 2011		460	1.118	514	19.0%	5.7%
Jul 2011		13,039	2.401	31,303	486.7%	146.8%
Aug 2011		9,183	1.951	17,918	342.8%	103.4%
Sep 2011		1,909	1.585	3,025	68.4%	20.6%
Oct 2011		873	1.399	1,222	28.5%	8.6%
Nov 2011		527	1.220	643	14.8%	4.5%
Dec 2011		1,516	1.283	1,944	42.5%	12.8%
Jan 2012		1,350	1.071	1,445	37.9%	11.4%
Feb 2012		1,382	1.033	1,428	38.8%	11.7%
Mar 2012	(until 21 Mar 2012)	2,291	0.900	2,061	51.8%	15.6%

Source: Capital IQ

Based on the above table, we note the following:

- Level of trading has been volatile but sustained.
- The monthly volume traded as a percentage of total outstanding shares ranged between 4.5% and 146.8% with an average of 29.7%.
- The monthly volume traded as a percentage of the free float ranged between 14.8% and 486.7% with an average of 98.5%.
- MSHL Shares have been volatile in past few months with the minimum and maximum monthly VWAP price varying between US$0.900 cents and US$1.283 between November 2011 and March 2012.
- Over the last 6 months before the announcement of the Rights Offering, more than 3 times the total common stock on issue has been traded.
- MSHL complies with the full disclosure regime required by the NASDAQ. As a result, the market is fully informed about the performance of MSHL.
- In the absence of a takeover or other share offers, the trading share price represents the value in which minority shareholders could realise if they wanted to exit their investment.

Based on the above analysis, we have concluded that the liquidity of the shares of MSHL on the NASDAQ is sufficient for the purpose of assessing the market value.

Our assessment of the MSHL's equity value using the quoted listed price is set out below.

The quoted price of listed securities method is based on the Efficient Market Hypothesis ("EMH") which states that the share price at any point in time reflects all publicly available information and will change "almost" instantaneously when new information becomes publicly available.

Set out below is a summary of the recent share market prices of MSHL based on the following:

- Before the announcement of Rights Offering on 21 February 2012.
- Before the announcement of the terms of the Rights Offering on 19 March 2012.
- Between 21 February 2012 and 19 March 2012.
- After the announcement of the terms of the Rights Offering on 19 March 2012.

VWAP	Low (US$)	High (US$)	VWAP (US$)
Prior to 21 Feb 2012			
5 day	0.870	0.977	0.905
10 day	0.870	1.210	1.038
1 month	0.870	1.279	1.073
2 month	0.870	1.279	1.065
3 month	0.870	1.740	1.141
From 21 Feb 2012 to 21 Mar 2012	0.660	1.130	0.900
Prior to 19 Mar 2012			
5 day	0.663	0.885	0.748
10 day	0.663	1.130	0.919
1 month	0.663	1.130	0.916
2 month	0.663	1.279	0.991
3 month	0.663	1.740	1.062
After 19 Mar 2012			
19 Mar 2012	0.660	0.700	0.680
20 Mar 2012	0.662	0.690	0.720
21 Mar 2012	0.731	0.780	0.750

Source: CapitalIQ and calculations

Based on the above table, we note the following:

- The value per share before the announcement of the Rights Offering ranged between US$0.90 and US$1.10 per share.
- Post announcement of the Rights Offering but before the disclosure of its terms on 20 March 2012, the VWAP was US$0.90. In our opinion, the substantial decrease in the share price may have been due to uncertainty in relation to the terms of the Rights Offering and in particular the magnitude of the potential discount compared with the trading prices.

- The share price of MSHL reached a floor of US$0.66 on 19 March 2012 before the announcement of the terms of the Rights Offering but recovered and closed at US$0.74 on 21 March 2012.

Based on the above analysis, we have assessed the market value of MSHL Shares between US$0.75 and US$0.90 per share.

7.2 Cross check

As a cross check to recent trading prices of MSHL Shares we have referred to the following recent private placements of MSHL Shares:

- On 29 December 2011, MSHL issued to NRT 1,941,747 shares of common stock at a purchase price of US$1.03 per share.

- On 29 September 2011, MSHL issued to NRT 1,333,333 shares of common stock at a purchase price of US$1.50 per share.

- On 18 May 2011, MSHL issued 835,217 to certain institutional investors shares of common stock at a purchase price of US$1.33 per share.

We note that the 2 recent transactions were completed with NRT and hence can be classified as related party transactions. The capital raising in May 2011 was completed between MSHL and other institutional investors.

In relation to the above transactions, we note the following:

- They reflect the value of MSHL on a minority basis and do not incorporate premium for controls.

- In the period between September 2011 and March 2012, the following milestones have been achieved by MSHL:

  - 8 September 2011, MSHL announced the initiation of Phase 1 Clinical trial of lead oncology drug candidate ME-143.

  - 19 September 2011, MSHL announced that the first patient was dosed in the company's Phase 1 clinical trial of ME-143.

  - 20 December 2011, MSHL announced that it had received a US Patent covering a number of its compounds, including the oncology drug candidates ME-143 and ME-244 and their pharmaceutical compositions.

  - 3 January 2012, MSHL issued new method of use patent for lead oncology drug candidate ME-344.

  - 3 March 2012, MSHL submits IND application for oncology drug candidate ME-344.

- In the period between September 2011 and March 2012, the NASDAQ Composite Index has increased between 2,546 points to 3,074 points (or increase of 21%).

- In the period between September 2011 and March 2012, the NASDAQ Biotechnology Company Index has increased between 985 points to 1,253 points (or an increase of 27%).

The announcements released between September 2011 and March 2012 indicate that MSHL has made progress in its clinical and research programs, however these programs are only in their infancy. The key milestones to be achieved in the near term by MSHL which may be significant price catalysts are:

- The release of safety and pharmacokinetics data from the Phase I study of ME-143 in advanced cancers and data presentation expected to occur in June 2012.

- The initiation of Phase I study of ME-344 expected to occur in 2Q12.

- The initiation of two randomised Phase II studies of ME-143 in advanced malignancies expected in 2H12.

- The initiation of two randomised Phase II studies of ME-344 in patients with solid refractory tumors expected in 4Q12.

Given that many of the price catalyst events for MSHL are expected to occur in the next 12 months and the financial market performance over the last six months has been positive, the recent transactions provide, in our opinion, further support that the low end of our pricing range in not unreasonable.

8 Valuation of the Warrants

As set out in Section 6, we have relied on the Binomial Option Pricing Model to assess the value of the Warrants acquired under the Rights Offering.

8.1 Market value of the underlying asset – MSHL Shares

The underlying assets of the Warrant are MSHL Shares. For the purpose of this report, we have adopted the closing price of MSHL Shares of US$0.75 and US$0.90 as set out in Section 7.1.

8.2 Exercise Price

As per the terms of the Warrants acquired under the Rights Offering, we have adopted the exercise price of US$1.19 per share.

8.3 Option life

The warrants will be exercisable for a five year period beginning on the closing dates of the rights offering. Accordingly we have adopted a five year option life.

8.4 Volatility

Option pricing models require estimation of the future volatility of the value of the underlying assets (in this case MSHL Shares).

The volatility is a measure of the level of fluctuation in the value of the underlying asset. The volatility is measured as the standard deviation of the underlying asset's returns. The more volatile the underlying asset's returns, the higher the value of the option. This is because the more volatile the underlying asset's returns, the greater the probability there is of the option being in the money or having positive value on expiry.

In order to estimate the future volatility of a share, its historical volatility is often used as an appropriate surrogate measure of the future volatility over the term of the option. This surrogate is necessary as it is not possible to measure future volatility. However, volatility measured on an historical basis will not necessarily reflect future volatility and different investors may have different expectations about future volatility.

We have observed the share price of MSHL over a five year period as at the date of this report and based on our observations we have adopted a volatility in the range of 130% to 150%.

8.5 Dividend

Having regard to the historical financial performance and the early stage of MSHL research and development, we have assumed that no dividend will be paid by MSHL in the near future.

8.6 Risk free rate

For the purpose of assessing the risk free rate, we have selected the yield of the United States 5-year Government bonds at the time of this Report. The risk free rates adopted for our valuation is 1.1%

8.7 Summary of the valuation of the Rights Offering Warrants

Based on the assumptions above, the value of the Rights Offering Warrants is set out in the table below:

Warrant valuation	Low	High
Spot price (US$)	0.750	0.900
Exercise price (US$)	1.190	1.190
Term (years)	5	5
Volatility %	130%	150%
Risk free rate %	1.1%	1.1%
Warrant value (US$)	**0.617**	**0.806**

Source: Calculations

9 Summary of the value of the securities acquired under the Rights Offering

Under the terms of the Rights Offering, each Unit consists of 0.5 MSHL Shares and a warrant to purchase 0.25 MSHL Shares. If NRT invests US$4.0 million into the Rights Offering, it would receive 8,988,764 Units to acquire:

- 4,494,382 MSHL Shares.
- 2,247,191 Rights Offering Warrants.

The total value of the securities to be acquired under the Rights Offering adopting our assessment of MSHL Shares and warrants is set out in the table below:

Value of the securities acquired under the Rights Offering	**Low**	**High**
	US$	**US$**
Number of shares of MSHL common stock	4,494,382	4,494,382
Assessed value per share	0.750	0.900
Total value of MSHL common stock acquired	**3,370,787**	**4,044,944**
Number of warrants	2,247,191	2,247,191
Assess value per warrant	0.617	0.806
Total value of the MSHL warrants acquired	**1,385,618**	**1,811,236**
Assessed value of the securities issued under the Rights Offering	**4,756,404**	**5,856,180**

Source: Calculations

10 Sources of information, disclaimer and consents

10.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Annual reports of NRT for FY10, FY10 and HY12.
- Form S-1 Registration Statement issued by MSHL on the 21 Feb 2012.
- Releases and announcements by NRT on the ASX.
- Releases and announcements by MSHL on the NASDAQ.
- NRT website.
- MSHL website.
- S&P CapitalIQ.
- IBISWorld.
- Various broker's reports.
- Other publicly available information.

10.2 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to NRT and all other parties involved in the Proposed Transaction with reference to the ASIC Regulatory Guide 112 "Independence of expert" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to NRT, its shareholders and all other parties involved in the Proposed Transaction.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with NRT or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

10.3 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by NRT and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by NRT through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of NRT.

This report has been prepared to assist the Independent Directors of NRT in advising the NRT Shareholders in relation to the Proposed Transaction. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Transaction is fair and reasonable to the NRT Shareholders.

NRT has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by NRT, which NRT knew or should have known to be false and/or reliance on information, which was material information NRT had in its possession and which NRT knew or should have known to be material and which NRT did not provide to Grant Thornton Corporate Finance. NRT will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

10.4 Consents

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to the inclusion of this report in the Notice of Meeting and Explanatory Memorandum to be sent to NRT Shareholders.

Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Glossary

A$ or AUD	Australian dollar
ADEC	Australian Drug Evaluation Committee
ADM	Archer Daniels Midland Company
ADR	American Depositary Receipt
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Binomial Model	Cox-Ross-Rubenstein Binomial Model
Black-Scholes Model	Black-Scholes Option Valuation Model
CAGR	Compound annual growth rate
Company	Novogen Limited
Consideration Paid	NRT's commitment to acquire up to a maximum of US$4.0 million in the common stock of MSHL
Corporations Act	Corporations Act, 2001 (cth)
DCF	Discounted cash flow
EBITDA	Earnings before interest, tax depreciation and amortisation
EMH	Efficient Market Hypothesis
FDA	Food and Drug Administration
FDCA	Federal Food Drug and Cosmetic Act
FSG	Financial Services Guide
FY/HY	Financial year/Half financial year
Glycotex	Glycotex Inc
Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
IND	Investigational new drug
Independent Directors	the Directors of NRT except for William D Rueckert
IRB	Institutional review board
Isoflavanoid IP	NRT's isoflavanoids intellectual property portfolio
MSHL	Marshall Edwards Inc
MSHL Shares	Common stock in MSHL
NASDAQ	National Association of Securities Dealers Automated Quotation system
NDA	New Drug Approval
Non-associated Shareholders	NRT Shareholders not associated with MSHL
NRT	Novogen Limited
NRT Shareholders	Shareholders of NRT
Proposed Transaction	NRT to acquire up to a maximum of US$4.0 million in the common stock of MSHL through the exercise of any subscription rights that are unexercised by NRT Shareholders
RG 111	ASIC Regulatory Statement 111 "Content of expert reports"
RG 112	ASIC Regulatory Statement 112 "Independence of experts"
RG74	ASIC Regulatory Statement 74 "Acquisitions agreed to by shareholders"
Rights Offering	Rights offering to existing MSHL shareholders to subscribe for up to US$7.6 million in MSHL Shares
SEC	US Securities and Exchange Commission
Subscription Right Warrant	Each subscription right consists of a warrant to purchase 0.25 share of MSHL common stock
Subscription Rights	MSHL will issue one subscription right for each share of MSHL common stock owned at the record date 30 March 2012
TGA	Therapeutic Goods Administration
The Industry	Biotechnology Industry
Unit	One subscription right
US	United States
US$ or USD	US Dollar
VWAP	Volume Weighted Average Price