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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): August 1, 2007

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**Marshall Edwards, Inc.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or  
organization)

**000-50484**  
(Commission File Number)

**51-0407811**  
(I.R.S. Employer Identification No.)

**140 Wicks Road, North Ryde, NSW, 2113 Australia**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (011) 61 2 8877-6196**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01. Entry into a Material Definitive Agreement.**

Marshall Edwards, Inc. (["Marshall Edwards"]) entered into a Securities Subscription Agreement with certain accredited investors dated as of August 1, 2007, for an approximately \$16.4 million private placement consisting of 5,464,001 shares of common stock at a purchase price of \$3.00 per share. The investors in the transaction also received a warrant to purchase an additional 4 shares of common stock for every block of 10 shares of common stock purchased. Marshall Edwards also issued 62,091 warrants to Blue Trading, LLC, which acted as the placement agent in the private placement, as part of the placement fee. All of the warrants are exercisable beginning February 6, 2008 and ending on August 6, 2012. The exercise price of the warrants is \$3.60. Marshall Edwards has entered into a registration rights agreement with the investors party to the Securities Subscription Agreement and thereby agreed to register the common stock and the common stock issuable upon exercise of the warrants sold pursuant to the Securities Subscription Agreement for resale thereunder. In addition, Marshall Edwards has issued a notice of termination effectuating the immediate termination upon consummation of the private placement of the Standby Equity Distribution Agreement, dated as of July 11, 2006, by and between Marshall Edwards and Cornell Capital Partners, LP, as amended.

The securities offered and sold in the private placement have not been registered under the Securities Act of 1933, as amended (the ["Securities Act"]), and were sold in reliance upon the exemption from securities registration afforded by Section 4(2) under the Securities Act and Regulation D thereunder. Each of the investors represented to Marshall Edwards that it is an ["accredited investor"] as defined in Rule 501 of Regulation D under the Securities Act.

Marshall Edwards issued a press release announcing this transaction on August 6, 2007. A copy of the press release is attached hereto as Exhibit 99.1.

The foregoing description of the Securities Subscription Agreement, the Registration Rights Agreement, the Form of Warrant Agreement between Marshall Edwards and Computershare Trust Company, N.A. and the Form of Warrant does not purport to be complete and is qualified in its entirety by reference to the full text of those agreements filed as Exhibits 10.1, 10.2, 10.3 and 10.4 hereto, respectively, and each such exhibit is incorporated herein by reference.

*This description does not constitute an offer to sell or the solicitation of an offer to buy any securities. The common stock and warrants sold in the offering have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements under the Securities Act or applicable state securities laws.*

**Item 3.02 Unregistered Sale of Equity Securities**

The disclosures set forth under Item 1.01 of this Current Report on Form 8-K are incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits**

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Securities Subscription Agreement, dated as of August 1, 2007, among Marshall Edwards, Inc. and the investors listed on Schedule 2.1 thereto

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<u>Exhibit No.</u>	<u>Description</u>
10.2	Registration Rights Agreement, dated as of August 6, 2007, among Marshall Edwards, Inc. and the purchasers signatory thereto
10.3	Warrant Agreement, dated as of August 1, 2007, among Marshall Edwards, Inc., Computershare Inc. and Computershare Trust Company, N.A.
10.4	Form of Warrant
99.1	Press Release issued by Marshall Edwards, Inc., dated as of August 6, 2007

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MARSHALL EDWARDS, INC.

By: /s/ David R. Seaton  
David R. Seaton  
Chief Financial Officer  
(Duly Authorized Officer and Principal  
Financial Officer)

Dated: August 6, 2007

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Index to Exhibits

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SECURITIES SUBSCRIPTION AGREEMENT

This Securities Subscription Agreement (this [Agreement]) is dated as of August 1, 2007, among Marshall Edwards, Inc., a Delaware corporation (the [Company]) and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a [Purchaser] and, collectively, the [Purchasers]).

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(2) of the Securities Act of 1933, as amended and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to subscribe to and purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings indicated in this Section 1.1:

- [Action] shall have the meaning ascribed to such term in Section 3.1(j).
[Affiliate] means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 144 under the Securities Act. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser will be deemed to be an Affiliate of such Purchaser.
[Agreement] shall have the meaning ascribed to such term in the preamble.
[Closing] means the closing of the purchase and sale of the Securities pursuant to Section 2.1.
[Closing Date] means the date of the Closing, which shall be a Trading Day within four business days of the date hereof, or on such later date or at such different location as the parties shall agree in writing.
[Commission] means the Securities and Exchange Commission.
[Common Stock] means the common stock of the Company, par value \$0.00000002, and any other class of securities into which such shares may hereafter have been reclassified or changed.
[Common Stock Equivalents] means any securities of the Company which would entitle the holder thereof to acquire Common Stock at any time, including, without limitation, any

debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

[Company] shall have the meaning ascribed to such term in the preamble to this Agreement.

[Company Counsel] means Morgan, Lewis & Bockius LLP.

[Discussion Time] shall have the meaning ascribed to such term in Section 3.2(f).

[Effective Date] means the date that the initial Registration Statement filed by the Company pursuant to the Registration Rights Agreement is first declared effective by the Commission.

[Escrow Agreement] means the Escrow Agreement, dated the date hereof, between the Company, the Placement Agent and the Escrow Agent.

[Escrow Agent] means Kramer Levin Naftalis and Frankel LLP.

[Exchange Act] means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

[Exempt Issuance] means the issuance of (a) Common Stock or options to employees, officers, directors or consultants of the Company pursuant to any share or option plan in existence on the date hereof or duly adopted by a majority of the non-employee members of the Board of Directors of the Company or a majority of the members of a committee of non-employee directors established for such purpose, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or securities exercisable or exchangeable for or convertible into Common Stock issued and outstanding on the date of this Agreement (including any warrants issued on July 11, 2006 or in connection with the transaction consummated as of such date), provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise, exchange or conversion price of any such securities, except pursuant to antidilution provisions of such securities, (c) securities issued pursuant to acquisitions or strategic transactions, any such issuance shall only be to a Person which is, itself or through its subsidiaries, an operating company in a business synergistic with the business of the Company and in which the Company receives benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, and (d) securities issued pursuant to an up to \$15 million equity line of credit that was entered into by the Company and Cornell Capital Partners, LP; provided that in no event shall such issuances pursuant to (c) exceed 50% of the Common Stock outstanding on the date hereof.

[GAAP] shall have the meaning ascribed to such term in Section 3.1(h).

[Indemnified Party] shall have the meaning ascribed to that term in Section 4.7(b).



Indemnifying Party shall have the meaning ascribed to that term in Section 4.7(b).

Intellectual Property Rights shall have the meaning ascribed to such term in Section 3.1(n).

Liens means a lien, charge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

Material Adverse Effect shall have the meaning assigned to such term in Section 3.1(b).

Material Permits shall have the meaning ascribed to such term in Section 3.1(1).

Person means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

Placement Agent means Blue Trading, LLC.

Proceeding means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

Purchaser and Purchasers shall have the meanings ascribed to such term, in the preamble of this Agreement.

Purchaser Party shall have the meaning ascribed to such term in Section 4.7(a).

Registration Rights Agreement means the Registration Rights Agreement, dated the date hereof, among the Company and the Purchasers, in the form of Exhibit B attached hereto.

Registration Statement means a registration statement filed with the Commission meeting the requirements set forth in the Registration Rights Agreement and covering the resale by the Purchasers of the Shares and the Warrant Shares.

Required Approvals shall have the meaning ascribed to such term in Section 3.1(e).

Rule 144 means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

SEC Reports shall have the meaning ascribed to such term in Section 3.1(h).

Securities means the Shares, the Warrants and the Warrant Shares.

Securities Act means the Securities Act of 1933, as amended

Shares means collectively the Common Stock issued or issuable to each Purchaser pursuant to this Agreement; such Shares shall be delivered at the Closing.

Short Sales shall include all short sales as defined in Rule 200 of Regulation SHO under the Exchange Act.

Subscription Amount means, as to each Purchaser, a dollar amount equal to the product of (x) the number of shares of Common Stock purchased hereunder as specified next to such Purchaser's name on Schedule 2.1 to this Agreement and under the heading Shares multiplied by (y) \$3.00.

Trading Day means a day on which the Common Stock is traded on a Trading Market.

Trading Market means the following markets or exchanges on which the Common Stock listed or quoted for trading on the date in question: the Nasdaq Capital Market, the American Stock Exchange, the New York Stock Exchange and the Nasdaq National Market.

Transaction Documents means this Agreement, the Escrow Agreement, the Warrants, the Registration Rights Agreement and the Agency Agreement, and any other documents or agreements executed in connection with the transactions contemplated hereunder.

Warrants means, collectively, the common stock purchase warrants, in the form of Exhibit C attached hereto.

Warrant Shares means the Common Stock issuable upon exercise of the Warrants.

## ARTICLE II PURCHASE AND SALE

2.1 Closing. Upon the terms and subject to the conditions set forth herein, the Company agrees to issue and sell, and each Purchaser agrees to subscribe and purchase the Shares and Warrants set forth next to such Purchaser's name on Schedule 2.1 on the Closing Date. Upon satisfaction of the conditions set forth in Sections 2.2 and 2.3, the Closing shall occur at the offices of Morgan, Lewis & Bockius, New York, New York, or such other location as the parties shall mutually agree.

### 2.2 Deliveries.

(a) On the date hereof, the Company shall deliver or cause to be delivered the following:

- (i) To the Purchasers, this Agreement duly executed by the Company; and
- (ii) To Placement Agent and the Escrow Agent, the Escrow Agreement duly executed by the Company.

(b) On the date hereof, each Purchaser shall deliver the following:

- (i) To the Company, this Agreement duly executed by such Purchaser;
- (ii) To the Company, the Accredited Investor Questionnaire attached hereto as Exhibit A, completed and executed by such Purchaser; and
- (iii) To the Escrow Agent, such Purchaser's Subscription Amount by wire transfer to the account as specified in the Escrow Agreement.

(c) On the date hereof, the Escrow Agent shall deliver the Escrow Agreement duly executed by the Escrow Agent to the Company and the Placement Agent.

(d) On the date hereof, Placement Agent shall deliver the Escrow Agreement duly executed by Placement Agent to the Company and the Escrow Agent.

(e) On the Closing Date, the Company shall deliver or cause to be delivered to each Purchaser the following:

- (i) a legal opinion of the Company Counsel, in the form of Exhibit B-1 attached hereto;
- (ii) a Warrant registered in the name of such Purchaser to purchase up to a number of Warrant Shares set forth next to such Purchaser's name on Schedule 2.1;
- (iii) the Registration Rights Agreement duly executed by the Company;
- (iv) a certificate of the Company's executive officers confirming the satisfaction of the conditions contained in Sections 2.3(b)(i) and (vi); and
- (v) such other reasonable documents requested by counsel to the Placement Agent.

(f) On the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company the Registration Rights Agreement and Selling Security Holder Questionnaire (as defined in the Registration Rights Agreement) duly executed by such Purchaser.

(g) On the Closing Date, the Escrow Agent shall deliver to the Company, each Purchaser's Subscription Amount by wire transfer to the account specified in the Escrow Agreement, minus certain deductions as set forth in the Escrow Agreement.

### 2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects when made and on the Closing Date (as if made on and as of the Closing Date, except to the extent that a representation and warrant specifically references an earlier date) of the representations and warranties of the Purchasers contained herein;
- (ii) all obligations, covenants and agreements of the Purchasers required to be performed at or prior to the Closing Date shall have been performed;
- (iii) the delivery by the Purchasers of the items set forth in Section 2.2(b) and Section 2.2(f) of this Agreement;
- (iv) the delivery by the Escrow Agent of the items set forth in Section 2.2(c) and Section 2.2(g) of this Agreement;
- (v) the delivery by Placement Agent of the items set forth in Section 2.2(d) of this Agreement; and
- (vi) no statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated, endorsed or threatened or is pending by or before any governmental authority of competent jurisdiction which prohibits or threatens to prohibit the consummation of any of the transactions contemplated by the Transaction Documents.

(b) The respective obligations of each Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

- (i) the accuracy in all material respects when made and on the Closing Date (as if made on and as of the Closing Date, except to the extent that a representation and warrant specifically references an earlier date) of the representations and warranties of the Company contained herein;
- (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed or complied with in all material respects; the Purchaser's obligations hereunder are expressly not conditioned on the purchase by any or all of the other Purchasers of the Securities that they have agreed, to purchase from the Company;
- (iii) the delivery by the Company of the items set forth in Section 2.2(a) and Section 2.2(e) of this Agreement;
- (iv) the delivery by the Escrow Agent of the items set forth in Section 2.2(c) and Section 2.2(g) of this Agreement;

- (v) there shall have been no Material Adverse Effect with respect to the Company since the date hereof;
- (vi) no statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated, endorsed or threatened or is pending by or before any governmental authority of competent jurisdiction which prohibits or threatens to prohibit the consummation of any of the transactions contemplated by the Transaction Documents; and
- (vii) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Trading Market (except for any suspension of trading of limited duration agreed to by the Company, which suspension shall be terminated prior to the Closing), and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg Financial Markets shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Shares at the Closing.

**ARTICLE III  
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Company. The Company hereby makes the representations and warranties set forth below to each Purchaser:

(a) Subsidiaries. The Company has no subsidiaries other than its wholly owned subsidiary Marshall Edwards Pty. Limited, an Australian corporation (the  Subsidiary ).

(b) Organization and Qualification. Each of the Company and the Subsidiary is an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its respective organization with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Each of the Company and the Subsidiary is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in a material adverse effect on the results of operations, business or financial condition of the Company (a  Material Adverse Effect ) and, to the Company's knowledge, no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, its board of directors or its shareholders in connection therewith other than in connection with the Required Approvals. Each Transaction Document has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealings.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company, the issuance and sale of the Securities and the consummation by the Company of the other transactions contemplated hereby and thereby do not and will not (i) violate any provision of the Company's or the Subsidiary's articles of association or bylaws, or (ii) breach or result in a default under, result in the creation of any Lien upon any of the properties or assets of the Company or the Subsidiary or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of any agreement, credit facility, debt or other instrument (evidencing a debt of the Company or the Subsidiary or otherwise) or other instrument to which the Company or the Subsidiary is a party or by which any property or asset of the Company or the Subsidiary is bound or affected, or (iii) subject to the Required Approvals, violate any law, rule, regulation, order, judgment, injunction or decree of any court or governmental authority to which the Company or the Subsidiary is subject (including federal and state securities laws and regulations, and the rules and regulations of the applicable Trading Market), or by which any property or asset of the Company or the Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than (i) filings required pursuant to Section 4.4 of this Agreement, (ii) the filing with the Commission of the Registration Statement, (iii) application(s) to each applicable Trading Market for the listing of the Shares and Warrant Shares for trading thereon in the time and manner required thereby, and (iv) the filing of Form D with the Commission and such filings as are required to be made under applicable state and federal securities laws (collectively, the Required Approvals).

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and

validly issued, fully paid and nonassessable, free and clear of all Liens, other than any Liens imposed by the Purchasers and restrictions on transfer provided for in the Transaction Documents. Upon Closing, the Company will have reserved from its duly authorized capital shares the maximum number of shares of Common Stock issuable pursuant to this Agreement and the Warrants.

(g) Capitalization. As of the date hereof, the authorized capital stock of the Company consists of 113,000,000 shares of Common Stock, of which 63,390,937 shares are outstanding and 100,000 shares of Preferred stock, \$0.01 par value, of which none are outstanding. The Company has not issued any capital shares or Common Stock Equivalents since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee share options under the Company's share option plans and pursuant to the conversion or exercise of outstanding Common Stock Equivalents. Except as disclosed in the SEC Reports (as defined below), no Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents or otherwise in connection with the issuance and sale of the Securities. Except as a result of the purchase and sale of the Securities and except as disclosed in the SEC Reports, there are no outstanding options, warrants, script rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire, any Common Stock or Common Stock Equivalents, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional Common Stock or Common Stock Equivalents. The issuance and sale of the Securities will not obligate the Company to issue Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities or Common Stock Equivalents to adjust the exercise, conversion, exchange or reset price under such securities. All of the outstanding shares of capital shares of the Company are validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any shareholder, the Board of Directors of the Company or others is required for the issuance and sale of the Securities. There are no shareholders agreements, voting agreements or other similar agreements with respect to the Company's capital shares to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's shareholders.

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law to file such material) (the foregoing materials filed through the date hereof, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the SEC Reports) on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the Commission promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or

necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The historical financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles ([GAAP]) applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and the Subsidiary as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in the SEC Reports, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) neither the Company nor the Subsidiary has incurred any liabilities (contingent or otherwise) other than trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property (or its securities) to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital shares and (v) the Company has not issued any equity securities to or Common Stock Equivalents to any Person (including to any officer, director or Affiliate), except pursuant to existing Company share option plans. The Company does not have pending before the Commission any request for confidential treatment of information.

(j) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or the Subsidiary or any of their properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an [Action]) which adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities. Neither the Company nor any director or officer thereof is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company, the Subsidiary or any current or former director or officer of the Company or the Subsidiary. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Exchange Act or the Securities Act.

(k) Compliance. Neither the Company nor the Subsidiary is in default under or in violation of, nor has the Company or the Subsidiary received notice of a claim that it is in default under or that it is in violation of, (i) its articles of incorporation, articles of association or by-laws, (ii) any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound, (iii) any court, arbitrator or governmental body, or (iv) any statute, rule or regulation of any jurisdiction in which it is



conducting its business, except in the case of (ii), (iii) or (iv) as could not reasonably be expected to have a Material Adverse Effect.

(l) Regulatory Permits. The Company possesses all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its business as described in the SEC Reports, except where the failure to possess such permits could not have or reasonably be expected to result in a Material Adverse Effect (Material Permits), and the Company has not received any notice of proceedings relating to the revocation or modification of any Material Permit which, if the subject of an unfavorable decision, ruling or finding, could reasonably be expected to result in a Material Adverse Effect.

(m) Title to Assets. The Company has good and marketable title to all real property and assets owned by it that is material to the business of the Company and good and marketable title in all personal property owned by them that is material to the business of the Company, in each case free and clear of all Liens, except for Liens, (i) if any, reflected in the SEC Reports, (ii) as do not materially affect the value of such property, (iii) as do not materially interfere with the use made and proposed to be made of such property by the Company or (iv) for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company are held by it under valid, subsisting and enforceable leases with which the Company is in compliance, with such exceptions as are not materially significant in relation to its business taken as a whole.

(n) Patents and Trademarks. The Company has, or has rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, licenses, trade secrets and other similar rights necessary or material for use in connection with its and the Subsidiary's businesses and which the failure to so have could have a Material Adverse Effect (collectively, the Intellectual Property Rights). Neither the Company nor the Subsidiary has received a written notice that the intellectual Property Rights used by the Company violates or infringes upon the rights of any Person. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights of others.

(o) Insurance. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiary are engaged, including, but not limited to, directors and officers insurance coverage. To the best knowledge of the Company, such insurance contracts and policies are accurate and complete. The Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(p) Transactions With Affiliates and Employees. Except as set forth in the SEC Reports, none of the Affiliates, employees, officers or directors of the Company or the Subsidiary is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property

to or from, or otherwise requiring payments to or from any Affiliate, officer, director or such employee or, to the knowledge of the Company, any entity in which any Affiliate, officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner, in each case in excess of \$60,000 other than (i) for payment of salary or consulting fees for services rendered, (ii) for reimbursement for expenses incurred on behalf of the Company and (iii) for other employee benefits, including share option agreements under any share option plan of the Company.

(q) Sarbanes-Oxley. The Company is, and at the Closing Date will be, in compliance with all provisions of the Sarbanes-Oxley Act of 2002 which are applicable to it except where such non-compliance could not reasonably be expected to have a Material Adverse Effect.

(r) Certain Fees. Any brokerage, finder's fees or commissions that are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents will be paid solely by the Company.

(s) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(t) Investment Company. The Company is not, and immediately after receipt of payment for the Securities, will not be an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(u) Registration Rights. Except as set forth in the SEC Reports, other than each of the Purchasers, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company.

(v) Listing and Maintenance Requirements. The Common Stock is registered pursuant to Section 12(g) of the Exchange Act and listed on the Trading Market, and the Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or de-listing or suspending from trading the Common Stock on the Trading Market nor has the Company received any notification that the Commission or Trading Market is contemplating terminating such registration or listing, as applicable. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is in compliance in all material respects with all such listing and maintenance requirements.

(w) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers

or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the Securities Act or any applicable shareholder approval provisions, including, without limitation, under the rules and regulations of any Trading Market on which any of the securities of the Company are listed or designated.

(x) Tax Status. Except for matters that would not, individually or in the aggregate, have or could reasonably be expected to result in a Material Adverse Effect, the Company and the Subsidiary have filed all necessary federal, state and foreign income and franchise tax returns and have paid or accrued all taxes shown as due thereon, and the Company has no knowledge of a tax deficiency which has been asserted or threatened against the Company.

(y) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other [accredited investors] within the meaning of Rule 501 under the Securities Act or [qualified institutional buyers] within the meaning of Rule 144A under the Securities Act.

(z) Foreign Corrupt Practices. Neither the Company nor the Subsidiary, nor to the knowledge of the Company, any director, officer, employee, agent or other person acting on behalf of the Company or the Subsidiary, has (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or the Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

(aa) Accountants. The Company's accountants are BDO Seidman and such accountants are a registered public accounting firm as required by the Securities Act.

(bb) Manipulation of Price. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities (other than for the placement agent's placement of the Securities), or (iii) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company, except with respect to compensation payable in connection with the transactions contemplated hereby.

3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby, for itself and for no other Purchaser, represents and warrants as of the date hereof and as of the Closing Date to the Company as follows:

(a) Organization: Authority. Such Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution, delivery and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or similar action on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) public policy, applicable law relating to fiduciary duties and indemnification and an implied covenant of good faith and fair dealings.

(b) Own Account. Such Purchaser understands that the Securities are restricted securities and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no arrangement or understanding with any other persons regarding the distribution of such Securities (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to the Registration Statement or otherwise in compliance with applicable federal and state securities laws) in violation of the Securities Act or any applicable state securities law. Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business. Such Purchaser does not have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and at the date hereof it is, and on each date on which it exercises any Warrants, it will be an accredited investor as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) Short Sales and Confidentiality Prior To The Date Hereof. Other than the transaction contemplated hereunder, such Purchaser has not directly or indirectly, nor has any person acting on behalf of or pursuant to any understanding with such Purchaser, executed any disposition, including Short Sales (but not including the location and/or reservation of borrowable Common Stock), in the securities of the Company during the period commencing from May 18, 2007 until the date hereof (Discussion Time). Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

(g) No Recommendation. The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

(h) Principal Executive Offices. The Purchaser's principal executive offices are in the jurisdiction set forth immediately below the Purchaser's name on the signature pages hereto.

(i) No Approvals. The Purchaser further represents and warrants to, and covenants with, the Company that no consent, approval, authorization or other order of any court, regulatory body, administrative agency or other governmental body is required on the part of the Purchaser for the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement.

(j) No Violation. The Purchaser further represents and warrants to, and covenants with, the Company that the making and performance of this Agreement by the Purchaser and the consummation of the transactions herein contemplated will not violate any provision of the organizational documents of the Purchaser or conflict with, result in the breach or violation of, or constitute, either by itself or upon notice or the passage of time or both, a default under any agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which the Purchaser is a party, or any statute or any authorization, judgment, decree, order, rule or regulation of any court or any regulatory body, administrative agency or other governmental body applicable to the Purchaser.

(k) Fiduciary. If a Purchaser is acquiring the Securities as a fiduciary or agent for one or more investor accounts, such Purchaser represents that it has sole investment discretion with respect to each such account, and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(l) Acknowledgement. The Purchaser acknowledges and agrees that the foregoing representations, warranties, covenants and acknowledgements are made by it the intention that they may be relied upon by the Company and its agents and legal counsel in

determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Securities under the applicable securities legislation. The Purchaser further agrees that by accepting delivery of the securities at the Closing Date, it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the Closing Date with the same force and effect as if they had been made by the Purchaser at the Closing Date and that they shall survive the purchase by the Purchaser of the Securities and still continue in full force and effect notwithstanding any subsequent disposition by the Purchaser of the Securities. The Company and Company Counsel shall be entitled to rely on the representations and warranties of the undersigned contained in this paragraph, and the Purchaser shall indemnify and hold harmless the Company and Company Counsel for any loss, costs or damages any of them may suffer as a result of any misrepresentations of the undersigned.

(m) Anti-Money-Laundering Representations. The Purchaser hereby acknowledges that the Company seeks to comply with all applicable laws concerning money laundering and related activities. In furtherance of those efforts, the Purchaser hereby represents, warrants and agrees that, to the best of the Purchaser's knowledge based upon appropriate diligence and investigation:

- (i) None of the cash or property that the Purchaser or, if applicable, any underlying beneficial owner, has paid, will pay or will contribute to the Company has been or shall be derived from, or related to, any activity that is deemed criminal under United States law or other applicable law; and
- (ii) No contribution or payment by the Purchaser or, if applicable, any underlying beneficial owner, to the Company, to the extent that they are within the Purchaser's control, shall cause the Company or the Placement Agent to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

**ARTICLE IV  
OTHER AGREEMENTS OF THE PARTIES**

**4.1 Transfer Restrictions.**

(a) The Securities may only be disposed of in compliance with U.S. state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144 or to the Company, the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights of a Purchaser under this Agreement and the Registration Rights Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE [ ]SECURITIES ACT[ ]), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

(c) The Company agrees that it shall remove the restrictive legend set forth in Section 4.1(b) from certificates representing the Shares and the Warrant Shares (i) following any sale of such Shares or Warrant Shares pursuant to a registration statement (including the Registration Statement) covering the resale of such security that is effective under the Securities Act, or (ii) following any sale of such Shares or Warrant Shares pursuant to Rule 144 or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission), provided that the relevant Purchaser shall have delivered to the Company and its transfer agent a certification of the foregoing and such other documentation as such entities may reasonably require.

4.2 Furnishing of Information. As long as any Purchaser owns Securities, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. As long as any Purchaser owns Securities, if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and furnish to the Purchasers and make publicly available in accordance with Rule 144(c) such information as is required for the Purchasers to sell the Securities under Rule 144. The Company further covenants that it will take such further action as any holder of Securities may reasonably request, all to the extent required from time to time to enable such Person to sell such Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 until such time as non-Affiliates of the Company are able to sell in accordance with Rule

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Purchasers or that would be

integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall, on or before the fourth Trading Day following the date hereof, issue a Current Report on Form 8-K, reasonably acceptable to each Purchaser disclosing the material terms of the transactions contemplated hereby, and shall attach such Transaction Documents thereto as are required to be filed therewith. Each Purchaser shall consult with the Company in issuing any press release with respect to the transactions contemplated hereby. The Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except (i) as required by federal securities law in connection with the registration statement contemplated by the Registration Rights Agreement and (ii) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under subclause (i) or (ii).

4.5 Investment Company Act. The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act.

4.6 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder to fund certain clinical trials, studies and pre-clinical development, as well as for general corporate purposes.

4.7 Indemnification

(a) Indemnification of Purchasers. Subject to the provisions of this Section 4.7, the Company will indemnify and hold the Purchasers and their directors, officers, shareholders, members, partners, employees and agents (each, a Purchaser Party) harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of, or relating to, any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents (unless such action is based upon a breach of such Purchaser's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser may have with any shareholder or any violations by the Purchaser of state or federal securities laws or any conduct by such Purchaser which constitutes fraud, gross negligence, willful misconduct or malfeasance).

(b) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an Indemnified Party), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the Indemnifying Party) in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof;



provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding; (3) the indemnifying Party shall have failed promptly to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (4) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the reasonable fees and expenses of one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

The Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified Party is not entitled to indemnification hereunder, determined based upon the relative faults of the parties.

(c) Contribution. If the indemnification under Section 4.7(a) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 4.7(b), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 4.7(c) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 4.7(c), no Purchaser shall be required to contribute, in the aggregate, any amount in excess of the amount by which the proceeds actually received by such Purchaser from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Purchaser has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, except in the case of fraud by such Purchaser.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

**4.8 Reservation of Common Stock.** Upon the Closing Date, the Company will have reserved, and shall continue to reserve and keep available at all times, free of all preemptive or preferential rights, a sufficient number of Common Stock for the purpose of enabling the Company to issue Warrant Shares pursuant to any exercise of the Warrants.

**4.9 Listing of Common Stock.** The Company hereby agrees to use best efforts to maintain the listing of the Common Stock on a Trading Market, and as soon as reasonably practicable following the Closing (but not later than the Effective Date) to list all of the Common Stock constituting the Shares and Warrant Shares on such Trading Market. The Company further agrees, if the Company applies to have the Common Stock or other securities, traded on any other Trading Market, it will include in such application all of the Shares and Warrant Shares, and will take such other action as is necessary to cause all of the Shares and Warrant Shares to be listed on such other Trading Market as promptly as possible. The Company will take all action reasonably necessary to continue the listing and trading of the Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market, in each case until the end of the Lock-Up Period (as defined below).

**4.10 Short Sales and Confidentiality After The Date Hereof.** Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it nor any Affiliates acting on its behalf or pursuant to any understanding with it will execute any Short Sales during the period after the Discussion Time and ending at the time that the transactions contemplated by this Agreement are first publicly announced as described in Section 4.4. Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company as described in Section 4.4, such Purchaser will maintain the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Each Purchaser understands and acknowledges, severally and not jointly with any other Purchaser, that the Commission currently takes the position that coverage of short sales of shares of the Common Stock against the box prior to the Effective Date of the Registration Statement with the Securities is a violation of Section 5 of the Securities Act, as set forth in Item 65, Section 5 under Section A, of the Manual of Publicly Available Telephone Interpretations, dated July 1997, compiled by the Office of Chief Counsel, Division of Corporation Finance. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby

separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.11 Lock-Up. The Company hereby agrees not to directly or indirectly offer, sell, assign, transfer, pledge, contract to sell, or otherwise dispose of any Common Stock or securities convertible into or exercisable or exchangeable for Common Stock for a period commencing on the date hereof and ending on the 90th day after the effective date of the Registration Statement (such period, the Lock-Up Period) without the prior written consent of the Placement Agent other than (i) the Company's sale of the securities pursuant to this Agreement, (ii) the issuance of shares or options to purchase shares pursuant to qualified share option plans and currently outstanding options, warrants or rights, (iii) the issuance of shares pursuant to contractual obligations existing as of the date hereof, or (iv) any Exempt Issuance.

**ARTICLE V  
MISCELLANEOUS**

5.1 Fees and Expenses. Except as otherwise expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all transfer agent fees and expenses, escrow fees and stamp taxes levied in connection with the delivery of any Securities.

5.2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.3 Notices. Except as otherwise expressly specified herein, all notices, requests and other communications required or permitted hereunder shall be in writing and shall be sent by an internationally recognized overnight courier service; by certified or registered mail, return receipt requested (or, in the case of a notice sent to an address in Australia, by international express mail, return receipt requested); by facsimile transmission, by e-mail or by hand delivery.

if to the Company: Marshall Edwards, Inc.  
140 Wicks Road,  
North Ryde, NSW, 2113  
Australia  
Attention: David R. Seaton  
Fax: +612 9878 8474  
E-mail: david.seaton@novogen.com

and, if to Purchaser, to the name, address, facsimile number or e-mail address specified with respect to such person or entity on the signature pages attached hereto.

Any party may designate a different notice address, contact person, telephone number, facsimile number or e-mail address with respect to such party by providing a notice describing such changes to the other party hereto in accordance with the provisions of this Section 5.3. Any notice sent by internationally recognized overnight mail courier service shall be deemed to be delivered to the address shown on the mailing receipt on the expected date of delivery upon proper evidence of mailing for purposes of this Section 5.3. Any notice sent by certified or registered mail, return receipt requested (or, in the case of a notice sent to an address in Australia, by international express mail, return receipt requested), shall be deemed to be delivered three business days after mailing. Any notice sent by facsimile transmission or by e-mail shall be deemed delivered as of the open of business on the business day following the date on which sent provided that within 48 hours such notice is also sent by certified or registered mail, return receipt requested or, in case of a notice sent to an address in Australia, by international express mail, return receipt requested or by an internationally-recognized overnight mail courier service to the appropriate address specified above. Any notice sent by hand delivery shall be deemed delivered as of the date of delivery. As used in this Section 5.3, "business day" means any day other than a day on which banking institutions in the State of New York are legally closed for business.

5.4 Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and each Purchaser or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

5.5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

5.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser. Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided such transferee agrees in writing to be bound by the provisions hereof.

5.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of,

nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.7.

5.8 Governing Law; Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. The parties hereby waive all rights to a trial by jury. If either party shall commence an action or proceeding to enforce any provisions of the Transaction Documents, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding. The Company hereby irrevocably appoints CT Corporation System, 111th 13th Avenue, New York, NY 10011, as its agent for the receipt of service of process in the United States. The Company agrees that any document may be effectively served on it in connection with any action, suit or proceeding in the United States by service on such agent

5.9 Survival. The representations and warranties agreements and covenants contained herein shall survive the Closing and the delivery of the Securities.

5.10 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

5.11 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties

will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement

5.12 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity, if requested. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Securities.

5.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.14 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any Transaction Document, and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in their review and negotiation of the Transaction Documents.

5.15 Construction. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments hereto.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Subscription Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**MARSHALL EDWARDS, INC.**

By: \_\_\_\_\_

Name:

Title:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGES FOR PURCHASERS FOLLOW]

[PURCHASER SIGNATURE PAGES TO  
SECURITIES SUBSCRIPTION AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Subscription Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: \_\_\_\_\_

*Signature of Authorized Signatory of Purchaser:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Telephone Number of Purchaser: \_\_\_\_\_

Facsimile Number of Purchaser: \_\_\_\_\_

Email Address of Purchaser: \_\_\_\_\_

Address for Notice of Purchaser: \_\_\_\_\_

Address for Delivery of Securities for Purchaser (if not same as above):

EIN Number:

[SIGNATURE PAGES CONTINUE]



Schedule 2.1

Purchasers and Subscription Amounts

<u>Purchaser</u>	<u>Shares</u>	<u>Warrants</u>	<u>Aggregate Purchase Price</u>
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**MARSHALL EDWARDS, INC.**  
**ACCREDITED INVESTOR QUESTIONNAIRE**

**In connection with the proposed purchase by the undersigned of shares of common stock of Marshall Edwards, Inc. and warrants to purchase common stock, the undersigned hereby certifies that it is an  accredited investor<sup>1</sup> (an  Accredited Investor<sup>1</sup>) as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the " Act<sup>1</sup>"), with which definition the undersigned is familiar. The undersigned has checked all of the following definitions of an Accredited Investor which apply to it:**

- (i) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000.
  - (ii) A natural person who had an individual income in excess of \$200,000 in each of 2005 and 2006 or joint income with that person's spouse in excess of \$300,000 in each of those two years and has a reasonable expectation of reaching the same income level in 2007.
  - (iii) A natural person who is a director or executive officer of the Company.
  - (iv) An organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.
  - (v) A  Private Business Development Company<sup>2</sup> as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
  - (vi) A  Bank<sup>3</sup> as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act, whether acting in its individual or fiduciary capacity.
  - (vii) A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.
  - (viii) An  Insurance Company<sup>4</sup> as defined in Section 2(13) of the Act.
  - (ix) An investment company registered under the Investment Company Act of 1940, as amended, or any  Business Development Company<sup>5</sup> as defined in Section 2(a)(48) of such act.
  - (x) A  Small Business Investment Company<sup>6</sup> licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958.
  - (xi) A plan established and maintained by a state, or its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000.
-

- o (xii) An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if (1) the investment decision is made by a [ ]Plan Fiduciary[ ] as defined in Section 3(21) of such act (such as a bank, savings and loan association, insurance company or registered investment advisor), (2) such plan has total assets in excess of \$5,000,000 or (3) a self-directed plan, with investment decisions made solely by persons that are Accredited Investors.
- o (xiii) A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D of the Act.
- o (xiv) Any entity in which all of the equity owners are Accredited Investors.

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Name of Investor

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Signature of investor or authorized signatory

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Name of authorized signatory, if applicable

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Title of authorized signatory, if applicable

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Date

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Form of Registration Rights Agreement

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**Form of Warrant**

**REGISTRATION RIGHTS AGREEMENT**

This Registration Rights Agreement (this Agreement) is made and entered into as of August 6, 2007, among Marshall Edwards, Inc., a Delaware corporation (the Company), and the purchasers signatory hereto (each such purchaser is a Purchaser and, collectively, the Purchasers).

This Agreement is made pursuant to the Securities Subscription Agreement, dated as of August 1, 2007, among the Company and the Purchasers (the Purchase Agreement).

The Company and the Purchasers hereby agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

Advice shall have the meaning set forth in Section 7(c).

Common Stock means the common stock of the Company, par value \$0.0000002, and any other class of securities into which such shares may hereafter have been reclassified or changed.

Effectiveness Date means the 90th calendar day following the Closing, extended by a period of 30 additional days if the Commission reviews the Registration Statement, provided, however, in the event that the Company is notified by the Commission that the Registration Statement will not be reviewed or is no longer subject to further review and comments, the Effectiveness Date as to the Registration Statement shall be the tenth Trading Day following the date on which the Company is so notified if such date precedes the dates required above.

Effectiveness Period shall have the meaning set forth in Section 2(a).

Filing Date means the 5th calendar day following the filing of the Company's Form 10-K for the year ended June 30, 2007.

Holder or Holders means the holder or holders, as the case may be, from time to time of Registrable Securities.

Indemnified Party shall have the meaning set forth in Section 6(c).

Indemnifying Party shall have the meaning set forth in Section 6(c).

Liquidated Damages shall have the meaning set forth in Section 2(b).

Losses shall have the meaning set forth in Section 6(a).

Permitted Shares means that number of (i) Shares, (ii) Warrant Shares and (iii) Common Stock issued or issuable upon any stock split, dividend or other distribution,

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recapitalization or similar event with respect to the foregoing that the Commission permits the Company to register for resale.

Plan of Distribution shall have the meaning set forth in Section 2(a).

Proceeding means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

Prospectus means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

Registrable Securities means all of the Permitted Shares until, in the case of any such security, (A) the earliest of (1) its effective registration under the Securities Act and resale in accordance with the Registration Statement covering it, (2) expiration of the holding period that would be applicable thereto under Rule 144(k) to a sale by a non-Affiliate of the Company or (3) its sale to the public pursuant to Rule 144 (or any similar provision then in force, but not Rule 144A) under the Securities Act, and (B) as a result of the event or circumstance described in any of the foregoing clauses (A)(1) through (3), the legend with respect to transfer restrictions therein is removed or removable in accordance with the terms of such legend.

Registration Statement means the registration statement required to be filed hereunder, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

Registration Default shall have the meaning set forth in Section 2(b).

Registration Default Date shall have the meaning set forth in Section 2(b).

Rule 415 means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

Rule 424 means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

[Selling Security Holder Questionnaire] shall mean the Questionnaire attached to this form as Annex B.

[Shares] shall mean the Common Stock issued pursuant to the Purchase Agreement.

[Warrants] shall mean the warrants to purchase Common Stock issued pursuant to the Purchase Agreement.

[Warrant Shares] shall mean the Common Stock issuable upon exercise of the Warrants.

## 2. Shelf Registration.

(a) On or prior to the Filing Date, the Company shall prepare and file with the Commission the Registration Statement covering the resale of the Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith) and shall contain (unless otherwise directed by the Holders) substantially the [Plan of Distribution] attached hereto as Annex A. Not less than three business days prior to filing of the Registration Statement, the Company shall provide each Holder with a copy of the Registration Statement proposed to be filed and shall consider all appropriate comments that are timely provided by such Holder with respect to the Registration Statement. Subject to the terms of this Agreement, the Company shall use its commercially reasonable efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event prior to the Effectiveness Date, and shall use its commercially reasonable best efforts to keep the Registration Statement continuously effective under the Securities Act until all Registrable Securities covered by the Registration Statement have been sold or may be sold without volume restrictions pursuant to Rule 144 as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holders (the [Effectiveness Period]). The Company shall notify the Holders via facsimile or electronic mail of the effectiveness of the Registration Statement within three Trading Days of the Company telephonically confirming effectiveness with the Commission. The Company shall, by 9:30 AM Eastern Time on the Trading Day that is three Trading Days after the Effective Date (as defined in the Purchase Agreement), file a Form 424(b)(5) with the Commission. Each Holder agrees to furnish to the Company a completed Selling Security Holder Questionnaire simultaneously with the execution of this Agreement.

(b) If (i) the Registration Statement is not filed on or prior to the Filing Date, or (ii) the Registration Statement covering the Registrable Shares ceases to be effective or usable at any time during the Effectiveness Period (without being succeeded on the same date immediately by a post-effective amendment or supplement to the Registration Statement that cures such failure and that is itself, in the case of a post-effective



amendment, declared effective within ten Trading Days of filing with the Commission) or the Holders are not permitted to utilize the Prospectus therein to resell such Registrable Securities for twenty consecutive Trading Days or in any individual case an aggregate of thirty Trading Days during any twelve-month period (which need not be consecutive Trading Days) (any of the foregoing being a Registration Default) and for purposes of clause (i) the date on which such Registration Default occurs, or for purposes of clause (ii) the date on which such twenty or thirty Trading Day period, as applicable, is exceeded, each being a Registration Default Date) then, subject to Section 3, the Company shall pay to each Holder an amount in cash, as liquidated damages and not a penalty (Liquidated Damages) equal to 1% of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Shares then held by such Holder per month of time between the Registration Default Date and the date such Registration Default is cured, prorated for any period less than one month; provided that such Liquidated Damages paid to each Holder may not exceed more than 10% of the purchase price paid by such Holder for its Registrable Securities. The foregoing represents the sole monetary remedy to any Holder in connection with any Registration Default. In no event shall the Company be required to pay Liquidated Damages in excess of the applicable amount set forth above, regardless of whether one or multiple Registration Defaults exists. The Company shall pay the Holders any Liquidated Damages accrued for the first month after a Registration Default Date within seven calendar days after the end of such month, and any Liquidated Damages accrued for any subsequent month within seven calendar days after the end of such month. If the Company fails to pay any Liquidated Damages pursuant to this Section in full within seven days after the date payable, the Company will pay interest thereon at a rate of 8% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. A Registration Default under clause (i) above shall be cured on the date that the Registration Statement is filed with the SEC and a Registration Default under clause (ii) above shall be cured on the date that the Registration Statement covering the Permitted Shares is declared effective by the SEC or is otherwise usable. Notwithstanding the foregoing, no Liquidated Damages shall accumulate as to any Registrable Security from and after the earlier of (x) the date such security is no longer a Registrable Security and (y) expiration of the Effectiveness Period. Further, each Holder acknowledges that it is aware of the possibility that the Commission may not permit the registration of some or all (i) Shares, (ii) Warrant Shares or (iii) Common Stock issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing, at no fault of the Company in which case, no Liquidated Damages will accumulate as to such securities other than the Permitted Shares.

(c) If the Commission does not permit the registration of some or all (i) Shares, (ii) Warrant Shares or (iii) Common Stock issued or issuable upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing, the Permitted Shares shall include, and the Company shall cover in the Registration Statement, securities in the following order: (x) first, such amount of Shares as the Commission shall permit, with the Holders thereof participating in such registration on a pro rata basis in accordance with the percentage of Shares purchased by

each such Holder pursuant to the Purchase Agreement; and (y) second, such amount of Warrant Shares as the Commission shall permit, with the Holders thereof participating in such registration on a pro rata basis in accordance with the percentage of Warrants issued to each such Holder pursuant to the Purchase Agreement.

### 3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to the Registration Statement and the Prospectus used in connection therewith as may be necessary to keep the Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to the Registration Statement or any amendment thereto; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by the Registration Statement during the applicable period in accordance (subject to the terms of this Agreement) with the intended methods of disposition by the Holders thereof set forth in the Registration Statement as so amended or in such Prospectus as so supplemented.

(b) Notify the Holders of Registrable Securities to be sold (which notice shall, pursuant to clauses (ii) through (v) hereof, be accompanied by an instruction to suspend the use of the Prospectus until the requisite changes have been made) as promptly as reasonably possible and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to the Registration Statement is filed; and (B) with respect to the Registration Statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or any other Federal or state governmental authority for amendments or supplements to the Registration Statement or Prospectus or for additional information; (iii) of the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event or passage of time that makes the financial statements included in the Registration Statement ineligible for inclusion therein or any statement made in the Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to the Registration Statement, Prospectus or other documents so that, in the case of the Registration Statement or the Prospectus, as the case

may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that any and all of such information provided pursuant to clause (v) above shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by a Holder is required by law; provide, further, notwithstanding each Holder's agreement to keep such information confidential, the Holders make no acknowledgement that any such information is material, non-public information.

(c) Use its commercially reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of the Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(d) Furnish to each Holder, upon written request of such Holder, without charge, at least one conformed copy of the Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference to the extent requested by such Person, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference).

(e) Promptly deliver to each Holder, upon written request of such Holder, without charge, as many copies of the Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request in connection with resales by the Holder of Registrable Securities. Subject to the terms of this Agreement, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto, except after the giving of any notice pursuant to Section 3(b).

(f) Prior to any resale of Registrable Securities by a Holder, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from the Registration or qualification) of such Registrable Securities for the resale by the Holder under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder reasonably requests in writing, to keep each registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things reasonably necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by each Registration Statement; provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or subject the Company to any material tax in any such jurisdiction where it is not then so subject or file a general consent to service of process in any such jurisdiction.

(g) If requested by the Holders, cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request.

(h) Upon the occurrence of any event contemplated by this Section 3, as promptly as reasonably possible under the circumstances taking into account the Company's good faith assessment of any adverse consequences to the Company and its shareholders of the premature disclosure of such event, prepare a supplement or amendment, including a post-effective amendment, to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither the Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with clauses (ii) through (v) of Section 3(b) above to suspend the use of any Prospectus until the requisite changes to such Prospectus have been made, then the Holders shall suspend use of such Prospectus. The Company will use its commercially reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company will use its commercially reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as is practicable. The Company shall be entitled to exercise its right under this Section 3(h) to suspend the availability of the Registration Statement and Prospectus for a period not to exceed 90 days (which need not be consecutive days) in any 365 day period.

(i) Comply with all applicable rules and regulations of the Commission and the Trading Market.

(j) The Company may require each selling Holder to furnish to the Company (i) a certified statement as to the number of shares of Common Stock beneficially owned by such Holder, (ii) if required by the Commission, the person thereof that has voting and dispositive control over the Shares and (iii) any further information required by the Commission. During any periods that the Company is unable to meet its obligations hereunder with respect to the registration of the Registrable Securities solely because any Holder fails to furnish such information within three Trading Days of the Company's request, any Liquidated Damages that are accruing at such time as to such Holder only shall be tolled and any Registration Default that may otherwise occur solely because of such delay shall be suspended as to such Holder only, until such information is delivered to the Company.

4. Holder's Obligations. Each selling Holder agrees, by acquisition of the Registrable Securities, that no selling Holder shall be entitled to sell any of such Registrable Securities pursuant to the Registration Statement or to receive the Prospectus relating thereto, or to receive Liquidated Damages, if any, of the type described in Section 2(b) in respect of the

Registrable Securities, unless the selling Holder has previously furnished the Company at least five Trading Days prior to the selling Holder's proposed sale with a Selling Security Holder Questionnaire as required by Section 2(a) (including the information required to be included in such Selling Security Holder Questionnaire). Any sale of any Registrable Securities by any selling Holder shall constitute a representation and warranty by the selling Holder that the information relating to the selling Holder and its plan of distribution is as set forth in the Prospectus delivered by the selling Holder in connection with such disposition, that such Prospectus does not as of the time of such sale contain any untrue statement of material fact provided by the selling Holder and that the Prospectus does not as of the time of such sale omit to state any material fact relating to or provided by the selling Holder necessary to make the statements in the Prospectus, in light of the circumstances in which they are made, not misleading.

5. Registration Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to the Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the Trading Market on which the Common Stock are then listed for trading and (B) in compliance with applicable state securities or Blue Sky laws reasonably agreed to by the Company in writing (including, without limitation, fees and disbursements of counsel for the Company in connection with Blue Sky qualifications or exemptions of the Registrable Securities and determination of the eligibility of the Registrable Securities for investment under the laws of such jurisdictions as requested by the Holders); (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses for a Holder if the printing of prospectuses is reasonably requested by such Holder); (iii) messenger, telephone and delivery expenses related to the Company's obligations hereunder; (iv) fees and disbursements of counsel for the Company; (v) Securities Act liability insurance, if the Company so desires such insurance; and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder, including all fees and expenses of the depository. In no event shall the Company be responsible for any broker or similar commissions or, except to the extent provided for in the Transaction Documents including Section 5.1 of the Purchase Agreement, any legal fees or other costs of the Holders.

6. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, members, partners, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Ordinary Shares), investment advisors and employees of each of

them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, members, partners, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs (including, without limitation, reasonable attorneys' fees) and expenses (collectively, "[Losses]"), as incurred, arising out of or relating to (i) any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (a) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities as set forth in Annex A hereto or any changes to Annex A hereto that are expressly approved in writing by such Holder expressly for, use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (b) in the case of an occurrence of an event of the type specified in Section 3(b)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 7(c); (ii) any violation by the Company of the Securities Act, or any other law, including, without limitation, any state securities laws, or any rule or regulation thereunder relating to the offer or sale of the Registrable Securities pursuant to the Registration Statement; or (iii) any material violation of this Agreement by the Company, its agents or representatives. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding arising from or in connection with the transactions contemplated by this Agreement of which the Company is aware.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses as to the extent arising solely out of or based solely upon (i) such Holder's failure to comply with the prospectus delivery requirements of the Securities Act; or (ii) upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading to the extent that (1) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of

Registrable Securities as set forth in Annex A hereto or any changes to Annex A hereto that are expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto or (2) in the case of an occurrence of an event of the type specified in Section 3(b)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of the Advice contemplated in Section 7(c). In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities covered by such Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an  Indemnified Party ), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the  Indemnifying Party ) in writing, and the Indemnifying Party shall have the right to assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding; (3) the Indemnifying Party shall have failed promptly to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (4) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall reasonably believe that a material conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the reasonable fees and expenses of one separate counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

The Indemnified Party shall promptly reimburse the Indemnifying Party for that portion of such fees and expenses applicable to such actions for which such Indemnified

Party is not entitled to indemnification hereunder, determined based upon the relative faults of the parties.

(d) Contribution. If the indemnification under Section 6(a) or 6(b) is unavailable to an Indemnified Party or insufficient to hold an Indemnified Party harmless for any Losses, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, except in the case of fraud by such Holder.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties.

#### 7. Miscellaneous.

(a) Remedies. Subject to Section 2(b), (i) in the event of a breach by the Company or by a Holder, of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement and (ii) the Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and



hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to the Registration Statement.

(c) Discontinued Disposition. Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(b)(ii) through Section 3(c)(v), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the Advice) by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company agrees and acknowledges that any periods during which the Holder is required to discontinue the disposition of the Registrable Securities hereunder shall be subject to the provisions of Section 2(b). The Company will use its commercially reasonable best efforts to ensure that the use of the Prospectus may be resumed as promptly as it practicable.

(d) Piggy-Back Registrations. If at any time during the Effectiveness Period there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the stock option or other employee benefit plans, then the Company shall send to each Holder a written notice of such determination and, if within fifteen days after the date of such notice, any such Holder shall so request in writing, the Company shall include in such registration statement all or any part of such Registrable Securities such Holder requests to be registered; provided, however, that, the Company shall not be required to register any Registrable Securities pursuant to this Section 7(d) that are eligible for resale pursuant to Rule 144(k) promulgated under the Securities Act or that are the subject of a then effective Registration Statement.

(e) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and each Holder of the then outstanding Registrable Securities. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that relates exclusively to the rights of Holders and that does not directly or indirectly affect the rights of other Holders may be given by Holders of all of the Registrable Securities to which such waiver or consent relates; provided, however, that the provisions of this sentence may not be

amended, modified, or supplemented except in accordance with the provisions of the immediately preceding sentence.

(f) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

(g) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign its rights or obligations hereunder without the prior written consent of all of the Holders of the then outstanding Registrable Securities. Each Holder may assign their respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(h) No Inconsistent Agreements. Neither the Company nor any of its subsidiaries has entered, as of the date hereof, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities, that would have the effect of impairing the rights granted to the Holders in this Agreement.

(i) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined with the provisions of the Purchase Agreement.

(k) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(m) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(n) Independent Nature of Holders' Obligations and Rights. The obligations of each Holder hereunder are several and not joint with the obligations of any other Holder hereunder, and no Holder shall be responsible in any way for the performance of the obligations of any other Holder hereunder. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Holder pursuant hereto or thereto, shall be deemed to constitute the Holders as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Holders are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Holder shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Holder to be joined as an additional party in any proceeding for such purpose.

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IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

**MARSHALL EDWARDS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE OF HOLDERS FOLLOWS]

[SIGNATURE PAGE OF HOLDER TO  
REGISTRATION RIGHTS AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Registration Rights Agreement to be duly executed by their respective authorized signatories as of the date first written above.

Name of Holder: \_\_\_\_\_

*Signature of Authorized Signatory of Holder:* \_\_\_\_\_

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

[SIGNATURE PAGES CONTINUE]

Plan of Distribution

The selling security holders and any of their pledgees, donees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock being offered under this prospectus on any stock exchange, market or trading facility on which shares of our common stock are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling security holders may use any one or more of the following methods when disposing of shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resales by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- to cover short sales made after the date that the registration statement of which this prospectus is a part is declared effective by the Commission;
- broker-dealers may agree with the selling security holders to sell a specified number of such shares at a stipulated price per share;
- a combination of any of these methods of sale; and
- any other method permitted pursuant to applicable law.

The shares may also be sold under Rule 144 under the Securities Act of 1933, as amended (Securities Act), if available, rather than under this prospectus. The selling security holders have the sole and absolute discretion not to accept any purchase offer or make any sale of shares if they deem the purchase price to be unsatisfactory at any particular time.

The selling security holders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling security holder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares.

Broker-dealers engaged by the selling security holders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling security holders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, which commissions as to a particular broker or dealer may be in excess of customary commissions to the extent permitted by applicable law.

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If sales of shares offered under this prospectus are made to broker-dealers as principals, we would be required to file a post-effective amendment to the registration statement of which this prospectus is a part. In the post-effective amendment, we would be required to disclose the names of any participating broker-dealers and the compensation arrangements relating to such sales.

The selling security holders and any broker-dealers or agents that are involved in selling the shares offered under this prospectus may be deemed to be underwriters within the meaning of the Securities Act in connection with these sales. Commissions received by these broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Any broker-dealers or agents that are deemed to be underwriters may not sell shares offered under this prospectus unless and until we set forth the names of the underwriters and the material details of their underwriting arrangements in a supplement to this prospectus or, if required, in a replacement prospectus included in a post-effective amendment to the registration statement of which this prospectus is a part.

The selling security holders and any other persons participating in the sale or distribution of the shares offered under this prospectus will be subject to applicable provisions of the Exchange Act, and the rules and regulations under that act, including Regulation M. These provisions may restrict activities of, and limit the timing of purchases and sales of any of the shares by, the selling security holders or any other person. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and other activities with respect to those securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. All of these limitations may affect the marketability of the shares.

If any of the shares of common stock offered for sale pursuant to this prospectus are transferred other than pursuant to a sale under this prospectus, then subsequent holders could not use this prospectus until a post-effective amendment or prospectus supplement is filed, naming such holders. We offer no assurance as to whether any of the selling security holders will sell all or any portion of the shares offered under this prospectus.

We have agreed to pay all fees and expenses we incur incident to the registration of the shares being offered under this prospectus. However, each selling security holder and purchaser is responsible for paying any discounts, commissions and similar selling expenses they incur.

We and the selling security holders have agreed to indemnify one another against certain losses, damages and liabilities arising in connection with this prospectus, including liabilities under the Securities Act.

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**Marshall Edwards, Inc.****Selling Security Holder Notice and Questionnaire**

The undersigned beneficial owner of common stock, par value \$0.00000002 (the Common Stock), of Marshall Edwards, Inc., a Delaware corporation (the Company), (the Registrable Securities) understands that the Company has filed or intends to file with the Securities and Exchange Commission (the Commission) a registration statement on Form S-3 (the Registration Statement) for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the Securities Act), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement, dated as of August \_\_, 2007 (the Registration Rights Agreement), among the Company and the Purchasers named therein. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling security holder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling security holder in the Registration Statement and the related prospectus.

**NOTICE**

The undersigned beneficial owner (the Selling Security Holder) of Registrable Securities hereby elects to include the Registrable Securities owned by it and listed below in Item 3 (unless otherwise specified under such Item 3) in the Registration Statement.

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The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

**QUESTIONNAIRE**

**1. Name.**

- (a) Full Legal Name of Selling Security Holder:  
\_\_\_\_\_
- (b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities Listed in Item 3 below are held:  
\_\_\_\_\_
- (c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by the questionnaire):  
\_\_\_\_\_  
\_\_\_\_\_

**2. Address for Notices to Selling Security Holder:**

\_\_\_\_\_  
 \_\_\_\_\_  
 Telephone: \_\_\_\_\_  
 Fax: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_

**3. Beneficial Ownership of Registrable Securities:**

- (a) Type and Number of Registrable Securities beneficially owned:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

**4. Broker-Dealer Status:**

(a) Are you a broker-dealer?

Yes

No

(b) If yes to Section 4(a), did you receive your Registrable Securities as compensation for investment banking services of the Company.

Yes

No

Note: If no, the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes

No

(d) If you are an affiliate of a broker-dealer, do you certify that you bought the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes

No

Note: If no, the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

**5. Beneficial Ownership of Other Securities of the Company Owned by the Selling Security Holder.**

*Except as set forth below in this Item 5, the undersigned is not the beneficial or registered owner of any securities of the Company other than the Registrable Securities listed in Item 3.*

(a) Type and Amount of Other Securities beneficially owned by the Selling Security Holder:

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**6. Relationships with the Company:**

*Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.*

State any exceptions here:

\_\_\_\_\_

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 6 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: \_\_\_\_\_

Beneficial Owner: \_\_\_\_\_

By: \_\_\_\_\_

Name:  
Title:

PLEASE FAX A COPY OF THE COMPLETED AND EXECUTED NOTICE AND QUESTIONNAIRE, AND RETURN THE ORIGINAL BY OVERNIGHT MAIL, TO:

Jodi L. Lashin  
Morgan, Lewis & Bockius LLP  
101 Park Avenue  
New York, New York 10178-0060  
Phone: 212-309-6334  
Fax: 212-309-6001  
E-mail: jlashin@morganlewis.com

**WARRANT AGREEMENT**  
**among**  
**MARSHALL EDWARDS, INC.**  
**and**  
**COMPUTERSHARE INC.**  
**and**  
**COMPUTERSHARE TRUST COMPANY, N.A.**

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**Dated as of August 1, 2007**

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**Warrants to Purchase up to 2,185,600 Shares of Common Stock**

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## WARRANT AGREEMENT

This Warrant Agreement, dated as of August 1, 2007, is entered into between Marshall Edwards, Inc., a Delaware corporation (the "*Company*"), and Computershare Inc., a Delaware corporation ("*Computershare*"), and its wholly owned subsidiary, Computershare Trust Company, N.A. (the "*Trust Company*"), as warrant agent (Computershare and the Trust Company, individually or collectively, the "*Warrant Agent*").

### RECITALS

- A. The Company proposes to issue 546,400 Warrants to purchase up to 2,185,600 shares of common stock, par value \$0.00000002 per share (the "*Common Stock*") of the Company.
- B. The Company desires the Warrant Agent to act on behalf of the Company, and the Warrant Agent is willing to act on behalf of the Company, in connection with the issuance of the Warrant Certificates (as defined below) and the other matters provided herein.

### AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the parties hereto agree as follows:

### ARTICLE 1

#### DEFINITIONS

*Additional Common Stock* shall mean all Common Stock issued or issuable by the Company after the date of this Agreement, other than the Warrant Shares.

*Affiliate* shall mean, as to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control of such Person. For purposes of this definition, *control* when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms *controlling* and *controlled* have meanings correlative to the foregoing. Notwithstanding the foregoing, *Affiliate* shall not include any wholly-owned Subsidiary of the Company.

*Agreement* shall mean this Warrant Agreement, as the same may be amended, modified or supplemented from time to time.

*Business Day* shall mean any day other than a Saturday, Sunday or a day on which the New York Stock Exchange is not required to be open.

*Capital Stock* of any Person shall mean any and all shares, interests, participations or other equivalents however designated of corporate stock or other equity participations, including partnership interests, whether general or limited, of such Person and any rights (other than debt

securities convertible or exchangeable into an equity interest), warrants or options to acquire an equity interest in such Person.

□*Common Stock*□ shall mean (i) the Common Stock, par value U.S. \$0.00000002 per share, of the Company, as constituted on the original issuance of the Warrants, (ii) any Capital Stock into which such Common Stock may thereafter be changed and (iii) any share of the Company of any other class issued to holders of such Common Stock upon any reclassification thereof.

□*Company*□ shall mean the company identified in the preamble hereof and its successors and assigns.

□*Company Order*□ shall mean a written request or order signed in the name of the Company by its Chairman of the Board, its Chief Executive Officer, its President, any Vice President, its Chief Financial Officer and by its Treasurer, any Assistant Treasurer its Secretary or any Assistant Secretary, and delivered to the Warrant Agent.

□*Corporate Agency Office*□ shall have the meaning given such term in Article 9.

□*Countersigning Agent*□ shall mean any Person authorized by the Warrant Agent to act on behalf of the Warrant Agent to countersign Warrant Certificates.

□*Effective Date*□ shall mean the date that the Registration Statement is declared effective under the Securities Act.

□*Effective Registration*□ shall mean that the Company shall have filed and caused to become effective a Registration Statement under the Securities Act for the sale of Warrants by the Holders.

□*Exchange Act*□ shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

□*Expiration Date*□ shall mean August 6, 2012.

□*Holder*□ or □*Warrantholder*□ shall mean any Person in whose name at the time any Warrant Certificate is registered upon the Warrant Register.

□*Institutional Accredited Investor*□ shall mean an institution that is an □accredited investor□ as that term is defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

□*Non-Surviving Combination*□ shall mean any merger, consolidation or other business combination by the Company with one or more other entities in a transaction in which the Company is not the surviving entity.

□*Outstanding*□ shall mean, as of the time of determination, when used with respect of any Warrants, all Warrants originally issued under this Agreement except (i) Warrants that have been exercised pursuant to Section 3.2(a), (ii) Warrants that have expired pursuant to Sections 3.2(b), 5 or 7 and (iii) Warrants that have otherwise been acquired by the Company; provided, however,

that in determining whether the Holders of the requisite amount of the outstanding Warrants have given any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Agreement, Warrants owned by the Company or any Subsidiary or Affiliate of the Company or any Person that is at such time a party to a merger or acquisition agreement with the Company shall be disregarded and deemed not to be outstanding.

□*Person*□ shall mean an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

□*Qualified Institutional Buyer*□ shall have the meaning given such term in Rule 144A under the Securities Act.

□*Recipient*□ shall have the meaning given such term in Section 3.2(e).

□*Registration Rights Agreement*□ shall mean that certain Registration Rights Agreement, dated as of August 6, 2007, by and among the Company and the purchasers named on the signature pages thereto, as such agreement may be amended, modified or supplemented from time to time.

□*Registration Statement*□ shall have the meaning given such term in Section 1 of the Registration Rights Agreement.

□*Restricted Warrants*□ shall have the meaning given such term in Section 2.2(b).

□*Restricted Warrant Legend*□ shall mean the legend so designated on the Warrant Certificate attached hereto as Exhibit A.

□*Rule 144*□ shall mean Rule 144 promulgated under the Securities Act.

□*SEC*□ shall mean the Securities and Exchange Commission or any successor agency thereto.

□*Securities Act*□ shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

□*Subsidiary*□ shall mean, with respect to any Person, any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof.

□*Warrant Agent*□ shall mean the warrant agent named in the preamble hereof or the successor or successors of such Warrant Agent appointed in accordance with the terms hereof.

□*Warrant Certificates*□ shall mean those certain warrant certificates evidencing the Warrants, substantially in the form of Exhibit A attached hereto.

□*Warrant Price*□ shall mean the exercise price per Warrant Share set at \$3.60.

□*Warrant Register*□ shall have the meaning given such term in Article 9.

□*Warrant Shares*□ shall mean the Common Stock issuable upon exercise of the Warrants, the number of which is subject to adjustment from time to time in accordance with Article 6.

□*Warrants*□ shall mean those warrants issued hereunder to purchase initially up to an aggregate of 2,185,600 Warrant Shares at the Warrant Price, subject to adjustment pursuant to Article 6.

## ARTICLE 2

### WARRANT CERTIFICATES

Section 2.1 *Issuance of Warrants*. Each Warrant Certificate shall evidence the number of Warrants specified therein, and each Warrant evidenced thereby shall represent the right, subject to the provisions contained herein and therein, to purchase four (4) Warrant Shares for each 10 Shares issued to such Purchaser on the Closing Date, subject to adjustment as provided in Article 6.

Section 2.2 *Form, Denomination and Date of Warrants*. (a) The Warrant Certificates shall be substantially in the form of Exhibit A hereto. The Warrants shall be numbered, lettered or otherwise distinguished in such manner or in accordance with such plans as the officers of the Company executing the same may determine with the approval of the Warrant Agent. Each Warrant shall be dated the date of its authentication. Any of the Warrants may be issued with appropriate insertions, omissions, substitutions and variations, and may have imprinted or otherwise reproduced thereon such legend or legends, not inconsistent with the provisions of this Agreement, as may be required to comply with any law or with any rules or regulations pursuant thereto, or with the rules of any securities market in which the Warrants are admitted to trading, or to conform to general usage. All Warrants shall be otherwise substantially identical except as to denomination and as provided herein.

(b) Purchasers of Warrants will receive certificated Warrants bearing the Restricted Warrant Legend (□*Restricted Warrants*□). Restricted Warrants will bear the Restricted Warrant Legend unless removed in accordance with Section 2.4.

Upon the occurrence of an Effective Registration, all requirements with respect to legends on Warrants will cease to apply, and certificated Warrants without legends will be available to the Holders.

Section 2.3 *Execution and Delivery of Warrant Certificates*. (a) Warrant Certificates evidencing the Warrants which may be countersigned and delivered under this Agreement are limited to Warrant Certificates evidencing 546,400 Warrants, except for Warrant Certificates countersigned and delivered upon registration of transfer of, or in exchange for, or in lieu of, one or more previously countersigned Warrant Certificates pursuant to Sections 2.6, 3.2(e), 7 and 9.



(b) At any time and from time to time on or after the date of this Agreement, Warrant Certificates evidencing the Warrants may be executed by the Company and delivered to the Warrant Agent for countersignature, and the Warrant Agent shall, upon receipt of a Company Order and at the direction of the Company set forth therein, countersign and deliver such Warrant Certificates to the Company for issuance. The Warrant Agent is further hereby authorized to countersign and deliver Warrant Certificates as required by this Section 2.3 or by Sections 2.2, 2.6, 3.2(e), 7 or 9.

(c) The Warrant Certificates shall be executed in the corporate name and on behalf of the Company by the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or any one of the Vice Presidents of the Company under corporate seal reproduced thereon and attested to by the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company, either manually or by facsimile signature printed thereon. The Warrant Certificates shall be countersigned by the Warrant Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company whose signature shall have been placed upon any of the Warrant Certificates shall cease to be such officer of the Company before countersignature by the Warrant Agent and issue and delivery thereof, such Warrant Certificates may, nevertheless, be countersigned by the Warrant Agent and issued and delivered with the same force and effect as though such person had not ceased to be such officer of the Company, and any Warrant Certificate may be signed on behalf of the Company by such person as, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company, although at the date of the execution of this Agreement any such person was not such an officer.

Section 2.4 *Transfer and Exchange*. (a) If a holder of a Restricted Warrant wishes at any time to transfer such Restricted Warrant to a Person who wishes to take delivery thereof in the form of a Restricted Warrant, such holder may, subject to the restrictions on transfer set forth herein and in such Restricted Warrant, cause the exchange of such Restricted Warrants for one or more Restricted Warrants of any authorized denomination or denominations and exercisable for the same aggregate number of Warrant Shares. Upon receipt by the Warrant Agent at its Corporate Agency Office of (1) such Restricted Warrant, duly endorsed as provided herein, (2) instructions from such holder directing the Warrant Agent to authenticate and deliver one or more Restricted Warrants exercisable for the same aggregate number of Warrant Shares as the Restricted Warrant to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the authorized denomination or denominations of the Restricted Warrants to be so issued and appropriate delivery instructions, (3) a certificate in the form of Exhibit B attached hereto given by the Person acquiring the Restricted Warrants, to the effect set forth therein, and (4) an opinion of counsel to the transferor of such Restricted Warrant substantially to the effect set forth in Exhibit C hereto, to the effect set forth therein, then the Warrant Agent shall cancel or cause to be cancelled such Restricted Warrant and, concurrently therewith, the Company shall execute, and the Warrant Agent shall authenticate and deliver, one or more Restricted Warrants to the effect set forth therein, in accordance with the instructions referred to above.

(b) If Warrants are issued upon the transfer, exchange or replacement of Warrants bearing the Restricted Warrant Legend, or if a request is made to remove such Restricted Warrant Legend, the Warrants so issued shall bear the Restricted Warrant Legend; or

the Restricted Warrant Legend shall not be removed, as the case may be, unless (i) there is delivered to the Company and the Warrant Agent satisfactory evidence, which shall include an opinion of counsel as may be reasonably required by the Company and the Warrant Agent to the effect that neither the Restricted Warrant Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of the Securities Act or, with respect to Restricted Warrants, that such Warrants are not [restricted] within the meaning of Rule 144 under the Securities Act or (ii) there is an Effective Registration with respect to the Warrants then in effect or the Warrants as to which the Restricted Warrant Legend is sought to be removed have been disposed of in accordance with the Registration Statement. Upon (i) provision of such satisfactory evidence, or (ii) notification by the Company to the Warrant Agent of an Effective Registration with respect to the Warrants and an opinion of counsel to that effect, the Warrant Agent, at the direction of the Company, shall authenticate and deliver Warrant Certificates that do not bear the Restricted Warrant Legend.

(c) No service charge shall be made to a Warrantholder for any registration of transfer or exchange.

Section 2.5 *Effective Registration*. In the event the Company has an Effective Registration, the Company shall notify the Warrant Agent within two Business Days after the Effective Date. Promptly after delivering to the Warrant Agent notice of the Effective Registration and an opinion of counsel to that effect, the Company shall cause to be delivered to the Warrant Agent certificates for Warrants without legends and the Warrant Agent shall authenticate and deliver certificated Warrants without legends to Holders presenting their certificated Warrants for exchange to transferees of Warrants covered by the Registration Statement in the names and denominations specified by them.

**ARTICLE 3**

**EXERCISE, REDEMPTION AND EXPIRATION OF WARRANTS**

Section 3.1 *Right to Acquire Warrant Shares Upon Exercise*. Each Warrant Certificate shall, when countersigned by the Warrant Agent, entitle the Holder thereof, subject to the provisions thereof and of this Agreement, to acquire from the Company, for each Warrant evidenced thereby, four (4) Warrant Shares for each 10 Shares issued to such Purchaser on the Closing Date at the Warrant Price, subject to adjustment as provided in this Agreement. The Warrant Price shall be adjusted from time to time as required by Section 6.1.

Section 3.2 *Exercise and Expiration of Warrants*. (a) *Exercise of Warrants*. Subject to the terms and conditions set forth herein, including, without limitation, the exercise procedure described in Section 3.2(c), a Holder of a Warrant Certificate may exercise all or any whole number of the Warrants evidenced thereby, on any Business Day from and after February 6, 2008 until 5:00 p.m., New York City time, on the Expiration Date (subject to earlier expiration pursuant to Article 5) for the Warrant Shares purchasable thereunder.

(b) *Expiration of Warrants*. The Warrants shall terminate and become void as of 5:00 p.m., New York time on the Expiration Date, subject to earlier expiration in accordance

with Article 5. In the event that the Warrants are to expire by reason of Article 5, the term Expiration Date shall mean such earlier date for all purposes of this Agreement.

(c) *Method of Exercise.*

(i) *Cash Exercise.* The Holder may deliver to the Warrant Agent at the Corporate Agency Office (A) a written notice of such Holder's election to exercise Warrants, duly executed by such Holder in the form set forth on the reverse of, or attached to, such Warrant Certificate, which notice shall specify the number of Warrant Shares to be purchased, (B) the Warrant Certificate evidencing such Warrants and (C) to Computershare, a sum equal to the aggregate Warrant Price for the Warrant Shares into which such Warrants are being exercised, which sum shall be paid in any combination elected by such Holder of (x) certified or official bank checks in New York Clearing House funds payable to the order of the Company and delivered to Computershare at the Corporate Agency Office, or (y) to Computershare, wire transfers in immediately available funds to the account of the Company at such banking institution as the Company shall have given notice to the Warrant Agent and the Holders in accordance with Section 13.1(b); or

If fewer than all the Warrants represented by a Warrant Certificate are exercised, such Warrant Certificate shall be surrendered and a new Warrant Certificate of the same tenor and for the number of Warrants which were not exercised shall be executed by the Company. The Warrant Agent shall countersign the new Warrant Certificate, registered in such name or names, subject to the provisions of Article 9, as may be directed in writing by the Holder, and shall deliver the new Warrant Certificate to the Person or Persons in whose name such new Warrant Certificate is so registered. The Company, whenever required by the Warrant Agent, will supply the Warrant Agent with Warrant Certificates duly executed on behalf of the Company for such purpose.

(ii) *Cashless Exercise.* In lieu of exercising the Warrant, the Holder may elect to receive shares of Common Stock equal to the value of the Warrant (or the portion thereof being canceled) by surrender of the Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where X = the number of shares of Common Stock to be issued to the Holder.

Y = the number of shares of Common Stock purchasable under the Warrant.

A = the fair market value of one share of the Company's Common Stock.

B = the Exercise Price (as adjusted to the date of such calculation).

For purposes of the Warrant, the fair market value of the Company's Common Stock shall be determined as follows:

- a. If the Common Stock is listed on a National Securities Exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the Nasdaq system, the current market value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of the Warrant or, if no such sale is made on such day, the average of the closing bid and asked prices for such day on such exchange or system; or
- b. If the Common Stock is not so listed or admitted, the current market shall be the average of the closing bid and asked prices as quoted by the OTC Bulletin Board; or
- c. If the Common Stock is not so listed or admitted to unlisted trading privileges, the current market value shall be the mean of the last reported bid and asked prices reported by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of the Warrant; or
- d. If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value shall be an amount, not less than book value thereof as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

(d) *Issuance of Warrant Shares.* Upon surrender of a Warrant Certificate evidencing Warrants in conformity with the foregoing provisions and payment of the Warrant Price in respect of the exercise of one or more Warrants evidenced thereby, the Warrant Agent shall, when such payment is received, deliver to the Company the notice of exercise received pursuant to Section 3.2(c), and, in accordance with Section 3.3, deliver or deposit all funds received as instructed in writing by the Company and advise the Company by means of a weekly activity report of the amount of funds so deposited to its account. The Company shall thereupon, as promptly as practicable, and in any event within three Business Days after receipt by the Company of such notice of exercise, execute or cause to be executed and deliver or cause to be delivered to the Recipient (as defined below) a certificate or certificates representing the aggregate number of Warrant Shares issuable upon such exercise (based upon the aggregate number of Warrants so exercised), determined in accordance with Section 3.6, together with an amount in cash in lieu of any fractional share(s) determined in accordance with Section 6.4. The certificate or certificates so delivered shall be, to the extent possible, in such denomination or denominations as such Holder shall request in such notice of exercise and shall be registered or otherwise placed in the name of, and delivered to, the Holder or, such other Person as shall be designated by the Holder in such notice (the Holder or such other Person being referred to herein as the *Recipient*).

(e) *Time of Exercise.* A Warrant shall be deemed to have been exercised immediately prior to the close of business on the date on which all requirements set forth in Section 3.2(c) applicable to such exercise have been satisfied. Subject to Section 6.1(e)(iv), certificate(s) evidencing the Warrant Shares issued upon the exercise of such Warrant shall be

deemed to have been issued and, for all purposes of this Agreement, the Recipient shall, as between such Person and the Company, be deemed to be and entitled to all rights of the holder of record of such Warrant Shares as of such time.

Section 3.3 *Application of Funds Upon Exercise of Warrants*. Any funds delivered to Computershare upon exercise of any Warrant(s) shall be held by Computershare pending delivery to the Company. Computershare shall promptly deliver and pay to or upon the written order of the Company all funds received by it upon the exercise of any Warrants by bank wire transfer to an account designated by the Company or as Computershare otherwise may be directed in writing by the Company.

Section 3.4 *Payment of Taxes*. The Company shall pay any and all taxes (other than income taxes) and other charges that may be payable in respect of the issue or delivery of Warrant Shares on exercise of Warrants pursuant hereto. Neither the Company nor the Warrant Agent shall be required, however, to pay any tax or other charge imposed in respect of any transfer involved in the issue and delivery of any certificates for Warrant Shares or payment of cash to any Recipient other than the Holder of the Warrant Certificate surrendered upon the exercise of a Warrant, and in case of such transfer or payment, the Warrant Agent and the Company shall not be required to issue or deliver any certificate or, in the case of Computershare, pay any cash until (a) such tax or charge has been paid or an amount sufficient for the payment thereof has been delivered to the Warrant Agent or the Company or (b) it has been established to the Company's satisfaction that any such tax or other charge that is or may become due has been paid.

Section 3.5 *Surrender of Certificates*. Any Warrant Certificate surrendered for exercise shall, if surrendered to the Company, be delivered to the Warrant Agent, and all Warrant Certificates surrendered or so delivered to the Warrant Agent shall be promptly cancelled by such Warrant Agent and shall not be reissued by the Company. Warrant Certificates shall be retained by the Company in accordance with applicable law.

Section 3.6 *Shares Issuable*. The number of Warrant Shares [ ]issuable upon exercise[ ] of Warrants at any time shall be the number of Warrant Shares into which such Warrants are then exercisable. The number of Warrant Shares [ ]into which each Warrant is exercisable[ ] initially shall be one share, subject to adjustment as provided in Section 6.1.

**ARTICLE 4**

**REGISTRATION RIGHTS**

The Warrantholders and holders of Warrant Shares shall have the registration rights provided for in the Registration Rights Agreement. The Company shall keep copies of the Registration Rights Agreement available for inspection by the Holders during normal business hours at its office. The Company shall supply the Warrant Agent from time to time with such numbers of copies of the Registration Rights Agreement as the Warrant Agent may request.

## ARTICLE 5

### DISSOLUTION, LIQUIDATION OR WINDING UP

If, on or prior to the Expiration Date, the Company (or any other Person controlling the Company) shall propose a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, the Company shall give written notice thereof to the Warrant Agent and all Holders of Warrant Certificates in the manner provided in Article 13 prior to the date on which such transaction is expected to become effective or, if earlier, the record date for such transaction. Such notice shall also specify the date as of which the holders of record of the Common Stock shall be entitled to exchange their shares for monies, securities or other property deliverable upon such dissolution, liquidation or winding up, as the case may be, on which date each Holder of Warrant Certificates shall be entitled to receive the monies, securities or other property which such Holder would have been entitled to receive had such Holder been the holder of record of the Warrant Shares into which the Warrants were exercisable immediately prior to such dissolution, liquidation or winding up (net of the then applicable Warrant Price) and the rights to exercise the Warrants shall terminate.

In case of any such voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall deposit with the Warrant Agent any monies, securities or other property which the Holders are entitled to receive under this Agreement, together with a Company Order as to the distribution thereof. After receipt of such deposit from the Company and after any Holder has surrendered a Warrant Certificate to the Warrant Agent, the Warrant Agent shall make payment in the appropriate amount to such Person or Persons as it may be directed in writing by the Holder surrendering such Warrant Certificate. The Warrant Agent shall not be required to pay interest on any money deposited pursuant to the provisions of this Article 5 except such as it shall agree with the Company to pay thereon. Any monies, securities or other property which at any time shall be deposited by the Company or on its behalf with the Warrant Agent pursuant to this Article 5 shall be, and are hereby, assigned, transferred and set over to the Warrant Agent in trust for the purpose for which such monies, securities or other property shall have been deposited; provided that monies, securities or other property need not be segregated from other monies, securities or other property held by the Warrant Agent except to the extent required by law.

## ARTICLE 6

### ADJUSTMENTS

Section 6.1 *Adjustments*. The number of Warrant Shares into which each Warrant is exercisable and the Warrant Price shall be subject to adjustment from time to time after the date hereof in accordance (and only in accordance) with the provisions of this Article 6:

(a) Adjustment for Recapitalization, Reorganization, Consolidation, Merger, Etc. In case (i) the outstanding shares of the Common Stock shall be subdivided into a greater number of shares, (ii) a dividend or other distribution in Common Stock shall be paid in respect of Common Stock, (iii) the outstanding shares of Common Stock shall be combined into a smaller number of shares thereof, or (iv) any shares of the Company's capital stock are issued by

reclassification of the Common Stock (including any reclassification upon a consolidation or merger in which the Company is the continuing corporation), the Exercise Price in effect immediately prior to such subdivision, combination or reclassification or at the record date of such dividend or distribution shall simultaneously with the effectiveness of such subdivision, combination or reclassification or immediately after the record date of such dividend or distribution be proportionately adjusted to equal the product obtained by multiplying the Exercise Price by a fraction, the numerator of which is the number of outstanding shares of Common Stock (on a fully diluted basis) after giving effect to such combination, subdivision, reclassification or dividend and the denominator of which is the number of outstanding shares of Common Stock (on a fully diluted basis) outstanding immediately prior to such combination, subdivision, reclassification or dividend.

(b) For purposes of the Warrant, [on a fully diluted basis] means that all outstanding options, rights or Warrants to subscribe for shares of Common Stock and all securities convertible into or exchangeable for shares of Common Stock (such options, rights, Warrants and securities are collectively referred to herein as [Convertible Securities]) and all options or rights to acquire Convertible Securities have been exercised, converted or exchanged.

(c) Whenever the Exercise Price per share is adjusted as provided in the immediately preceding paragraph, the number of shares of Common Stock purchasable upon conversion of the Warrant immediately prior to such Exercise Price adjustment shall be adjusted, effective simultaneous with the Exercise Price adjustment, to equal the product obtained (calculated to the nearest full share) by multiplying such number of shares of Common Stock by a fraction, the numerator of which is the Exercise Price per share in effect immediately prior to such Exercise Price adjustment and the denominator of which is the Exercise Price per share in effect upon such Exercise Price adjustment, which adjusted number of shares of Common Stock shall thereupon be the number of shares of Common Stock purchasable upon conversion of the Warrant until further adjusted as provided herein.

(d) Adjustment for Reorganization, Consolidation, Merger, Liquidation Etc. In case of any reorganization of the Company (or any other corporation, the securities of which are at the time receivable on the exercise of the Warrant) after the date hereof or in case after such date the Company (or any such other corporation) shall consolidate with or merge into another corporation or convey all or substantially all of its assets to another corporation or liquidate, then, and in each such case, the Holder of the Warrant upon the exercise thereof as provided in Section 1 at any time after the consummation of such reorganization, consolidation, merger, conveyance or liquidation, shall be entitled to receive, in lieu of the securities and property receivable upon the exercise of the Warrant prior to such consummation, the securities or property to which such Holder would have been entitled upon such consummation if such Holder had exercised the Warrant immediately prior thereto; in each such case, the terms of the Warrant shall be applicable to the securities or property receivable upon the exercise of the Warrant after such consummation.

(e) No Dilution. The Company will not, by amendment of its Certificate of Incorporation or through reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of the Warrant, but will at all times in good faith assist in the

carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of the Warrant against dilution or other impairment. Without limiting the generality of the foregoing, while the Warrant is outstanding, the Company (a) will not permit the par value, if any, of the shares of Common Stock receivable upon the exercise of the Warrant to be above the amount payable therefor upon such exercise and (b) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue or sell fully paid and non-assessable shares of Common Stock upon the exercise of the Warrant.

(f) Certificate as to Adjustments. In each case of an adjustment in the number of shares of Warrant Shares receivable on the exercise of the Warrant, the Company at its expense will promptly compute such adjustment in accordance with the terms of the Warrant and prepare a certificate executed by an executive officer of the Company setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company will forthwith mail a copy of each such certificate to the Holder.

(g) Notices of Record Date, Etc. In case:

(i) the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend (other than a cash dividend at the same rate as the rate of the last cash dividend theretofore paid) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities, or to receive any other right; or

(ii) of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into another corporation, or any conveyance of all or substantially all of the assets of the Company to another corporation; or

(iii) of any voluntary or involuntary dissolution, liquidation or winding up of the Company, then, and in each such case, the Company shall mail or cause to be mailed to each Holder of the Warrant at the time outstanding a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding up is to take place, and the time, if any, is to be fixed, as to which the holders of record of Common Stock (or such other securities at the time receivable upon the exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding up. Such notice shall be mailed at least 20 days prior to the date therein specified and the Warrant may be exercised prior to said date during the term of the Warrant.



**ARTICLE 7**  
**LOSS OR MUTILATION**

Upon (i) receipt by the Warrant Agent of an affidavit with respect to the ownership of and the loss, theft, destruction or mutilation of any Warrant Certificate and an open penalty surety bond satisfactory to the Warrant Agent holding both it and the Company harmless and other such security or indemnity as may be reasonably required to save each of them harmless and (ii) surrender, in the case of mutilation, of the mutilated Warrant Certificate to the Warrant Agent and cancellation thereof, then, in the absence of notice to the Company or the Warrant Agent that the Warrants evidenced thereby have been acquired by a bona fide purchaser, the Company shall execute and upon its written request the Warrant Agent shall countersign and deliver to the registered Holder of the lost, stolen, destroyed or mutilated Warrant Certificate, in exchange therefor or in lieu thereof, a new Warrant Certificate of the same tenor and for a like aggregate number of Warrants. At the written request of such registered Holder, the new Warrant Certificate so issued shall be retained by the Warrant Agent as having been surrendered for exercise, in lieu of delivery thereof to such Holder, and shall be deemed for purposes of Section 3.2 to have been surrendered for exercise on the date the conditions specified in clauses (i) and (ii) of the preceding sentence were first satisfied.

Upon the issuance of any new Warrant Certificate under this Article 7, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses (including the fees and expenses of the Warrant Agent and of counsel to the Company) in connection therewith.

Every new Warrant Certificate executed and delivered pursuant to this Article 7 in lieu of any lost, stolen or destroyed Warrant Certificate shall constitute an additional contractual obligation of the Company, whether or not the allegedly lost, stolen or destroyed Warrant Certificate shall be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement equally and proportionately with any and all other Warrant Certificates duly executed and delivered hereunder.

The provisions of this Article 7 are exclusive and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement of mutilated, lost, stolen, or destroyed Warrant Certificates.

**ARTICLE 8**  
**RESERVATION AND AUTHORIZATION OF WARRANT SHARES**

The Company shall at all times reserve and keep available, free from preemptive rights, solely for issue upon the exercise of Warrants as herein provided, such number of its authorized but unissued Warrant Shares deliverable upon the exercise of Warrants as will be sufficient to permit the exercise in full of all outstanding Warrants. The Company covenants that all Warrant Shares will, at all times that Warrants are exercisable, be duly approved for listing subject to official notice of issuance on each securities exchange, if any, on which the Common Stock are then listed. The Company covenants that (i) all Warrant Shares that may be issued upon exercise

of Warrants shall, upon issuance, be duly and validly authorized, issued and fully paid and nonassessable and free of preemptive or similar rights, (ii) the Warrant Shares and the offering thereof are either registered or subject to a valid exemption from registration under the Securities Act and (iii) the stock certificates issued to evidence any such Warrant Shares will comply with the Delaware General Corporation Law and any other applicable law.

The Company hereby authorizes and directs its current and future transfer agents for the Common Stock at all times to reserve stock certificates for such number of authorized shares as shall be requisite for such purpose. The Warrant Agent is hereby authorized to requisition from time to time from any such transfer agents stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement, and the Company hereby authorizes and directs such transfer agents to comply with all such requests of the Warrant Agent. The Company will supply such transfer agents with duly executed stock certificates for such purposes. Promptly after the date of expiration of all of the Warrants in accordance with Section 3.2(c), the Warrant Agent shall certify to the Company the aggregate number of Warrants then outstanding, and thereafter no Warrant Shares shall be reserved in respect of such Warrants.

**ARTICLE 9**  
**WARRANT TRANSFER BOOKS**

The Warrant Agent will maintain an office (the  *Corporate Agency Office* ) in the United States of America, where Warrant Certificates may be surrendered for registration of transfer or exchange and where Warrant Certificates may be surrendered for exercise of Warrants evidenced thereby, which office is Computershare Trust Company, N.A., 525 Washington Blvd.  Suite 4690, Jersey City, N.J. 07310, on the date hereof. The Warrant Agent will give prompt written notice to all Holders of Warrant Certificates of any change in the location of such office.

The Warrant Certificates evidencing the Warrants shall be issued in registered form only. The Company shall cause to be kept at the office of the Warrant Agent designated for such purpose a warrant register (the  *Warrant Register* ) in which, subject to such reasonable regulations as the Warrant Agent may prescribe and such regulations as may be prescribed by law, the Company shall provide for the registration of Warrant Certificates and of transfers or exchanges of Warrant Certificates as herein provided.

Subject to Section 2.4, upon surrender for registration of transfer of any Warrant Certificate at the Corporate Agency Office, the Company shall execute, and the Warrant Agent shall countersign and deliver, in the name of the designated transferee or transferees, one or more new Warrant Certificates evidencing a like aggregate number of Warrants.

Subject to Section 2.4, (i) at the option of the Holder, Warrant Certificates may be exchanged at the office of the Warrant Agent upon payment of the charges hereinafter provided for other Warrant Certificates evidencing a like aggregate number of Warrants and (ii) whenever any Warrant Certificates are so surrendered for exchange, the Company shall execute, and the Warrant Agent shall countersign and deliver, the Warrant Certificates of the same tenor and

evidencing the same number of Warrants as evidenced by the Warrant Certificates surrendered by the Holder making the exchange.

All Warrant Certificates issued upon any registration of transfer or exchange of Warrant Certificates shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits under this Agreement, as the Warrant Certificates surrendered for such registration of transfer or exchange.

Subject to Section 2.4, every Warrant Certificate surrendered for registration of transfer or exchange shall (if so required by the Company or the Warrant Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Warrant Agent, duly executed by the Holder thereof or his attorney duly authorized in writing.

The Warrant Agent shall, upon request of the Company from time to time, deliver to the Company such reports of registered ownership of the Warrants and such records of transactions with respect to the Warrants and the Warrant Shares as the Company may request. The Warrant Agent shall also make available to the Company for inspection by the Company's agents or employees, from time to time as the Company may request, such original books of accounts and records maintained by the Warrant Agent in connection with the issuance and exercise of Warrants hereunder, such inspections to occur at the Corporate Agency Office during normal business hours.

The Warrant Agent shall keep copies of this Agreement and any notices given to Holders hereunder available for inspection by the Holders during normal business hours at the Corporate Agency Office. The Company shall supply the Warrant Agent from time to time with such numbers of copies of this Agreement as the Warrant Agent may request.

**ARTICLE 10**  
**WARRANTHOLDERS**

Section 10.1 *No Voting or Dividend Rights*. Prior to the exercise of the Warrants, except as may be specifically provided for herein, (i) no Holder of a Warrant Certificate, as such, shall be entitled to any of the rights of a holder of Common Stock, including, without limitation, the right to vote at or to receive any notice of any meetings of stockholders; (ii) the consent of any Holder shall not be required with respect to any action or proceeding of the Company; (iii) except as provided in Article 5, no Holder, by reason of the ownership or possession of a Warrant or the Warrant Certificate representing the same, shall have any right to receive any stock or cash dividends, allotments or rights or other distributions paid, allotted or distributed or distributable to the stockholders of the Company prior to, or for which the relevant record date preceded, the date of the exercise of such Warrant; and (iv) no Holder shall have any right not expressly conferred by this Agreement or Warrant Certificate held by such Holder.

Section 10.2 *Treatment of Holders of Warrant Certificates*. Every Holder of a Warrant Certificate, by accepting the same, consents and agrees with the Company, with the Warrant Agent and with every subsequent holder of such Warrant Certificate that, prior to due presentment of such Warrant Certificate for registration of transfer, the Company and the

Warrant Agent may treat the Person in whose name the Warrant Certificate is registered as the owner thereof for all purposes and as the Person entitled to exercise the rights granted under the Warrants, and neither the Company, the Warrant Agent nor any agent thereof shall be affected by any notice to the contrary.

Section 10.3 *Communications to Holders*. (a) If any Holder of a Warrant Certificate applies in writing to the Warrant Agent and such application states that the applicant desires to communicate with other Holders with respect to its rights under this Agreement or under the Warrants, then the Warrant Agent shall, within five (5) Business Days after the receipt of such application, and upon payment to the Warrant Agent by such applicant of the reasonable expenses of preparing such list, provide to such applicant a list of the names and addresses of all Holders of Warrant Certificates as of the most recent practicable date.

(b) Every Holder of Warrant Certificates, by receiving and holding the same, agrees with the Company and the Warrant Agent that neither the Company nor the Warrant Agent nor any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 10.3(a).

**ARTICLE 11**

**CONCERNING THE WARRANT AGENT**

Section 11.1 *Nature of Duties and Responsibilities Assumed*. The Company hereby appoints the Warrant Agent to act as agent of the Company as set forth in this Agreement. The Warrant Agent hereby accepts the appointment as agent of the Company and agrees to perform that agency upon the terms and conditions set forth in this Agreement or as the Company and the Warrant Agent may hereafter agree, by all of which the Company, by its acceptance thereof, shall be bound; provided, however, that the terms and conditions contained in the Warrant Certificates are subject to and governed by this Agreement or any other terms and conditions hereafter agreed to by the Company and the Warrant Agent.

The Warrant Agent shall not, by countersigning Warrant Certificates or by any other act hereunder, be deemed to make any representations as to validity or authorization of (i) the Warrants or the Warrant Certificates (except as to its countersignature thereon), (ii) any securities or other property delivered upon exercise of any Warrant, (iii) the accuracy of the computation of the number or kind or amount of stock or other securities or other property deliverable upon exercise of any Warrant or (iv) the correctness of any of the representations of the Company made in such certificates that the Warrant Agent receives. The Warrant Agent shall not at any time have any duty to calculate or determine whether any facts exist that may require any adjustments pursuant to Article 6 hereof with respect to the kind and amount of shares or other securities or any property issuable to Holders upon the exercise of Warrants required from time to time. The Warrant Agent shall have no duty or responsibility to determine the accuracy or correctness of such calculation or with respect to the methods employed in making the same. The Warrant Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any Warrant Shares or of any securities or property which may at any time be issued or delivered upon the exercise of any Warrant or upon any adjustment

pursuant to Article 6 hereof, and it makes no representation with respect thereto. The Warrant Agent shall not be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver any Warrant Shares or stock certificates or other securities or property upon the surrender of any Warrant Certificate for the purpose of exercise or upon any adjustment pursuant to Article 6 hereof or to comply with any of the covenants of the Company contained in Article 12 hereof.

The Warrant Agent shall not (i) be liable for any recital or statement of fact contained herein or in the Warrant Certificates or for any action taken, offered or omitted by it in good faith on the belief that any Warrant Certificate or any other documents or any signatures are genuine or properly authorized, (ii) be responsible for any failure on the part of the Company to comply with any of its covenants and obligations contained in this Agreement or in the Warrant Certificates or (iii) be liable for any act or omission in connection with this Agreement except for its own gross negligence, bad faith or willful misconduct.

The Warrant Agent is hereby authorized to accept and is protected in accepting instructions with respect to the performance of its duties hereunder by Company Order and to apply to any such officer named in such Company Order for instructions (which instructions will be promptly given in writing when requested), and the Warrant Agent shall be indemnified and held harmless for any action taken or suffered to be taken by it in good faith in accordance with the instructions in any Company Order.

The Warrant Agent may execute and exercise any of the rights and powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys, agents or employees, provided that reasonable care has been exercised in the selection and in the continued employment of any such attorney, agent or employee. The Warrant Agent shall not be under any obligation or duty to institute, appear in or defend any action, suit or legal proceeding in respect hereof, unless first indemnified to its satisfaction, but this provision shall not affect the power of the Warrant Agent to take such action as the Warrant Agent may consider proper, whether with or without such indemnity. The Warrant Agent shall promptly notify the Company in writing of any claim made or action, suit or proceeding instituted against it arising out of or in connection with this Agreement.

The Company shall perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further acts, instruments and assurances as may reasonably be required by the Warrant Agent in order to enable it to carry out or perform its duties under this Agreement.

The Warrant Agent shall act solely as agent of the Company hereunder and does not assume any obligation or relationship of agency or trust for or with any of the Holders or any beneficial owners of Warrants. The Warrant Agent shall not be liable except for the failure to perform such duties as are specifically set forth herein or specifically set forth in the Warrant Certificates, and no implied covenants or obligations shall be read into this Agreement against the Warrant Agent whose duties and obligations shall be determined solely by the express provisions hereof or the express provisions of the Warrant Certificates.

Section 11.2 *Right to Consult Counsel*. The Warrant Agent may at any time consult with legal counsel satisfactory to it (who may be legal counsel for the Company), and the Warrant Agent shall incur no liability or responsibility to the Company or to any Holder for any action taken, suffered or omitted by it in good faith in accordance with the opinion or advice of such counsel.

Section 11.3 *Compensation, Reimbursement and Indemnification*. The Company agrees to pay the Warrant Agent from time to time compensation for all fees and expenses relating to its services hereunder as the Company and the Warrant Agent may agree from time to time and to reimburse the Warrant Agent for reasonable expenses and disbursements, including reasonable counsel fees and expenses incurred in connection with the execution and administration of this Agreement. The Company further agrees to indemnify the Warrant Agent for and save it harmless against any losses, liabilities or reasonable expenses arising out of or in connection with the acceptance and administration of this Agreement, including the reasonable costs, legal fees and expenses of investigating or defending any claim of such liability, except that the Company shall have no liability hereunder to the extent that any such loss, liability or expense results from the Warrant Agent's own gross negligence, bad faith or willful misconduct.

Section 11.4 *Warrant Agent May Hold Company Securities*. The Warrant Agent, any Countersigning Agent and any stockholder, director, officer or employee of the Warrant Agent or any Countersigning Agent may buy, sell or deal in any of the Warrants or other securities of the Company or its Affiliates, become pecuniarily interested in transactions in which the Company or its Affiliates may be interested, contract with or lend money to the Company or its Affiliates or otherwise act as fully and freely as though it were not the Warrant Agent or the Countersigning Agent, respectively, under this Agreement. Nothing herein shall preclude the Warrant Agent or any Countersigning Agent from acting in any other capacity for the Company or for any other legal entity.

Section 11.5 *Resignation and Removal; Appointment of Successor*. (a) The Warrant Agent may resign its duties and be discharged from all further duties and liability hereunder (except liability arising as a result of the Warrant Agent's own gross negligence or willful misconduct) after giving thirty (30) days' prior written notice to the Company. The Company may remove the Warrant Agent upon thirty (30) days' written notice, and the Warrant Agent shall thereupon in like manner be discharged from all further duties and liabilities hereunder, except as aforesaid. The Warrant Agent shall, at the expense of the Company, cause notice to be given in accordance with Section 13.1(b) to each Holder of a Warrant Certificate of said notice of resignation or notice of removal, as the case may be. Upon such resignation or removal, the Company shall appoint in writing a new Warrant Agent. If the Company shall fail to make such appointment within a period of thirty (30) calendar days after it has been notified in writing of such resignation by the resigning Warrant Agent or after such removal, then the Holder of any Warrant Certificate may apply to any court of competent jurisdiction for the appointment of a new Warrant Agent. Any new Warrant Agent, whether appointed by the Company or by such a court, shall be a corporation doing business under the laws of the United States or any state thereof in good standing, authorized under such laws to act as Warrant Agent, and having a combined capital and surplus of not less than \$50,000,000. The combined capital and surplus of any such new Warrant Agent shall be deemed to be the combined capital and surplus as set forth in the most recent annual report of its condition published by such Warrant Agent prior to its

appointment, provided that such reports are published at least annually pursuant to law or to the requirements of a Federal or state supervising or examining authority. After acceptance in writing of such appointment by the new Warrant Agent, it shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the Warrant Agent, without any further assurance, conveyance, act or deed; but if for any reason it shall be reasonably necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the reasonable expense of the Company and shall be legally and validly executed and delivered by the resigning or removed Warrant Agent. Not later than the effective date of any such appointment, the Company shall file notice thereof with the resigning or removed Warrant Agent. Failure to give any notice provided for in this Section 11.5(a), however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Warrant Agent or the appointment of a new Warrant Agent, as the case may be.

(b) Any corporation into which the Warrant Agent or any new Warrant Agent that be merged, or any corporation resulting from any consolidation to which the Warrant Agent or any new Warrant Agent shall be a party, shall be a successor Warrant Agent under this Agreement without any further act, provided that such corporation would be eligible for appointment as successor to the Warrant Agent under the provisions of Section 11.5(a). Any such successor Warrant Agent shall promptly cause notice of its succession as Warrant Agent to be given in accordance with Section 13.1(b) to each Holder of a Warrant Certificate at such Holder's last address as shown on the Warrant Register.

Section 11.6 *Appointment of Countersigning Agent.* (a) The Warrant Agent may appoint a Countersigning Agent or Agents which shall be authorized to act on behalf of the Warrant Agent to countersign Warrant Certificates issued upon original issue and upon exchange, registration of transfer or pursuant to Article 7, and Warrant Certificates so countersigned shall be entitled to the benefits of this Agreement equally and proportionately with any and all other Warrant Certificates duly executed and delivered hereunder. Wherever reference is made in this Agreement to the countersignature and delivery of Warrant Certificates by the Warrant Agent or to Warrant Certificates countersigned by the Warrant Agent, such reference shall be deemed to include countersignature and delivery on behalf of the Warrant Agent by a Countersigning Agent and Warrant Certificates countersigned by a Countersigning Agent. Each Countersigning Agent shall be acceptable to the Company and shall at the time of appointment be a corporation doing business under the laws of the United States of America or any State thereof in good standing, authorized under such laws to act as Countersigning Agent, and having a combined capital and surplus of not less than \$50,000,000. The combined capital and surplus of any such new Countersigning Agent shall be deemed to be the combined capital and surplus as set forth in the most recent annual report of its condition published by such Countersigning Agent prior to its appointment, provided that such reports are published at least annually pursuant to law or to the requirements of a Federal or state supervising or examining authority.

(b) Any corporation into which a Countersigning Agent may be merged, or any corporation resulting from any consolidation to which such Countersigning Agent shall be a party, shall be a successor Countersigning Agent without any further act, provided that such corporation would be eligible for appointment as a new Countersigning Agent under the

provisions of Section 11.6(a), without the execution or filing of any paper or any further act on the part of the Warrant Agent or the Countersigning Agent. Any such successor Countersigning Agent shall promptly cause notice of its succession as Countersigning Agent to be given in accordance with Section 13.1(b) to each Holder of a Warrant Certificate at such Holder's last address as shown on the Warrant Register.

(c) A Countersigning Agent may resign at any time by giving thirty (30) days prior written notice thereof to the Warrant Agent and to the Company. The Warrant Agent may at any time terminate the agency of a Countersigning Agent by giving thirty (30) days prior written notice thereof to such Countersigning Agent and to the Company.

(d) The Warrant Agent agrees to pay to each Countersigning Agent from time to time reasonable compensation for its services under this Section, and the Warrant Agent shall be entitled to be reimbursed for such payments, subject to the provisions of Section 11.3.

(e) Any Countersigning Agent shall have the same rights and immunities as those of the Warrant Agent set forth in Section 11.1.

**ARTICLE 12**

**ADDITIONAL COVENANTS OF THE COMPANY**

Section 12.1 *Reports to Holders.* (a) Whether or not required by Sections 13 or 15(d) of the Exchange Act, the Company shall file with the SEC within any applicable time periods it prescribes (i) such annual reports as would be required by Sections 13 or 15(d) of the Exchange Act, (ii) quarterly reports for each of the first three fiscal quarters of each fiscal year and (iii) all other reports and information as would be required by Sections 13 or 15(d) of the Exchange Act. Within fifteen (15) days after the same shall be filed with the SEC, the Company shall file with the Warrant Agent, and supply to each Holder of Warrants, without cost to such Holder, copies of such reports or other information, unless such reports and information are filed by EDGAR with the SEC.

(b) The Company shall provide the Warrant Agent with a sufficient number of copies of all reports and other documents and information that the Warrant Agent may be required to deliver to the Holders of the Warrants under this Section 12.1.

Section 12.2 *Compliance with Agreements.* The Company shall comply in all material respects with the terms and conditions of the Registration Rights Agreement.

Section 12.3 *Maintenance of Office.* So long as any of the Warrants remain outstanding, the Company will maintain in the City of New York the following: (a) an office or agency where the Warrants may be presented for exercise, (b) an office or agency where the Warrants may be presented for registration of transfer and for exchange as in this Agreement provided and (c) an office or agency where notices and demands to or upon the Company in respect of the Warrants or of this Agreement may be served. The Company will give to the Warrant Agent written notice of the location of any such office or agency and of any change of location thereof. The Company hereby initially designates the office of the Warrant Agent at Computershare Trust Company, N.A., 525 Washington Blvd.-Suite 4690, Jersey City, N.J.



07310, or such other location as the Company may designate upon notice from the Warrant Agent as the office or agency for each such purpose. In case the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof, presentations and demands may be made and notices may be served at the Corporate Agency Office.

**ARTICLE 13**  
**NOTICES**

Section 13.1 *Notices Generally*. (a) Any request, notice, direction, authorization, consent, waiver, demand or other communication permitted or authorized by this Agreement to be made upon; given or furnished to or filed with the Company or the Warrant Agent by the other party hereto or by any Holder shall be sufficient for every purpose hereunder if in writing (including telecopy communication) and telecopied or delivered by hand (including by courier service) as follows:

If to the Company, to it at:

Marshall Edwards, Inc.  
140 Wicks Road, North Ryde  
NSW, 2113 Australia  
Attention: David R. Seaton  
Fax: +61 2 9878-8474

or

If to the Warrant Agent, to it at:

Computershare Trust Company, N.A.  
250 Royal Street  
Canton, Massachusetts 02021  
Attn: Corporate Actions Department

or, in either case, such other address as shall have been set forth in a notice delivered in accordance with this Section 13.1(a).

All such communications shall, when so telecopied or delivered by hand, be effective when telecopied with confirmation of receipt or received by the addressee, respectively.

Any Person that telecopies any communication hereunder to any Person shall, on the same date as such telecopy is transmitted, also send, by first class mail, postage prepaid and addressed to such Person as specified above, an original copy of the communication so transmitted.

(b) Where this Agreement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and

mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Warrant Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made by a method approved by the Warrant Agent as one which would be most reliable under the circumstances for successfully delivering the notice to the addressees shall constitute a sufficient notification for every purpose hereunder.

Section 13.2 *Required Notices to Holders*. In case the Company shall propose (i) to pay any dividend payable in stock of any class to the holders of its Common Stock or to make any other distribution to the holders of its Common Stock for which an adjustment is required to be made pursuant to Article 6, (ii) to distribute to the holders of its Common Stock rights to subscribe for or to purchase any Additional Common Stock or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of its Common Stock, (iv) to effect any transaction described in Section 6.1(g) or (v) to effect the liquidation, dissolution or winding up of the Company, then, and in each such case, the Company shall cause to be filed with the Warrant Agent and shall give to each Holder of a Warrant Certificate, in accordance with Section 13.1(b), a notice of such proposed action or event. Such notice shall specify (x) the date on which a record is to be taken for the purposes of such dividend or distribution; and (y) the date on which such reclassification, transaction, event, liquidation, dissolution or winding up is expected to become effective and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their Common Stock for securities, cash or other property deliverable upon such reclassification, transaction, event, liquidation, dissolution or winding up. Such notice shall be given, in the case of any action covered by clause (i) or (ii) above, at least ten (10) days prior to the record date for determining holders of the Common Stock for purposes of such action or, in the case of any action covered by clauses (iii) through (v), at least twenty (20) days prior to the applicable effective or expiration date specified above or, in any such case, prior to such earlier time as notice thereof shall be required to be given pursuant to Rule 10b-17 under the Exchange Act, if applicable.

If at any time the Company shall cancel any of the proposed transactions for which notice has been given under this Section 13.2 prior to the consummation thereof, the Company shall give each Holder prompt notice of such cancellation in accordance with Section 13.1(b) hereof.

**ARTICLE 14**  
**APPLICABLE LAW**

**THIS AGREEMENT, EACH WARRANT CERTIFICATE ISSUED HEREUNDER, EACH WARRANT EVIDENCED THEREBY AND ALL RIGHTS ARISING HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

**EACH OF THE PARTIES HERETO CONSENTS TO THE NON-EXCLUSIVE JURISDICTION OF ANY COURT LOCATED WITHIN THE CITY, COUNTY AND STATE OF NEW YORK. EACH OF THE PARTIES HERETO FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. NOTHING HEREIN SHALL IN ANY WAY BE DEEMED TO LIMIT THE ABILITY OF EITHER PARTY HERETO TO SERVE ANY SUCH LEGAL PROCESS, SUMMONS, NOTICES AND DOCUMENTS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW OR TO OBTAIN JURISDICTION OVER OR TO BRING ACTIONS, SUITS OR PROCEEDINGS AGAINST THE OTHER PARTY HERETO IN SUCH OTHER JURISDICTIONS, AND IN SUCH MANNER, AS MAY BE PERMITTED BY ANY APPLICABLE LAW.**

**ARTICLE 15**  
**PERSONS BENEFITING**

This Agreement shall be binding upon and inure to the benefit of the Company and the Warrant Agent, and their respective successors and assigns. Nothing in this Agreement is intended or shall be construed to confer upon any Person, other than the Company and the Warrant Agent, any right, remedy or claim under or by reason of this Agreement or any part hereof.

**ARTICLE 16**  
**COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

**ARTICLE 17**  
**AMENDMENTS**

This Agreement may not be changed orally or modified, amended or supplemented without an express written agreement executed by each of the parties hereto.

**ARTICLE 18**  
**INSPECTION**

The Company shall cause a copy of this Agreement to be available at all reasonable times at its principal executive offices for inspection by the Holder of any Warrant Certificate. The Company may require such Holder to submit his Warrant Certificate for inspection by it.

**ARTICLE 19**  
**SUCCESSOR TO THE COMPANY**

So long as Warrants remain outstanding, the Company will not enter into any Non-Surviving Combination unless the acquirer shall expressly assume by a supplemental agreement, executed and delivered to the Warrant Agent, in form reasonably satisfactory to the Warrant Agent, the due and punctual performance of every covenant of this Agreement on the part of the Company to be performed and observed and shall have provided for exercise rights in accordance with Section 6.1(g). Upon the consummation of such Non-Surviving Combination, the acquirer shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Agreement with the same effect as if such acquirer had been named as the Company herein.

**ARTICLE 20**  
**ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement of the parties hereto as to the subject matter hereof and supersedes all previous agreements among all or some of the parties hereto with respect thereto, whether written, oral or otherwise.

**ARTICLE 21**  
**HEADINGS**

The descriptive headings of the several Sections of this Agreement are inserted for convenience and shall not control or affect the meaning or construction of any of the provisions hereof.

**ARTICLE 22**  
**DAMAGES**

No party shall be liable for any incidental, indirect, special or consequential damages of any nature whatsoever, including, but not limited to, loss of anticipated profits, occasioned by a breach of any provision of this Agreement even if apprised of the possibility of such damages.

**ARTICLE 23**  
**THIRD PARTY BENEFICIARIES**

Notwithstanding anything contained herein to the contrary, the provisions of this Agreement are intended to benefit only the Warrant Agent, the Company and their respective permitted successors and assigns. No rights shall be granted to any other person by virtue of this Agreement and there are no third party beneficiaries hereof.

**[Signature page to follow.]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

MARSHALL EDWARDS, INC.

By: \_\_\_\_\_  
Name:  
Title:

COMPUTERSHARE INC.

By: \_\_\_\_\_  
Name:  
Title:

COMPUTERSHARE TRUST COMPANY, N.A.

By: \_\_\_\_\_  
Name:  
Title:

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**EXHIBIT A**  
**FORM OF WARRANT CERTIFICATE**

A-1

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**EXHIBIT B**  
**FORM OF ACCREDITED INVESTOR TRANSFEREE CERTIFICATE**

(Transfers Pursuant to §2.4(a) of the Warrant Agreement)

\_\_\_\_\_, 20\_\_

Computershare Trust Company, N.A.

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

Re: Marshall Edwards, Inc. Warrants to Purchase Common Stock (the [ ]Warrants[ ])

Reference is hereby made to the Warrant Agreement dated as of August 1, 2007 (the [ ]Warrant Agreement[ ]) between Marshall Edwards, Inc. and Computershare Trust Company, N.A., as Warrant Agent. Capitalized terms used but not defined herein shall have the meanings given them in the Warrant Agreement.

This letter relates to Warrants exercisable for an aggregate of \_\_\_ Common Stock ([ ]Warrant Shares[ ]), which Warrants are held in the name of [name of transferor] (the [ ]Transferor[ ]) to effect the transfer of the Warrants to the undersigned.

In connection with such request, and in respect of such Warrants, we confirm that:

1. We understand that the Warrants and Warrant Shares have not been and may not be registered under the Securities Act, and are being sold to us in a transaction that is exempt from the registration requirements of the Securities Act.
2. We are a corporation, partnership or other entity or person having such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Warrants, and we are (or any account for which we are purchasing is) an Institutional Accredited Investor or a Qualified Institutional Buyer (as such terms are defined under the Securities Act), able to bear the economic risk of investment in the Warrants.
3. We are acquiring the Warrants for our own account (or for accounts as to which we exercise sole investment discretion and have authority to make, and do make, the statements contained in this letter) and not with a view to any distribution of the Warrants or Warrant Shares, subject, nevertheless, to the understanding that the disposition of our property shall at all times be and remain within our control.
4. We understand that (a) the Warrants will be delivered to us in registered form only and that the certificate delivered to us in respect of the Warrants will bear a legend substantially to the following effect:

[Restricted Warrant Legend]

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

and (b) such certificates shall be reissued without the foregoing legend only in the event of a disposition of the Warrants in accordance with the provisions of paragraph 5(c) or (d) below, or at our request at such times as we would be permitted to dispose of the Warrants in accordance with paragraph 5(d) below.

5. We agree that in the event that at some future time we wish to dispose of any of the Warrants or Warrant Shares, we will not do so unless:

- (a) the Warrants or Warrant Shares are sold to the Company or any Subsidiary thereof;
- (b) the Warrants are sold to an Institutional Accredited Investor or a Qualified Institutional Buyer, that, prior to such transfer, furnishes to the Warrant Agent a signed letter containing certain representations and agreements relating to the restrictions on transfer of the Warrants and Warrant Shares (the form of which letter can be obtained from the Warrant Agent);
- (c) the Warrants or Warrant Shares are sold by us pursuant to Rule 144 under the Securities Act; or
- (d) the Warrants or Warrant Shares are sold pursuant to an effective registration statement under the Securities Act.



Very truly yours,

[PURCHASER]

By: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_, 200\_\_

cc: Marshall Edwards, Inc.

**EXHIBIT C**  
**FORM OF LEGAL OPINION ON TRANSFER**

\_\_\_\_\_, 20\_\_

EquiServe Trust Company, N.A.

\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

Re: Marshall Edwards, Inc. Warrants to Purchase Common Stock

Ladies and Gentlemen:

This opinion is being furnished to you in connection with the sale by \_\_\_\_ (the [Transferor]) to \_\_\_\_ (the [Purchaser]) of Warrants to Purchase Common Stock exercisable for an aggregate of \_\_\_\_ Common Stock, par value \$.00000002 per share, of Marshall Edwards, Inc. (the [Warrants]).

We have examined such documents and records as we have deemed appropriate. In our examination of the foregoing, we have assumed the authenticity of all documents, the genuineness of all signatures and the due authorization, execution and delivery of the aforementioned by each of the parties thereto. We have further assumed the accuracy of the representations contained in the Accredited Investor Transferee Certificate executed and delivered by the Purchaser in connection with its purchase of the Warrants made by the parties executing such document. We have also assumed that the sale of the Warrants to the Transferor was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended (the [Securities Act]).

Based on the foregoing, we are of the opinion that the sale to the Purchaser of the Warrants is subject to a valid exemption from the registration requirements of the Securities Act and does not require registration of such Warrants or the Common Stock issuable upon exercise thereof under the Securities Act.

Very truly yours,

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THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

August \_\_, 2007

NO. \_\_

MARSHALL EDWARDS, INC.

(INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE)

WARRANT FOR THE PURCHASE OF SHARES OF COMMON STOCK

FOR VALUE RECEIVED, MARSHALL EDWARDS, INC., a Delaware corporation (the "Company"), hereby certifies that \_\_\_\_\_ (the "Holder") is entitled, subject to the provisions of this Warrant, to purchase from the Company, up to \_\_\_\_\_ fully paid and non-assessable shares of Common Stock at a price of \$3.60 per share (the "Exercise Price").

The term "Common Stock" means the Common Stock, par value \$.0000002 per share, of the Company. The number of shares of Common Stock to be received upon the exercise of this Warrant may be adjusted from time to time as hereinafter set forth. The shares of Common Stock deliverable upon such exercise, and as adjusted from time to time, are hereinafter referred to as "Warrant Shares." The term "Company" means and includes the corporation named above as well as (i) any immediate or more remote successor corporation resulting from the merger or consolidation of such corporation (or any immediate or more remote successor corporation of such corporation) with another corporation, or (ii) any corporation to which such corporation (or any immediate or more remote successor corporation of such corporation) has transferred its property or assets as an entirety or substantially as an entirety.

Upon receipt by the Company or the Company's warrant agent, Computershare Trust Company, N.A. (the "Warrant Agent") of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company shall execute and deliver a new Warrant of like tenor and date. Any such new Warrant executed and delivered shall constitute an additional contractual obligation on



the part of the Company, whether or not this Warrant so lost, stolen, destroyed or mutilated shall be at any time enforceable by anyone.

The Holder agrees with the Company that this Warrant is issued, and all the rights hereunder shall be held subject to, all of the conditions, limitations and provisions set forth herein.

1. **CASH EXERCISE OF WARRANT.** This Warrant may be exercised, in whole or in part, at any time, or from time to time during the period commencing on February 6, 2008 and expiring 5:00 p.m. Eastern Time on August 6, 2012 (the "Expiration Date"), by presentation and surrender of this Warrant to the Company at its principal office, or at the office of the Warrant Agent, with the Warrant Exercise Form attached hereto duly executed and accompanied by payment (either in cash or by certified or official bank check, payable to the order of the Company) of the Exercise Price for the number of shares of Common Stock specified in such form and instruments of transfer, if appropriate, duly executed by the Holder or his or her duly authorized attorney. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant of like terms evidencing the rights of the Holder thereof to purchase the balance of the shares of Common Stock purchasable hereunder. Upon receipt by the Company of this Warrant, together with the Exercise Price, at its office, or by the Warrant Agent, in proper form for exercise, the Holder shall be deemed to be the holder of record of the shares of Common Stock issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares of Common Stock shall not then be actually delivered to the Holder. The Holder shall pay any and all documentary stamp or similar issue or transfer taxes payable in respect of the issue or delivery of shares of Common Stock on exercise of this Warrant.

2. **CASHLESS EXERCISE OF WARRANT.** In lieu of exercising this Warrant, the Holder may elect to receive shares of Common Stock equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y (A-B)}{A}$$

- Where X = the number of shares of Common Stock to be issued to the Holder.
- Y = the number of shares of Common Stock purchasable under this Warrant.
- A = the fair market value of one share of the Company's Common Stock.
- B = the Exercise Price (as adjusted to the date of such calculation).



For purposes of this Warrant, the fair market value of the Company's Common Stock shall be determined as follows:

- (a) If the Common Stock is listed on a National Securities Exchange or admitted to unlisted trading privileges on such exchange or listed for trading on the Nasdaq system, the current market value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or, if no such sale is made on such day, the average of the closing bid and asked prices for such day on such exchange or system; or
- (b) If the Common Stock is not so listed or admitted, the current market shall be the average of the closing bid and asked prices as quoted by the OTC Bulletin Board; or
- (c) If the Common Stock is not so listed or admitted to unlisted trading privileges, the current market value shall be the mean of the last reported bid and asked prices reported by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or
- (d) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the current market value shall be an amount, not less than book value thereof as at the end of the most recent fiscal year of the Company ending prior to the date of the exercise of the Warrant, determined in such reasonable manner as may be prescribed by the Board of Directors of the Company.

3. RESERVATION OF SHARES. The Company will at all times reserve for issuance and delivery upon exercise of this Warrant all shares of Common Stock or other shares of capital stock of the Company from time to time issuable upon exercise of this Warrant. All such shares shall be duly authorized and, when issued upon such exercise, shall be validly issued, fully paid and non-assessable and free of all preemptive rights.

4. FRACTIONAL SHARES. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but the Company shall pay the Holder an amount equal to the fair market value of such fractional share of Common Stock in lieu of each fraction of a share otherwise called for upon any exercise of this Warrant. The fair market value of a share of Common Stock shall be determined in accordance with Section 2 (a), (b), (c) or (d) as applicable.

5. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT. This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company or at the office of the Warrant Agent, for other Warrants of different denominations, entitling the Holder or Holders thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. Upon surrender of this Warrant to the Company or at the office of its Warrant Agent, if any, with an Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax, subject to the provisions of Sections 8 and 12 hereof, the Company shall, without charge, execute and deliver a new Warrant in the name of the assignee named in such instrument of assignment (and in the

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event of a partial transfer, a new Warrant to the Holder for the portion of such Warrant not transferred) and this Warrant shall promptly be cancelled. This Warrant may be divided or combined with other Warrants that carry the same rights upon presentation hereof at the office of the Company or at the office of its Warrant Agent, together with a written notice specifying the names and denominations in which new Warrants are to be issued and signed by the Holder hereof.

6. **RIGHTS OF THE HOLDER.** The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or in equity, and the rights of the Holder are limited to those expressed in this Warrant.

7. **ANTI-DILUTION PROVISIONS.**

7.1 **Adjustment for Recapitalization, Reorganization, Consolidation, Merger, Etc.** In case (i) the outstanding shares of the Common Stock shall be subdivided into a greater number of shares, (ii) a dividend or other distribution in Common Stock shall be paid in respect of Common Stock, (iii) the outstanding shares of Common Stock shall be combined into a smaller number of shares thereof, or (iv) any shares of the Company's capital stock are issued by reclassification of the Common Stock (including any reclassification upon a consolidation or merger in which the Company is the continuing corporation), the Exercise Price in effect immediately prior to such subdivision, combination or reclassification or at the record date of such dividend or distribution shall simultaneously with the effectiveness of such subdivision, combination or reclassification or immediately after the record date of such dividend or distribution be proportionately adjusted to equal the product obtained by multiplying the Exercise Price by a fraction, the numerator of which is the number of outstanding shares of Common Stock (on a fully diluted basis) after giving effect to such combination, subdivision, reclassification or dividend and the denominator of which is the number of outstanding shares of Common Stock (on a fully diluted basis) outstanding immediately prior to such combination, subdivision, reclassification or dividend.

For purposes of this Warrant, [on a fully diluted basis] means that all outstanding options, rights or Warrants to subscribe for shares of Common Stock and all securities convertible into or exchangeable for shares of Common Stock (such options, rights, Warrants and securities are, collectively, referred to herein as [Convertible Securities]) and all options or rights to acquire Convertible Securities have been exercised, converted or exchanged.

Whenever the Exercise Price per share is adjusted as provided in the immediately preceding paragraph, the number of shares of Common Stock purchasable upon conversion of the Warrant immediately prior to such Exercise Price adjustment shall be adjusted, effective simultaneous with the Exercise Price adjustment, to equal the product obtained (calculated to the nearest full share) by multiplying such number of shares of Common Stock by a fraction, the numerator of which is the Exercise Price per share in effect immediately prior to such Exercise Price adjustment and the denominator of which is the Exercise Price per share in effect upon such Exercise Price adjustment, which adjusted number of shares of Common Stock shall thereupon be the number of shares of Common Stock purchasable upon conversion of the Warrant until further adjusted as provided herein.

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7.2 Adjustment for Reorganization, Consolidation, Merger, Liquidation Etc. In case of any reorganization of the Company (or any other corporation, the securities of which are at the time receivable on the exercise of this Warrant) after the date hereof or in case after such date the Company (or any such other corporation) shall consolidate with or merge into another corporation or convey all or substantially all of its assets to another corporation or liquidate, then, and in each such case, the Holder of this Warrant upon the exercise thereof as provided in Section 1 or 2 at any time after the consummation of such reorganization, consolidation, merger, conveyance or liquidation, shall be entitled to receive, in lieu of the securities and property receivable upon the exercise of this Warrant prior to such consummation, the securities or property to which such Holder would have been entitled upon such consummation if such Holder had exercised this Warrant immediately prior thereto; in each such case, the terms of this Warrant shall be applicable to the securities or property receivable upon the exercise of this Warrant after such consummation.

7.3 No Dilution. The Company will not, by amendment of its Certificate of Incorporation or through reorganization, consolidation, merger, dissolution, issue or sale of securities, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder of this Warrant against dilution or other impairment. Without limiting the generality of the foregoing, while this Warrant is outstanding, the Company (a) will not permit the par value, if any, of the shares of Common Stock receivable upon the exercise of this Warrant to be above the amount payable therefor upon such exercise and (b) will take all such action as may be necessary or appropriate in order that the Company may validly and legally issue or sell fully paid and non-assessable shares of Common Stock upon the exercise of this Warrant.

7.4 Certificate as to Adjustments. In each case of an adjustment in the number of shares of Warrant Shares receivable on the exercise of this Warrant, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate executed by an executive officer of the Company setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company will forthwith mail a copy of each such certificate to the Holder.

7.5 Notices of Record Date, Etc. In case:

(a) the Company shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend (other than a cash dividend at the same rate as the rate of the last cash dividend theretofore paid) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities, or to receive any other right; or

(b) of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into

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another corporation, or any conveyance of all or substantially all of the assets of the Company to another corporation; or

(c) of any voluntary or involuntary dissolution, liquidation or winding up of the Company, then, and in each such case, the Company shall mail or cause to be mailed to each Holder of the Warrant at the time outstanding a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the date on which such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding up is to take place, and the time, if any, is to be fixed, as to which the holders of record of Common Stock (or such other securities at the time receivable upon the exercise of the Warrant) shall be entitled to exchange their shares of Common Stock (or such other securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding up. Such notice shall be mailed at least 20 days prior to the date therein specified and the Warrant may be exercised prior to said date during the term of the Warrant.

8. TRANSFER TO COMPLY WITH THE SECURITIES ACT. Except as provided in the Registration Rights Agreement, dated as of August 6, 2007, by and among the Company and the signatories thereto, notwithstanding any other provision contained herein, this Warrant and any Warrant Shares have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and are therefore "restricted securities" within the meaning of Rule 144 under the Securities Act, and that (A) can be offered, sold, pledged or otherwise transferred only (1) (a) to a person who the seller reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A under the Securities Act, (b) in a transaction meeting the requirements of Rule 144 under the Securities Act, (c) outside the United States to a non-US person in a transaction meeting the requirements of Rule 903, Rule 904 and Rule 905 under the Securities Act and in compliance with applicable local laws and regulations or (d) in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if the Company so requests), (2) to the Company or (3) pursuant to an effective registration statement and, in each case, in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction and (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser from it of the resale restrictions set forth in (A) above.

9. LEGEND. Unless the shares of Warrant Shares have been registered under the Securities Act, upon exercise of any of the Warrants and the issuance of any of the shares of Warrant Shares, all certificates representing such securities shall bear on the face thereof substantially the following legend:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION

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STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AND, IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

10. NOTICES. All notices required hereunder shall be in writing and shall be deemed given when delivered personally, by facsimile or overnight delivery or within two days after mailing when mailed by certified or registered mail, return receipt requested, to the Company at its principal office, or to the Holder at the address set forth on the record books of the Company, or at such other address of which the Company or the Holder has been advised by notice hereunder.

11. APPLICABLE LAW. The Warrant is issued under and shall for all purposes be governed by and construed in accordance with the laws of the State of New York, without giving effect to the choice of law rules thereof.

12. SUCCESSORS AND ASSIGNS. This Warrant cannot be transferred or assigned by the Holder without the prior written consent of the Company.

(SIGNATURE ON FOLLOWING PAGE)

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IN WITNESS HEREOF, the Company has caused this Warrant to be signed on its behalf, in its corporate name, by its duly authorized officer, all as of the day and year first above written.

MARSHALL EDWARDS, INC.

By: \_\_\_\_\_  
Name:  
Title:

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WARRANT EXERCISE FORM

The undersigned hereby irrevocably elects to exercise the rights contained within the Warrant to the extent of purchasing \_\_\_\_\_ shares of Common Stock of Marshall Edwards, Inc., a Delaware corporation (the "Company"), and hereby makes payment of \$\_\_\_\_\_ in payment therefor. By its exercise hereof, the undersigned confirms and agrees that it has complied and will comply with all applicable restrictions on the offer, sale, pledge or other transfer of the shares of Common Stock of the Company as set forth in the Warrant.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature, if jointly held

\_\_\_\_\_  
Date

MARSHALL EDWARDS, INC. RAISES \$16.4 MILLION  
IN PRIVATE EQUITY FINANCING

(Washington DC; and Sydney Australia □ August 6, 2007) □ Marshall Edwards, Inc. (Nasdaq: MSHL) announced today that it entered into definitive agreements for an approximately \$16.4 million private placement consisting of 5,464,001 shares of common stock at a purchase price of \$3.00 per share. The investors in the transaction also received a warrant to purchase an additional 4 shares of common stock for every block of 10 shares of common stock purchased. Marshall Edwards also issued 62,091 warrants to Blue Trading, LLC, which acted as the placement agent in the private placement, as part of the placement fee. All of the warrants are exercisable beginning February 6, 2008 and ending on August 6, 2012. The exercise price of the warrants is \$3.60. In addition, Marshall Edwards has issued a notice of termination effectuating the immediate termination upon consummation of the private placement of the Standby Equity Distribution Agreement, dated as of July 11, 2006, by and between Marshall Edwards and Cornell Capital Partners, LP, as amended.

Marshall Edwards has agreed to file a resale registration statement in connection with the private placement.

Marshall Edwards intends to use the proceeds from the private placement to fund certain clinical trials and pre-clinical development and for general corporate purposes.

About Marshall Edwards, Inc.

Marshall Edwards, Inc. is a US clinical development oncology company and is majority owned by Novogen Limited (ASX: NRT; Nasdaq: NVGN), an Australian biotechnology company specializing in the development of a range of therapeutics across the fields of oncology, cardiovascular disease and inflammatory diseases.

More information on the Novogen group of companies can be found at [www.marshalledwardsinc.com](http://www.marshalledwardsinc.com) and [www.novogen.com](http://www.novogen.com).

*This news release does not constitute an offer to sell or the solicitation of an offer to buy any securities. The common stock and warrants sold in the offering have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements under the Securities Act or applicable state securities laws.*

*Under U.S. law, a new drug cannot be marketed until it has been investigated in clinical trials and approved by the FDA as being safe and effective for the intended use. Statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. You should be aware that our actual results could differ materially from those contained in the forward-looking statements, which are based on management's current expectations and are subject to a number of risks and uncertainties, including, but not limited to, our failure to successfully commercialize our product candidates; costs and delays in the development and/or FDA approval, or the failure to obtain such approval, of our product candidates; uncertainties in clinical trial results; our inability to maintain or enter into, and the risks resulting from our dependence upon, collaboration or contractual arrangements necessary for the development, manufacture, commercialization, marketing, sales and distribution of any products; competitive factors; our inability to protect our patents or proprietary rights and obtain*

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*necessary rights to third party patents and intellectual property to operate our business; our inability to operate our business without infringing the patents and proprietary rights of others; general economic conditions; the failure of any products to gain market acceptance; our inability to obtain any additional required financing; technological changes; government regulation; changes in industry practice; and one-time events. We do not intend to update any of these factors or to publicly announce the results of any revisions to these forward-looking statements.*