



## **NUVO RESEARCH AND COVIDIEN SIGN U.S. LICENSE AND DEVELOPMENT AGREEMENT FOR PENNSAID® AND PENNSAID PLUS®**

**Mississauga, Canada – June 16, 2009** – Nuvo Research Inc. (TSX: NRI) a Canadian drug development company focused on the research and development of drug products delivered to and through the skin using its topical and transdermal drug delivery technologies, today announced that it has entered into a license and development agreement with Mallinckrodt Inc., a subsidiary of Covidien (NYSE:COV), a leading global provider of healthcare products, granting it exclusive rights to market and sell Pennsaid®, and its follow-on product, Pennsaid Plus®, in the United States.

Pennsaid and Pennsaid Plus are Nuvo's topical non-steroidal anti-inflammatory drug ("NSAID") candidates. Nuvo has been advised by the U.S. Food and Drug Administration ("FDA") that it expects to respond to Nuvo's resubmitted new drug application for Pennsaid by August 5, 2009.

Under the terms of the license and development agreement, Nuvo will receive an up-front, non-refundable payment of US\$10 million. In addition, Nuvo is eligible to receive a US\$15 million milestone payment on Pennsaid's approval by the FDA, which will increase to US\$20 million if certain labeling criteria are agreed to by the FDA. Nuvo will receive royalties on net U.S. sales of Pennsaid and Pennsaid Plus at rates that are consistent with industry standards for products at similar stages of development. Nuvo will be eligible to receive additional escalating sales milestone payments for the products totaling up to US\$100 million.

Covidien will assume responsibility for all future development activities and expenses for Pennsaid Plus, including two Phase 3 clinical trials that Covidien expects to commence in 2010. Covidien has a right to negotiate with Nuvo on an exclusive basis for a period of 90 days to expand the licensed territory to include additional unlicensed countries worldwide. Nuvo will manufacture and supply Pennsaid and Pennsaid Plus to Covidien from its existing manufacturing facility in Varennes, Québec.

Covidien is a leading global healthcare products company with revenues of nearly US\$10 billion in 2008, and more than 41,000 employees in 59 countries worldwide. Its products are sold in more than 140 countries. A market study commissioned by Nuvo estimates that the market for topical NSAIDs will grow to US\$2 billion annually within five years.

“Covidien is an ideal partner with the infrastructure, market reach, resources and commitment to maximize the commercial potential of Pennsaid and Pennsaid Plus,” said Dan Chicoine, Chairman of Nuvo. “It is aggressively adding resources to maximize the value of the Pennsaid / Pennsaid Plus franchise and pursue its strategy of becoming a global presence in the treatment of pain.”

### **About Pennsaid and Pennsaid Plus**

Pennsaid, Nuvo’s lead product, combines a transdermal carrier (containing dimethyl sulfoxide, popularly known as “DMSO”) with diclofenac sodium, a leading non-steroidal anti-inflammatory drug (“NSAID”), and delivers the active drug through the skin directly to the site of pain. Pennsaid Plus is the follow-on product candidate to Pennsaid. Pennsaid Plus will feature a twice-daily dosing regime as a gel formulation.

### **About Nuvo Research Inc.**

Nuvo is focused on the research and development of drug products delivered to and through the skin using its topical and transdermal drug delivery technologies. Nuvo’s lead product is Pennsaid, a topical non-steroidal anti-inflammatory drug (NSAID). Nuvo intends to leverage its skin-penetrating technologies to create a portfolio of topical and transdermal products targeting a variety of indications.

Nuvo is a publicly traded, Canadian pharmaceutical company headquartered in Mississauga, Ontario, with manufacturing facilities in Varennes, Québec and Wanzleben, Germany and a research and development Center in San Diego, California. For more information, please visit [www.nuvoresearch.com](http://www.nuvoresearch.com)

*This document contains forward-looking statements. Some forward-looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. Nuvo considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution that these assumptions regarding future events, many of which are beyond the control of the Company, may ultimately prove to be incorrect. Factors and risks, which could cause actual results to differ materially from current expectations, are discussed in the annual report, as well as in Nuvo’s Annual Information Form for the year ended December 31, 2008. Nuvo disclaims any intention or obligation to update or revise any forward-looking statements whether a result of new information or future events, except as required by law. For additional information on risks and uncertainties relating to these forward-looking statements, investors should consult the Company’s ongoing quarterly filings, annual report and Annual Information Form and other filings found on SEDAR at [www.sedar.com](http://www.sedar.com)*

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