NUVO RESEARCH® ANNOUNCES
U.S. FDA APPROVAL OF
THIRD-PARTY GENERIC OF PENNSAID® 1.5%

MISSISSAUGA, Ontario, Canada - May 29, 2014 - Nuvo Research Inc. (TSX: NRI), a specialty pharmaceutical company with a diverse portfolio of topical and immunology products today announced that a third party has received U.S. Food and Drug Administration (FDA) approval to market and sell a topical diclofenac sodium 1.5% solution in the United States. The product is a generic version of Nuvo’s PENNSAID (diclofenac sodium topical solution) 1.5% w/w (PENNSAID 1.5%).

Mallinckrodt Inc. (NYSE:MNK) is Nuvo’s U.S. commercial licensee for the sale of both PENNSAID 1.5% and its follow-on product PENNSAID (diclofenac sodium topical solution) 2% w/w (PENNSAID 2%). PENNSAID 2% was approved by the FDA on January 16, 2014 and was launched by Mallinckrodt in February 2014. PENNSAID 2% is the first twice per day dosed topical non-steroidal anti-inflammatory drug (NSAID) available in the U.S. for the treatment of the pain of osteoarthritis of the knee. It is protected by 5 U.S. patents that are listed in the FDA’s Approved Drug Products with Therapeutic Equivalence Evaluations database or “Orange Book”.

Mallinckrodt has advised Nuvo that its strategy is to convert PENNSAID 1.5% patients and prescribers to PENNSAID 2%. Since the launch of PENNSAID 2%, U.S. prescriptions for PENNSAID 1.5% have declined and been offset by increased PENNSAID 2% prescriptions. The most recent IMS data for the week ended May 16, 2014, indicated that the number of PENNSAID 2% prescriptions exceeded the number of PENNSAID 1.5% prescriptions. Nuvo receives a 20% of net sales royalty on Mallinckrodt’s U.S. sales of both PENNSAID 1.5% and PENNSAID 2%.

About PENNSAID 1.5%

PENNSAID 1.5% is used to treat the signs and symptoms associated with knee osteoarthritis (OA). The drug combines the transdermal carrier (containing dimethyl sulfoxide, popularly known as DMSO) with 1.5% diclofenac sodium, an NSAID and delivers the active drug through the skin directly to the site of inflammation and pain. PENNSAID is currently marketed in the U.S. by Mallinckrodt, in Canada by Paladin Labs Inc. and marketed under license and/or distribution agreements in Greece, Italy and the U.K.

About PENNSAID 2%

PENNSAID 2% is a topical product containing 2% diclofenac sodium compared to 1.5% for original PENNSAID 1.5%. It is approved in the U.S. for pain of OA of the knee. It is more viscous than PENNSAID 1.5%, is supplied in a metered dose pump bottle and has been approved for twice daily dosing compared to four times a day for PENNSAID 1.5%. PENNSAID 2% was approved by the FDA on January 16, 2014 and is protected by 5 U.S. patents that are listed in the FDA’s Approved Drug Products with Therapeutic Equivalence Evaluations database or “Orange Book”.
About Nuvo Research Inc.

Nuvo (TSX:NRI) is a specialty pharmaceutical company with a diverse portfolio of products and technologies. The Company operates two distinct business units: the Topical Products and Technology (TPT) Group and the Immunology Group. The TPT Group has four U.S. Food and Drug Administration (FDA) approved commercial products, a pipeline of topical and transdermal products focusing on pain and dermatology and four drug delivery platforms that support the creation of patented formulations that can deliver actives into or through the skin. The Immunology Group has two commercial products, a development program for the treatment of allergic rhinitis and an immune system modulation platform that has the potential to support treatments for a broad range of immune system related disorders. For additional company information visit www.nuvoresearch.com.

FOR MORE INFORMATION, PLEASE CONTACT:

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PENNSAID® (diclofenac sodium topical solution) 2% w/w

IMPORTANT RISK INFORMATION

WARNING: CARDIOVASCULAR AND GASTROINTESTINAL RISK

Cardiovascular Risk
- Nonsteroidal anti-inflammatory drugs (NSAIDs) may cause an increased risk of serious cardiovascular thrombotic events, myocardial infarction, and stroke, which can be fatal. This risk may increase with duration of use. Patients with cardiovascular disease or risk factors for cardiovascular disease may be at greater risk.
- PENNSAID is contraindicated in the perioperative setting of coronary artery bypass graft (CABG) surgery.

Gastrointestinal Risk
- NSAIDs cause an increased risk of serious gastrointestinal adverse events including bleeding, ulceration, and perforation of the stomach or intestines, which can be fatal. These events can occur at any time during use and without warning symptoms. Elderly patients are at greater risk for serious gastrointestinal events.

CONTRAINDICATIONS

- PENNSAID is also contraindicated in patients:
  - with a known hypersensitivity to diclofenac sodium or any other component of PENNSAID
  - who have experienced asthma, urticaria, or allergic-type reactions after taking aspirin or other NSAIDs. Severe, rarely fatal anaphylactic-like reactions to NSAIDs have been reported in such patients
WARNINGS AND PRECAUTIONS

- Elevation of one or more liver tests may occur during therapy with NSAIDs. PENNSAID should be discontinued immediately if abnormal liver tests persist or worsen.
- Long-term administration of NSAIDs can result in renal papillary necrosis and other renal injury. Use PENNSAID with caution in patients at greatest risk of this reaction, including the elderly, those with impaired renal function, heart failure, liver dysfunction, and those taking diuretics and ACE-inhibitors.
- Anaphylactoid reactions may occur in patients without prior exposure to PENNSAID. NSAIDs can cause serious skin adverse events such as exfoliative dermatitis, Stevens-Johnson Syndrome (SJS), and toxic epidermal necrolysis (TEN), which can be fatal.
- Wash and dry hands before and after use. Avoid contact of PENNSAID with the eyes and mucous membranes.
- PENNSAID was not evaluated under the conditions of heat application, occlusive dressings overlay, or exercise; therefore, concurrent use of PENNSAID under these conditions is not recommended.
- Do not: apply PENNSAID to open wounds. Shower for at least 30 minutes after applying PENNSAID. Wear clothing over the PENNSAID treated knee until the treated knee is dry.
- Protect treated knee(s) from natural or artificial sunlight. Topicals, such as sunscreen and bug repellent, may be applied after PENNSAID treated knee(s) are completely dry.
- Concurrent use with oral NSAIDs should be avoided unless benefit outweighs risk and periodic laboratory evaluations are conducted.

ADVERSE REACTIONS

- The most common adverse events in a phase 2 clinical trial of PENNSAID 2% were application site reactions, such as dryness (22%), exfoliation (7%), erythema (4%), pruritus (2%), pain (2%), induration (2%), rash (2%), and scabbing (<1%). Other adverse reactions occurring in >1% of patients receiving PENNSAID 2% included urinary tract infection (3%), contusion (2%), sinus congestion (2%), and nausea (2%).
- The most common treatment-related adverse events in patients receiving PENNSAID 1.5% were application site skin reactions including dry skin (32%), contact dermatitis characterized by skin erythema and induration (9%), contact dermatitis with vesicles (2%) and pruritus (4%). In a long term safety study, contact dermatitis occurred in 13% and contact dermatitis with vesicles in 10% of patients, generally within the first 6 months of exposure, leading to a withdrawal rate for an application site event of 14%. Other common adverse events greater than placebo include: dyspepsia (9%), abdominal pain (6%), flatulence (4%), diarrhea (4%) and nausea (4%).

USE IN SPECIFIC POPULATIONS

- PENNSAID should not be used in pregnant or lactating women and is not approved for use in pediatric patients.
Click here for Full Prescribing Information for additional Important Risk Information including boxed warning.

PENNSAID is a registered trademark of Nuvo Research Inc.

Forward-Looking Statements

Certain statements in this news release constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements include, but are not limited to the Company's anticipated use of proceeds from the Private Placement, the Company's future share price and the Company's possible election to accelerate the expiry date of any of the warrants or the brokers warrants and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. Factors that could cause such differences include general business and economic uncertainties and adverse market conditions as well as other risk factors included in the Company's Annual Information Form dated February 20, 2014 under the heading "Risks Factors" and as described from time to time in the reports and disclosure documents filed by the Company with Canadian securities regulatory agencies and commissions. This list is not exhaustive of the factors that may impact the Company's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking information contained in this news release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this news release are qualified by these cautionary statements. The forward-looking statements contained herein are made as of the date of this news release and except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.