

8 May 2017

Violetta Codreanu
Adviser, Listings Compliance
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

By Email

Dear Violetta,

RE: APPENDIX 4C QUERY

In response to your letter dated 4 May 2017 regarding the Appendix 4C quarterly report released on 28 April 2017, Neuren Pharmaceuticals Limited (NEU) provides the following answers to your questions:

1. NEU expects that it will continue to have negative operating cash flows for the time being.
2. As reported in NEU's Annual Report released on 28 April 2017, and referred to in the Appendix 4C quarterly report, the NEU board is currently giving careful attention to a range of possible funding and partnering options, in order to support the future plans for Rett syndrome and other indications. In addition, as previously reported, NEU shareholders have approved the potential issue of up to 100 million additional shares to interests of Mr Lang Walker during the period to 30 June 2017, should the NEU board consider it to be necessary and in the best interests of all shareholders.
3. NEU expects to be able to continue its operations and to meet its business objectives, on the basis that, prior to 30 June 2017, it expects to execute one of more of the options referred to in answer 2 above.
4. I confirm that NEU is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. The responses above have been authorised by the NEU board.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jon Pilcher", enclosed in a thin black rectangular border.

Jon Pilcher
CFO & Company Secretary



4 May 2017

Mr Jon Pilcher
Chief Financial Officer & Company Secretary
Neuren Pharmaceuticals Limited
Unit 4
435 Williamstown Road
Port Melbourne VIC 3207

By email

Dear Mr Pilcher

Neuren Pharmaceuticals Limited (“NEU”): Appendix 4C Query

I refer to NEU’s Appendix 4C quarterly report for the period ended 31 March 2017 lodged with ASX Market Announcements Platform and released on 28 April 2017 (the “Appendix 4C”).

ASX notes that NEU has reported:

- negative net operating cash flows for the quarter of \$3,453,000;
- cash at the end of the quarter of \$1,622,000; and
- estimated cash outflows for the next quarter of \$600,000.

It is possible to conclude, based on the information in the Appendix 4C, that if NEU were to continue to expend cash at the rate indicated by the Appendix 4C, NEU may not have sufficient cash to continue funding its operations. In view of that, ASX asks NEU to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does NEU expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has NEU taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does NEU expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that NEU is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that NEU’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of NEU with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that NEU considers may be relevant to ASX forming an opinion on whether NEU is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **9:30am AEST on Tuesday, 9 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in NEU's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, NEU's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to NEU's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that NEU's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in NEU's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.



You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Violetta Codreanu

Adviser, Listings Compliance (Sydney)