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20 June 2011

Dear Shareholder

Neuren Pharmaceuticals Limited – Renounceable Rights Issue

This letter is to notify you that on 15 June 2011 Neuren Pharmaceuticals Limited ("Neuren") announced on ASX Limited a 1 for 1 renounceable rights issue of ordinary shares at a subscription price of A\$0.013 per share for Australian resident shareholders and the New Zealand dollar equivalent of NZ\$0.017 per share for New Zealand resident shareholders ("Rights Issue"). The offer is not underwritten.

The Letter of Offer (for Australian resident shareholders) and Investment Statement and Prospectus (for New Zealand resident shareholders) will be dispatched on 29 June 2011 to shareholders registered as at the Record Date, 27 June 2011.

The direct costs of Neuren's current clinical trial and cancer programmes are largely funded by grants and joint venture partners. In early May and June 2011 Neuren completed share placements amounting to A\$2 million to sophisticated and professional investors ("the Placements"). This Rights Issue offer is being made to give eligible shareholders the opportunity to acquire new shares at the same price as the shares issued in those recent Placements. The proceeds of the Placements and the Rights Issue will be used to fund corporate overhead and operating costs through 2012 when Neuren expects to have completed the current Phase 2 trials of NNZ-2566 and Motiva®. Proceeds also will be used to expand opportunities for NNZ-2566, Motiva® and other development programmes wherever possible.

Neuren will seek quotation on the ASX of the Rights and the New Shares issued pursuant to the Rights Issue.

The Rights Issue is limited to shareholders' entitlements as at the Record Date. Shareholders wishing to acquire more new shares than their entitlement as at the record date may be able to purchase rights which are expected to trade on ASX from 21 June 2011 to 7 July 2011.

The key information and dates are set out below for your information.

Summary of Key Information

Type of offer	Renounceable rights issue of approximately 618 million shares to Australian and New Zealand resident shareholders on the Record Date.
Offer price	A\$0.013 (or NZ\$0.017 for New Zealand Resident shareholders)
Offer ratio (Entitlement)	1 New Share for each Existing Share at the Record Date of 27 June 2011
Underwriting	The offer is not underwritten

Proposed Timetable

Announcement of Rights Issue	15 June 2011
"Ex" Date and start of Rights trading	21 June 2011
Record Date	27 June 2011
Letter of Offer and Investment Statement and Prospectus mailing date	29 June 2011
Rights trading ends	7 July 2011
Offer closes	14 July 2011
Despatch date	22 July 2011

This timetable is indicative only and may be subject change, subject to the ASX Listing Rules.

For further information regarding the offer please contact Neuren on 1 800 259 181 (from within Australia) or +64 (9) 3700 200, or by email to enquiries@neurenpharma.com.

Yours sincerely



Mr Rob Turnbull
Chief Financial Officer