

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Neuren Pharmaceuticals Limited

ABN

111 496 130

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Options over Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,320,000 Options (unlisted) under the shareholder approved Share Option Plan |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1,320,000 Options (unlisted) granted under the shareholder approved Share Option Plan: <ul style="list-style-type: none">• 720,000 Options with an exercise price NZ\$0.392 per option• 600,000 Options with an exercise price NZ\$0.472 per option• Each option exercisable into one Ordinary Share• Each Option expires on 31 March 2010 |

+ See chapter 19 for defined terms.

| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>No</p> <p>On exercise of the options, the acquired Ordinary Shares will rank equally with existing Ordinary Shares</p> | | | | |
|--|--|--------|--------|------------|-----------------|
| <p>5 Issue price or consideration</p> | <p>Employment and consulting services received and to be received</p> | | | | |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Contractual consideration for employment and consulting services received and to be received in accordance with the employment contracts or terms of engagement</p> | | | | |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>Expected to be 24 July 2006</p> | | | | |
| <p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th data-bbox="686 1422 989 1478">Number</th> <th data-bbox="989 1422 1283 1478">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1478 989 1700">96,617,375</td> <td data-bbox="989 1478 1283 1700">Ordinary Shares</td> </tr> </tbody> </table> | Number | +Class | 96,617,375 | Ordinary Shares |
| Number | +Class | | | | |
| 96,617,375 | Ordinary Shares | | | | |

+ See chapter 19 for defined terms.

| | Number | +Class |
|---|------------|--|
| 9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable) | 15,382,625 | Ordinary Shares (escrow ends 31 Jan 2007) |
| | | |
| | 3,000,000 | Ordinary Share Options exercisable at A\$0.50 before 31 May 2007 |
| | 9,843,955 | Ordinary Share Options exercisable at NZ\$0.392 before 31 March 2009 |
| | 7,643,672 | Ordinary Share Options exercisable at NZ\$0.392 before 31 March 2009 (escrow ends 31 Jan 2007) |
| | 720,000 | Ordinary Share Options exercisable at NZ\$0.392 before 31 March 2010 |
| | 600,000 | Ordinary Share Options exercisable at NZ\$0.472 before 31 March 2010 |

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

+ See chapter 19 for defined terms.

| | |
|---|-----------------------|
| <p>18 Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p> | <p>Not applicable</p> |
| <p>19 Closing date for receipt of acceptances or renunciations</p> | <p>Not applicable</p> |
| <p>20 Names of any underwriters</p> | <p>Not applicable</p> |
| <p>21 Amount of any underwriting fee or commission</p> | <p>Not applicable</p> |
| <p>22 Names of any brokers to the issue</p> | <p>Not applicable</p> |
| <p>23 Fee or commission payable to the broker to the issue</p> | <p>Not applicable</p> |
| <p>24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders</p> | <p>Not applicable</p> |
| <p>25 If the issue is contingent on +security holders' approval, the date of the meeting</p> | <p>Not applicable</p> |
| <p>26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled</p> | <p>Not applicable</p> |
| <p>27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders</p> | <p>Not applicable</p> |
| <p>28 Date rights trading will begin (if applicable)</p> | <p>Not applicable</p> |
| <p>29 Date rights trading will end (if applicable)</p> | <p>Not applicable</p> |
| <p>30 How do +security holders sell their</p> | <p>Not applicable</p> |

+ See chapter 19 for defined terms.

| | | |
|----|--|----------------|
| | entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not applicable |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | Not applicable |
| 33 | +Despatch date | Not applicable |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

| |
|--|
| |
|--|

39 Class of +securities for which
 quotation is sought

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|--|
| |
|--|

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

| |
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|--|

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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| |
|--|

| | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38) | | |

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

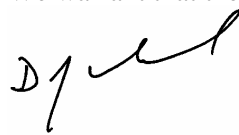
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 21 July 2006
(Director)

Print name: David Clarke

+ See chapter 19 for defined terms.