



Neuren Pharmaceuticals Limited
Level 2, 57 Wellington Street
Freemans Bay, Auckland, New Zealand
office: +64 9 529 3940
fax: +64 9 361 7981
enquiries@neurenpharma.com
www.neurenpharma.com

20 July 2009

**NEUREN PHARMACEUTICALS LIMITED
SHARE PURCHASE PLAN (the "Plan")**

- Eligible shareholders entitled to purchase up to A\$15,000 of ordinary shares
 - Price will be A\$0.03 per ordinary share
 - Shareholders have a NZ\$ payment option
 - No brokerage or additional transaction costs
 - Offer closes 5.00pm (AEST) on Thursday, 6 August 2009.
-

Dear Shareholder

Neuren is offering each shareholder with a registered address in Australia or New Zealand at 7.00 pm (AEST) on 16 July 2009 up to A\$15,000 worth of new fully paid ordinary shares in the capital of the Company at a price of A\$0.03 per share. Shareholders also have the option of paying the subscription amount in New Zealand dollars (NZ\$). We encourage all eligible shareholders to consider taking advantage of this opportunity to acquire further Neuren shares.

The Company is able to make this offer to shareholders without providing a disclosure document in accordance with a class order relief granted by the Australian Securities and Investments Commission (the "ASIC Class Order 09/425") and the New Zealand Securities Act (Neuren Pharmaceuticals Limited) Exemption Notice 2006 as amended by the Securities Act (Neuren Pharmaceuticals Limited) Exemption Amendment Notice 2009 (the "NZ Exemption Notice").

The terms and conditions of the Plan are set out in this letter and the enclosed application form. By accepting the offer to apply for new shares under the Plan, you agree to be bound by these terms and conditions and the constitution of the Company.

The purposes of the Plan are to give shareholders the opportunity to subscribe for shares at a discounted share price of A\$0.03 per share without having to incur brokerage fees, and to raise additional funds for the Company to meet working capital requirements.

Eligibility

Holders of the Company's shares with registered addresses in Australia or New Zealand as at 7.00 pm Sydney time on the record date of 16 July 2009 are eligible to participate. There is no minimum shareholding requirement, however shareholders who participated in the Company's August 2008 Share Purchase Plan will be limited in the amount they can accept (refer "Limit on Participation" below). The Company has determined that it is not lawful or practical for shareholders in other jurisdictions to participate in the Plan.

The offer under the Plan is non-renounceable and therefore eligible shareholders may not transfer their rights to subscribe for shares under the Plan.

Price of Shares Offered Under the Plan

The issue price for each new fully paid ordinary share offered under the Plan is A\$0.03 and was fixed on 10 July 2009 on the basis that it represented a discount to shareholders of almost 20% to the volume weighted average share price of the Company's shares over the five trading days on which sales were recorded prior to the announcement of the Plan on 10 July 2009. This period also falls within the period 30 days immediately before the date of this offer, which is specified as a reference period for determining the issue price in the NZ Exemption Notice.

Price Risk

The market price of the Company's shares may rise or fall between the date of the offer and the date when the new shares are issued. This means that the price you pay for the new shares under the Plan might exceed the market price of Neuren's shares at the time the new shares are issued. Any change in the market price of the Company's shares will not change the issue price of A\$0.03 under the Plan.

Initial Limit

This Plan has an initial limit of 77,239,293 shares (the "Initial Limit"). In the event that applications under this Plan exceed the Initial Limit, the Company will either scale back applications so that only 77,239,293 shares are issued or will convene a Special Shareholders' Meeting to seek shareholder approval to issue a greater number of shares.

Entitlement

If you are eligible to participate in the Plan, you may apply for new shares in Neuren up to A\$15,000. The minimum subscription is A\$900 (or NZ\$1,107). You have the option to apply in Australian dollars or New Zealand dollars in the increments as set out below:

Alternative	Number of New Shares	Amount Payable A\$	Amount Payable NZ\$ Payment Option
Offer A	30,000	A\$900	NZ\$1,107
Offer B	70,000	A\$2,100	NZ\$2,583
Offer C	110,000	A\$3,300	NZ\$4,059
Offer D	150,000	A\$4,500	NZ\$5,535
Offer E	200,000	A\$6,000	NZ\$7,380
Offer F	250,000	A\$7,500	NZ\$9,225
Offer G	300,000	A\$9,000	NZ\$11,070
Offer H	350,000	A\$10,500	NZ\$12,915
Offer I	400,000	A\$12,000	NZ\$14,760
Offer J	500,000	A\$15,000	NZ\$18,450

The amount of the NZ\$ payment option was determined by the Company based on the exchange rate of A\$1.00 = NZ\$1.230 quoted on the record date.

Limit on Participation

In order to comply with ASIC Class Order 09/425 and the NZ Exemption Notice, the maximum value of new shares each eligible shareholder (irrespective of the size of their shareholding) may apply for under this Plan or similar arrangements is A\$15,000 over any twelve month period. *This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts).*

The "twelve month period" related to the A\$15,000 limit is important because Neuren also made a Share Purchase Plan offer in August 2008 (the "August 2008 Plan"). Any shareholders who subscribed for and were allotted shares under the August 2008 Plan must include the value of those shares in calculating the maximum amount that they may subscribe for under this Plan. For example, if you subscribed for and were issued A\$5,000 of new Neuren shares under the August 2008 Plan, you will be limited to a maximum of A\$10,000 of new Neuren shares under this Plan (i.e. A\$15,000 limit less the A\$5,000 subscribed for in the previous twelve months).

If you act as trustee corporation, nominee company or bare trustee ("Custodian") in respect of more than one beneficiary, you may apply for up to A\$15,000 of new shares for each different beneficiary, subject to the twelve month limit noted above for each beneficiary, and provided the following details are certified by the Custodian in a schedule with the application form:

- (a) that the Custodian holds shares on behalf of one or more other persons (each a participating beneficiary) on 16 July 2009 who have subsequently instructed the Custodian to apply for shares on their behalf under the Plan;
- (b) the number of participating beneficiaries;
- (c) the name and address of each participating beneficiary;
- (d) the number of shares that the Custodian holds on behalf of each participating beneficiary;
- (e) the number or dollar amount of shares each participating beneficiary instructed the Custodian to apply for on their behalf; and
- (f) that there are no participating beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the shares applied for by the Custodian on their behalf under the Plan; and
 - (ii) any other shares issued to the Custodian in the twelve months before the application as a result of an instruction given by them to the Custodian to apply for shares on their behalf under an arrangement similar to the Plan.

The Company reserves the right to reject any application for new shares where it believes this requirement has not been complied with.

Costs of Participation

No brokerage, commission, stamp duty or other transaction costs will be payable by you in respect of the application for and issue of new shares under the Plan.

Offer Opening and Closing Dates

The offer opens at 9.00 am Sydney time on **23 July 2009**.

The offer closes at 5.00 pm Sydney time on **6 August 2009**.

The Company may vary the date for closing the offer and will announce any such variation to the ASX.

Acceptance Instructions

To accept the offer, complete the application form by selecting the offer with respect to the number of shares for which you wish to apply, inserting the payment details, and certify by signing the back of the application form.

The completed application form with a cheque made payable to "Neuren Pharmaceuticals Limited Trust Account" and crossed "Not Negotiable" for the amount payable by you for the shares should be received no later than 5.00 pm (AEST) on the closing date of the offer (6 August 2009).

Shareholders choosing the NZ\$ payment option should mail completed applications and cheques to:

Neuren SPP
PO Box 9923
Newmarket, Auckland
New Zealand

All other completed applications and cheques are to be mailed to:

Neuren Pharmaceuticals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney NSW 1235
Australia

Once you have accepted the offer you may not withdraw your acceptance.

The Company reserves the right to reject your application and not issue any new shares to you if your application form is not completed correctly (including any required Custodian certification), or your cheque is for an incorrect amount or does not clear within five business days of presentation.

Allocation of New Shares

Under the ASX Listing Rules, the Company may generally issue up to 30% of ordinary issued capital under a share purchase plan without shareholder approval provided certain conditions are met. One of these conditions is that the offer price per share is not less than 80% of the average market price. The price and number of shares being offered under this Plan meet these conditions.

As noted above, this Plan has an initial limit of 77,239,293 shares which represents 30% of the issued ordinary shares of the Company. If the offer under this Plan is oversubscribed the Company will either scale back applications so that only 77,239,293 shares are issued or will convene a Special Shareholders' Meeting to seek shareholder approval to issue a greater number of shares.

In the event of a scale back, this will be conducted on a pro-rata basis. This means, for example, that if you apply for a A\$15,000 parcel and applications are scaled back by 5%, then your application will be scaled back to A\$14,250, and you will receive a refund cheque at the same time as your transaction confirmation statement for the amount to be refunded.

Issue of New Fully Paid Ordinary Shares under the Plan

The new shares are proposed to be issued and allotted on or about 14 August 2009. It is expected that the new shares will be quoted on ASX on or about 18 August 2009 and you should receive your holding statement or confirmation advice in respect of the new shares shortly after that date.

New fully paid ordinary shares issued under the Plan will rank equally and carry the same rights as existing fully paid ordinary shares in the Company.

Administration of the Plan

The Plan is administered by the Board of the Company. The Board may adopt such administrative procedures as it thinks appropriate in relation to the Plan. The Board may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer or acceptance of shares, and the decision of the Board will be conclusive and binding on all participants and other persons to whom the determination relates. The Board reserves the right to waive compliance with any provision of these terms and conditions. The Board may reject any application form for any reason and may scale back acceptances.

Modification and Termination

Subject to the Corporations Act 2001 and the ASX Listing Rules, the Company may modify or terminate the Plan at any time, and may also implement another Plan in the future, but it is not obliged to do so. The Company will notify ASX of any modification or termination of the Plan.

Further Information

All eligible shareholders may obtain a copy of the Company's most recent Annual Report and financial statements free of charge from the Company's website (www.neurenpharma.com), the ASX website (www.asx.com.au, issuer code: NEU) or from the Company itself on request.

Acknowledgements

Participation in the Plan is entirely optional and the Company does not make any recommendation or give any advice regarding whether eligible shareholders should participate in the Plan. You should consult your professional adviser in relation to this offer and your participation in the Plan.

By accepting an offer under the Plan, you acknowledge and certify that:

- you have read, understood and agree to be bound by the terms and conditions of the Plan;
- the aggregate of the application price for the new shares the subject of the application and any other shares applied for by you under the Plan or any similar arrangement in the 12 months prior to the application for new shares under the Plan does not exceed A\$15,000;
- you have sought such professional advice in relation to the Plan as you deem necessary; and
- you agree to be bound by the constitution of the Company.

Contacts

If you have any questions about the Plan please contact Neuren on 1800 259 181 (from Australia) or +64 9 529 3940, or if it is in regards to your shareholding the share registry Link Market Services Limited on 1300 558 249 (in Australia) or (+61 2) 8280 7111. You may also email the Company at enquires@neurenpharma.com.

Signed by each of the directors of
Neuren Pharmaceuticals Limited,
or by his agent:



Dr Robin Congreve
Chairman



Mr Trevor Scott
Director



Dr Doug Wilson
Director



Dr Graeme Howie
Director