



Neuren Pharmaceuticals Ltd
Level 1, 103 Carlton Gore Road
Newmarket, Auckland, New Zealand
office: +64 9 529 3940
fax: +64 9 529 3941
enquiries@neurenpharma.com
www.neurenpharma.com

20 April 2007

Dear Shareholder

I am pleased to enclose our 2006 Annual Report and the notice for the annual shareholders' meeting which we are holding at 12.30 pm (AEST) on Tuesday 22 May 2007 at the NSW Trade & Investment Centre, level 47, MLC Centre, 19 Martin Place, Sydney, Australia.

We will also be holding a briefing for New Zealand shareholders who are unable to attend the annual shareholders' meeting in Sydney. This will be held on Thursday 24 May 2007 at Neuren's offices, level 1, 103 Carlton Gore Road, Newmarket, Auckland, commencing at 4.00 pm. Please note that there will not be any voting on resolutions at this briefing, as this will only take place at the annual meeting in Sydney on 22 May. If you would like to cast your vote on any of the resolutions proposed for the annual meeting, please lodge your proxy in accordance with the instructions contained with the enclosed notice of annual meeting dated 20 April 2007.

If you would like to attend the shareholder briefing we would be grateful if you could r.s.v.p for catering purposes either by email to enquiries@neurenpharma.com or by phoning (09) 529 3942.

I look forward to seeing you at the above meetings.

Yours sincerely

A handwritten signature in black ink, appearing to read "Dr Robin Congreve".

Dr Robin Congreve
Chairman



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REGISTRATION FOR ANNOUNCEMENT DISTRIBUTION LIST

If, as a shareholder in Neuren Pharmaceuticals Limited, you would like to receive our announcements, notices, annual reports or shareholder updates by email, please register your interest by:

Email to: enquiries@neurenpharma.com

OR

Complete and fax this page to:

Neuren Pharmaceuticals Limited

+64 9 529 3941

	Shareholder Reference Number	Name	Email address
Securityholder 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
Securityholder 2	<input type="text"/>	<input type="text"/>	<input type="text"/>

If you would like to provide other contact information, please use the space below.



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NOTICE OF ANNUAL MEETING

Notice is given that the Annual Meeting of Neuren Pharmaceuticals Limited will be held at the NSW Trade & Investment Centre, level 47, MLC Centre, 19 Martin Place, Sydney, Australia, on Tuesday 22 May 2007 commencing at 12.30 pm (AEST). In accordance with the Constitution, the Board has fixed 31 March 2007 as the date of shareholder entitlement to notice of the Annual Meeting.

BUSINESS

Chairman's address

Chief Executive Officer's review

Annual Report

To receive and consider the annual report of the Company.

Ordinary Resolutions

1. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:
"That Dr Doug Wilson be re-elected as director of the Company."
2. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:
"That Mr Tom Amos be re-elected as director of the Company."
3. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:
"That the issue of 15,000,000 fully paid ordinary shares in the Company (Shares) at A\$0.40 per share issued to clients of Bell Potter and Taylor Collison on 21 September 2006 be ratified".
4. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:
"That the issue of 1,800,000 options over fully paid ordinary shares in the Company with an exercise price of A\$0.60 per option issued to Taylor Collison on 17 January 2007 be ratified".
5. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:
"That PricewaterhouseCoopers be re-appointed as auditor to:
(a) hold office from the conclusion of this meeting to the conclusion of the next annual meeting;
(b) audit the financial statements for the year ending 31 December 2007;



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And to authorise the board of directors to fix the auditor's remuneration."

Special Resolutions

6. To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That clause 14.1.1 of the Company's constitution be deleted and replaced with the following:

"14.1.1 Quorum Required: Subject to clause 14.1.2, no business shall be transacted at any meeting of Shareholders unless a quorum of Shareholders is present at the time when the meeting proceeds to business. The quorum for a meeting of Shareholders is five Shareholders having the right to vote at the meeting, present in person or by Proxy, Attorney or Representative.""

Each of these resolutions is described in the attached Explanatory Memorandum which forms part of this Notice of Annual Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read "R. Waring", is written over a horizontal line.

Mr Robert Waring
Company Secretary
Neuren Pharmaceuticals Limited
20 April 2007

EXPLANATORY MEMORANDUM

The purpose of this Explanatory Memorandum (which forms part of the Notice of Annual Meeting dated 20 April 2007) is to provide shareholders with an explanation of the resolutions to be proposed and considered at the Annual Meeting on 22 May 2007 and to allow shareholders to determine how they wish to vote on these resolutions.

ANNUAL REPORT

The Company's Annual Report containing the financial statements for the year ended 31 December 2006 is enclosed with this Notice. Shareholders should note that they will be able to ask questions or discuss matters arising from the financial statements at the Meeting however it is not the purpose of the Meeting that the Annual Report be accepted, rejected or modified in any way.

RE-ELECTION OF DIRECTORS (ORDINARY RESOLUTIONS 1 and 2)

The ASX Listing Rules provide that an entity which has directors must hold an election of directors each year. Accordingly Dr Doug Wilson and Mr Tom Amos, being the longest serving directors, offer themselves for re-election. Their details are set out on page 4 of the Annual Report.

RATIFICATION OF PRIVATE SHARE PLACEMENT (ORDINARY RESOLUTION 3)

ASX Listing Rule 7.4 is relevant to this resolution. 15,000,000 fully paid ordinary shares in the Company (Shares) were issued at A\$0.40 per share to clients of Bell Potter and Taylor Collison on 21 September 2006. The funds raised from the issue of these Shares were applied to meet the working capital requirements of the Company. These Shares rank pari passu with and are on the same terms as Shares currently on issue, and are quoted on the ASX.

Voting Exclusion: The Company will disregard any votes cast on this Resolution 3 by the subscribers for these Shares and any of their Associates (other than votes cast:

- (a) as proxy in accordance with the directions on the proxy form, for any other shareholder of the Company who is entitled to vote; and
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.)

RATIFICATION OF OPTION ISSUE (ORDINARY RESOLUTION 4)

ASX Listing Rule 7.4 is relevant to this resolution. 1,800,000 Options over ordinary shares in the Company with an exercise price of A\$0.60 per option were issued to Taycol Nominees Pty Ltd on 17 January 2007 in consideration for consulting services to be received. The options are unlisted, expire on 1 December 2008 and may only be transferred with the Company's permission. Any new shares issued as a result of exercise of any of the options will rank pari passu with and be on the same terms as Shares currently on issue. Any proceeds from the exercise of the options will be used for working capital requirements of the Company.

Voting Exclusion: The Company will disregard any votes cast on this Resolution 4 by the holders of these Options and any of their Associates (other than votes cast:

- (a) as proxy in accordance with the directions on the proxy form, for any other shareholder of the Company who is entitled to vote; and
- (b) by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.)

APPOINTMENT OF AUDITOR (ORDINARY RESOLUTION 5)

The New Zealand Companies Act 1993 provides that at each Annual Meeting the Company must appoint an auditor and fix the auditor's remuneration. PricewaterhouseCoopers has consented to it continuing as auditor.

AMENDMENT TO CONSTITUTION (SPECIAL RESOLUTION 6)

The proposed amendment is to:

- (a) remove the existing requirement in the Company's constitution that the quorum for a meeting of shareholders is such number of Shareholders present in person or by proxy, attorney or representative who are, between them, able to exercise a majority of the votes to be cast on the business to be transacted at the meeting; and
- (b) replace that requirement by providing that a quorum is present if five shareholders attend the meeting (whether in person or by proxy, attorney or representative).

The reason for seeking to make the proposed amendment is to better reflect the international composition of the Company's shareholder base and the fact that shares in the Company are quite widely held with the result that forming a quorum by reference to what is the 'default setting' contained in Schedule 1 to the Companies Act 1993 (New Zealand) had the potential to frustrate the Company's activities. Therefore, in keeping with the constitution of a number of other widely held listed companies in both Australia and New Zealand, the Company proposes to move to a simpler criteria for forming a quorum, determined by reference to the number of shareholders represented at the meeting.

HOW TO VOTE

To vote on the resolutions to be put to the meeting follow these steps:

1. Complete the Proxy Form and return it by facsimile or mail (to be received no later than 48 hours before meeting commencement) as directed on the Form.

OR

2. Attend the Meeting.

Persons Entitled to Vote

The persons who will be entitled to vote at the Meeting are those persons (or their proxies or representatives) registered as holding Ordinary Shares on Neuren's share register at 7.00 pm (AEST) on 21 May 2007.

Proxies and Corporate Representatives

Shareholders entitled to attend and vote at the Meeting may appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on their behalf. A proxy need not be a shareholder of Neuren. Proxy Forms must be received at Neuren's offices, level 1, 103 Carlton Gore Road, Newmarket, Auckland or PO Box 9923, Newmarket, Auckland, New Zealand (or facsimile +64 9 529 3941) 48 hours before commencement of the Meeting. The Proxy Form is enclosed with this Notice.

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on this form and lodge it in accordance with the instructions below. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. Do not write the name of the Company or the registered securityholder in the space.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite the resolutions. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of securities you wish to vote in the appropriate boxes. If you do not mark any of the boxes on any resolution, your proxy may vote as he or she chooses. If you mark more than one box on any resolution your vote will be invalid.

4 Appointment of a Second Proxy

You may appoint a second proxy to attend the meeting and vote on a poll. If you wish to appoint a second proxy, you may copy this form and complete and lodge the additional Proxy Form.

To appoint a second proxy you must:

- (a) Indicate that you wish to appoint a second proxy by marking the box;
- (b) On each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (c) Return both forms together to the Company in accordance with the lodgement instructions below.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding or Trust: where the holding is in more than one name or by Trustees of a Trust, all of the securityholders or trustees should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Company Secretary (or the company does not have a Company Secretary), this form must be signed by that person. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by the signatory.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the Meeting at 12.30 pm (AEST) on Tuesday, 22 May 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Level 1, 103 Carlton Gore Road, Auckland, New Zealand
- BY MAIL PO Box 9923, Newmarket, Auckland, New Zealand
- BY FACSIMILE +64 (9) 529 3941