

# **NEUREN PHARMACEUTICALS LIMITED**

**ARBN 111 496 130**

## **SHORT FORM PROSPECTUS**

**FOR THE OFFER OF UP TO 10,000 SHARES  
AT AN ISSUE PRICE OF \$0.53 EACH TO RAISE UP TO \$5,300**

### **Important Notice**

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to other documents the information of which is deemed to be incorporated in this Prospectus.

## IMPORTANT NOTICE

This Prospectus is dated 2 December 2005.

A copy of this Prospectus was lodged with the Australian Securities and Investments Commission ("ASIC") on 2 December 2005. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

The expiry date of this Prospectus is 5.00pm AEDST on that date which is 13 months after the date this Prospectus is lodged with ASIC ("Expiry Date"). No securities may be issued on the basis of this Prospectus after the Expiry Date. Application will be made to the ASX within seven (7) days after the date of this Prospectus for quotation on the ASX of the Shares offered by this Prospectus to be listed for Official Quotation.

**Applications are by invitation only and Neuren intends to accept applications for Shares made under this Prospectus only from certain sophisticated and professional investors as determined by Neuren.**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applications who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to accept the Offer. There are risks associated with an investment in the Company and the securities offered under this Prospectus should be regarded as a speculative investment. The securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 10 of this Prospectus.

The principal currency used in this Prospectus is the Australian dollar. The functional currency of the Company is the New Zealand dollar and where New Zealand dollars are used, they are denoted by NZ\$. Where Australian dollars are used, they are denoted by \$. In this Prospectus, where New Zealand dollars are converted into Australian dollars, or vice versa, an exchange rate as at 28 November 2005 of 1.00 Australian dollar for every 1.047 New Zealand dollars has been used.

## SHORT FORM PROSPECTUS

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates by reference information contained in documents that have been lodged with the ASIC on certain dates.

This Prospectus refers to the disclosure document dated 15 November 2004 ("November 2004 Prospectus") and the supplementary disclosure document dated 23 December 2004 ("Supplementary Prospectus") being the disclosure documents lodged by the Company with the ASIC for the offer of 37,500,000 Shares at an issue price of \$0.40 to raise a total of \$15,000,000 (together the "IPO Prospectus"), the Company's Annual Report for the year ended 31 December 2004 ("Annual Report"), the Company's Interim Report for the period ended 30 June 2005 ("Interim Report"), and the Company's Appendix 4C Commitments Test Entity Report for the nine months ended 30 September 2005 ("Appendix 4C").

In referring to the IPO Prospectus, Annual Report, Interim Report and Appendix 4C, the Company:

- (a) identifies the IPO Prospectus, Annual Report, Interim Report and Appendix 4C as being relevant to the Offer of Shares under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
  - (i) the rights and liabilities attaching to the Shares; and
  - (ii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;

- (b) refers investors and their professional advisers to Section 5 of this Prospectus which summarises the information in the IPO Prospectus, Annual Report, Interim Report and Appendix 4C taken to be included in this Prospectus;
- (c) notes that any person is able to obtain, free of charge, a copy of the IPO Prospectus, Annual Report, Interim Report and Appendix 4C by contacting the Company at its registered office during normal business hours during the Offer Period; and
- (d) advises that section 5 of this Prospectus contains sufficient information about the contents of the IPO Prospectus, Annual Report, Interim Report and Appendix 4C to allow a person to whom the Offer is made to decide whether to obtain a copy of those documents.

#### **TIMETABLE OF EVENTS AND IMPORTANT DATES**

<b>Event</b>	<b>Date</b>
Prospectus lodged with the ASIC	2 December 2005
Opening Date of Offer	5 December 2005
Closing Date of Offer	14 December 2005

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## TABLE OF CONTENTS

1. CORPORATE DIRECTORY .....	3
2. LETTER FROM THE BOARD .....	4
3. INVESTMENT OVERVIEW.....	5
4. DETAILS OF THE OFFER.....	9
5. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS .....	11
6. COMPANY OVERVIEW .....	17
7. TERMS AND CONDITIONS OF SHARES.....	18
8. ADDITIONAL INFORMATION .....	18
9. AUTHORITY OF DIRECTORS.....	23
10. DEFINITIONS.....	24
11. APPLICATION FORM .....	25

### 1. CORPORATE DIRECTORY

#### Directors

Dr Robin Congreve  
Mr Tom Amos  
Mr David Clarke  
Dr Graeme Howie  
Mr Trevor Scott  
Dr Douglas Wilson

#### Company Secretary

Mr Robert Waring

#### Corporate Head Office

Level 3  
2-6 Park Avenue  
Grafton, Auckland  
New Zealand  
Tel: +64 9 367 7167  
Fax: +64 9 367 7186

#### Australian Registered Office

Level 13  
122 Arthur Street  
North Sydney NSW 2060  
Tel: +61 2 9956 8500

#### Joint Brokers to the Offer

Patersons Securities Ltd  
Level 27, 264 George Street  
Sydney NSW 2000  
Tel: +61 2 8238 6222

Taylor Collison Ltd  
Level 2, 55 Hunter Street  
Sydney NSW 2000  
Tel: +61 2 9232 1688

#### Auditor

PricewaterhouseCoopers  
188 Quay Street  
Private Bag 92162  
Auckland, New Zealand

#### Australian Solicitors to the Company

Gadens Lawyers  
77 Castlereagh Street  
Sydney NSW 2000

## 2. LETTER FROM THE BOARD

Dear Investor,

Neuren Pharmaceuticals Limited ("Neuren" or "Company") was admitted to the Official List of ASX on 1 February 2005, with trading in the Company's Shares commencing on 3 February 2005.

The Company has recently completed a placement to sophisticated and professional investors of 11,990,000 shares at \$0.53 each ("Private Placement"). The Company proposes to offer up to 10,000 shares at \$0.53 each to Patersons Securities and Taylor Collison to raise \$5,300 (before costs) under this Prospectus ("Offer").

The primary purpose of this Prospectus, being a qualifying disclosure document, is to remove any restrictions that may attach to the securities issued under the Private Placement given that the Company is unable to rely on the "Case 1" exemption in Section 708A of the Corporations Act which allows the secondary sale of securities issued under an exempt placement.

The Board thanks you for your interest and also takes this opportunity to thank its shareholders for their continuing support.

Yours faithfully



**Dr Robin Congreve**  
on behalf of the Board of Directors

**2 December 2005**

### 3. INVESTMENT OVERVIEW

#### 3.1 Important Notice

This section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

#### 3.2 Summary of the Offer

By this Prospectus, the Company invites sophisticated and professional investors to apply for 10,000 Shares at an issue price of \$0.53 each to raise \$5,300.

The purpose of this Prospectus is to qualify the Shares issued in the Private Placement for relief from secondary sale restrictions contained in the Corporations Act.

The Shares offered under this Prospectus, and the Shares issued in the Private Placement, will rank equally with the existing Shares on issue.

#### 3.3 Indicative Timetable

Event	Date
Prospectus lodged with the ASIC	2 December 2005
Opening Date of Offer	5 December 2005
Closing Date of Offer	14 December 2005

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

#### 3.4 Use of Proceeds

Set out below is the intended use of the total funds raised under this Offer and the Private Placement:

Use of Funds	Total Amount
Glypromate® pre-Phase 3 costs	\$ 2,300,000
Accelerated Chronic drug costs (NNZ-2566 & 2591)	\$ 1,000,000
NNZ-2566 additional product for toxicity study	\$ 1,000,000
NNZ-2566 new US Army (WRAIR) programme	\$ 700,000
Working Capital	\$ 1,000,000
Costs of Offer and Private Placement	\$ 360,000
<b>TOTAL</b>	<b>\$ 6,360,000</b>

The meeting with the US Food and Drug Administration ("FDA") in April 2005 where the FDA allowed Neuren to move directly to a Phase 3 trial of Glypromate® in 2006 from the Phase 2a trial if successfully completed (eliminating the need for a Phase 2b trial) is discussed in the Interim Report (refer Section 5 of this Prospectus). The Company has had to bring forward a number of activities which would otherwise not have been required for a Phase 2b study in order to satisfy the higher demands of a Phase 3 trial.

Although costs are being incurred earlier than planned, the Company believes this opportunity needs to be taken and accordingly is seeking the funds under this Offer and the Private Placement to enable the precursors to the first Phase 3 trial to be funded. The Phase 3 trial design will depend on the outcome of the current Phase 2a, the results of which are expected in the first quarter of 2006. The Phase 2a trial is estimated to cost NZ\$540,000, of which NZ\$222,000 has been spent as at 30 September 2005.

The first of two Glypromate® Phase 3 trials is expected to commence in mid-2006. Recruitment of patients (estimated at between 400 to 500) is expected to take 18 months, and the Directors' current estimate of the cost of this first trial is \$10 million. The completion of the Phase 3 trial will require the Company to raise more funds. Generally compounds require two Phase 3 trials before they can be marketed.

Significantly greater progress has also been made by Neuren and the US Army Walter Reed Army Institute of Research ("WRAIR") with NNZ-2566 in research on the treatment of traumatic brain injury ("TBI"). The Company and WRAIR have expanded the programme to allow more flexibility in the dose duration and in the end-points used. In addition research related to the oral version of NNZ-2566 and the diketopiperazine NNZ-2591 has progressed more rapidly than expected and the Company intends to accelerate the research programmes for these compounds.

### **3.5 Effect of the Offer and Pro Forma Balance Sheet**

The principal effect of the Offer and the Private Placement combined will be to:

- (a) increase cash reserves by approximately \$6,000,000 after deducting estimated expenses of the Offer and Private Placement, assuming all Shares offered under this Prospectus and the Private Placement are issued; and
- (b) increase the number of Shares on issue from 100,000,000 as at the date of this Prospectus to up to 112,000,000 Shares, assuming all Shares offered under this Prospectus and the Private Placement are issued.

The Offer will have an effect on the Company's financial position. Set out below is:

- (a) an unaudited consolidated statement of financial position of the Company as at 30 June 2005 that has been reviewed by PricewaterhouseCoopers; and
- (b) an unaudited pro forma consolidated statement of financial position of the Company as at 30 June 2005 incorporating the effect of the Offer and the Private Placement assuming all Shares offered under this Prospectus and the Private Placement are issued.

#### ***Key Assumptions to the Pro Forma Statement of Financial Position***

Included in the pro forma statement of financial position are the following adjustments:

- (a) The issue of the total maximum number of 12,000,000 Shares offered under this Prospectus and the Private Placement to raise up to \$6,360,000 (NZ\$6,658,920) before costs of the issue of \$360,000 (NZ\$376,920).
- (b) The payment of costs for the Offer and the Private Placement totalling \$360,000 (NZ\$376,920) which are paid from the proceeds of the Offer pursuant to this Prospectus and the Private Placement.
- (c) In accordance with generally accepted accounting practice the costs of the Offer and the Private Placement will be expensed directly against share capital contributed.

**STATEMENT OF FINANCIAL POSITION**  
(presented in NZ\$000)

	<b>Unaudited</b>	<b>Adjustment</b>	<b>Unaudited</b>
	<b>As at</b>	<b>for Share</b>	<b>Pro forma</b>
	<b>30 June 2005</b>	<b>Issues</b>	<b>As at</b>
	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>30 June 2005</b>
	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11,004	6,282	17,286
Receivables	695		695
Other current assets	291		291
<b>TOTAL CURRENT ASSETS</b>	<b>11,990</b>	<b>6,282</b>	<b>18,272</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	53		53
Intangible assets	11,201		11,201
<b>TOTAL NON CURRENT ASSETS</b>	<b>11,254</b>	<b>-</b>	<b>11,254</b>
<b>TOTAL ASSETS</b>	<b>23,244</b>	<b>6,282</b>	<b>29,526</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	3,374		3,374
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,374</b>	<b>-</b>	<b>3,374</b>
<b>NET ASSETS</b>	<b>19,870</b>	<b>6,282</b>	<b>26,152</b>
<b>EQUITY</b>			
Share capital	35,585	6,282	41,867
Accumulated deficit	(15,715)		(15,715)
<b>TOTAL EQUITY</b>	<b>19,870</b>	<b>6,282</b>	<b>26,152</b>
<b>Fully Paid Ordinary Shares (number)</b>	<b>100,000,000</b>	<b>12,000,000</b>	<b>112,000,000</b>

The functional currency of the Company is New Zealand dollars and the Company's financial statements are presented in New Zealand dollars. The pro forma adjustments amounts are translated from Australian dollars to New Zealand dollars for presentation in the above table at a rate of 1.00 Australian dollar for every 1.047 New Zealand dollars.

**Please also refer to the description of the Appendix 4C for unaudited cash flow information of the Company for the more recent period of the 3 months ending 30 September 2005.**



## Note Disclosure

### ***Impact of Adoption of New Zealand Equivalents to International Financial Reporting Standards***

The Company and Group will be required to present its financial statements in accordance with New Zealand equivalent IFRS ("NZ IFRS") for the financial year commencing 1 January 2007. On adoption of NZ IFRS, comparative information will be restated using NZ IFRS. No final decision has been made as to whether the Company and Group will early adopt NZ IFRS.

The Company has yet to assess the impact to its financial statements of adopting NZ IFRS, however changes in accounting policies are likely to arise with respect to:

- Recognition and classification of Financial Instruments under NZ IAS 32 and 39: financial instruments will be required to be classified and measured in accordance with that classification. While the Company does not currently utilise derivative financial instruments, the classification and measurement process may impact other financial instruments.
- Share and option based payments under NZ IFRS 2: the Company will be required to determine and recognise the fair value of options and other forms of equity based remuneration.
- Income Taxes under NZ IAS 12: the Company will be required to adopt a balance sheet approach under which temporary differences are identified for each asset or liability rather than the effects of the timing and permanent differences between taxable income and accounting profit.
- Asset impairment testing under NZ IAS 36: the Company will be required to annually review tangible and intangible assets for impairment with such review being based on the fair value of, or discounted cash flows generated by, each asset rather than undiscounted cash flows.

The differences between current NZ GAAP and NZ IFRS identified above may have a significant effect on the presented financial position and performance. The areas identified above should not be taken as an exhaustive list of all the differences between NZ GAAP and NZ IFRS. None of the potential impacts of the adoption of NZ IFRS on the financial performance and financial position, including systems upgrades and other implementation costs, have been quantified yet.

### **Pro forma Capital Structure of the Company**

#### ***Shares***

Upon completion of the issue of Shares under this Prospectus and the Private Placement, the capital structure of the Company will be as follows (assuming the Offer and the Private Placement is fully subscribed):

Shares on issue as at the date of this Prospectus <sup>1</sup>	100,000,000
Shares offered pursuant to this Prospectus and the Private Placement	<u>12,000,000</u>
Shares on issue on completion of the Offer and the Private Placement	<u>112,000,000</u>

Notes:

<sup>1</sup> Includes:

- 39,031,478 Shares subject to escrow until 3 February 2006;
- 23,464,063 Shares subject to escrow until 3 February 2007.

#### ***Options***

The details of Options on issue in the Company as at the date of this Prospectus are as follows (all Options on issue are unquoted):

- 3,000,000 Options exercisable at A\$0.50 cents each on or before 31 May 2007;
- 17,487,627 Options exercisable at NZ\$0.392 cents each on or before 31 March 2009, of which 5,325,904 and 7,643,672 options are subject to escrow until 3 February 2006 and 2007 respectively.

## **4. DETAILS OF THE OFFER**

### **4.1 The Offer**

By this Prospectus, the Company offers for subscription 10,000 Shares at an issue price of \$0.53 per Share to raise \$5,300.

The Shares offered under this Prospectus will rank equally with Shares issued in the Private Placement and the existing Shares on issue.

### **4.2 Minimum Subscription**

The minimum subscription under the Offer is the same as the maximum amount, namely 10,000 Shares. If the minimum subscription is not reached, the Offer will be withdrawn and any Application monies received will be refunded without interest.

### **4.3 Application for Shares**

Applications for Shares must be made using the Application Form attached to this Prospectus.

**Applications are by invitation only and Neuren intends to accept applications for Shares made under this Prospectus only from certain sophisticated and professional investors as determined by Neuren.**

Payment for the Shares must be made in full at the issue price of \$0.53 per Share. Applications for Shares must be for a minimum of 5,000 Shares. Completed Application Forms and accompanying cheques must be delivered to:

Ms N Garrett  
Patersons Securities Limited  
PO Box R1773  
Royal Exchange  
SYDNEY NSW 1225

Cheques should be made payable to "Patersons Securities Limited" and crossed "Not Negotiable". Completed Application Forms must reach the above address by no later than the Closing Date.

### **4.4 ASX Quotation of Shares**

The Company will apply to ASX within seven (7) days after the date of this Prospectus for quotation on the ASX of the Shares offered under this Prospectus. If the ASX does not grant permission for quotation of the Shares offered pursuant to this Prospectus within three (3) months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act.

### **4.5 Applicants outside Australia**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction where, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify these Shares or otherwise permit a public offering of the securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

#### **4.6 No Underwriting**

The Offer is not underwritten.

#### **4.7 CHESS**

The Company participates in the Clearing House Electronic Sub-register System (CHESS). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (ASTC), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, following the allotment of Shares, Shareholders will be issued a transaction confirmation statement that sets out the number of Shares allotted to each of them. The transaction confirmation statement will also advise holders of their Holder Identification Number (HIN), or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders.

#### **4.8 Risk factors in IPO Prospectus apply**

The Shares offered under this Prospectus should be considered speculative in nature. Section 12 of the IPO Prospectus describes certain risk factors that may affect the Company's operations and prospects and your investment in the Company and each of those risk factors are taken by section 712(3) of the Corporations Act to be included in this Prospectus.

#### **4.9 Privacy Act**

If you complete an Application Form you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant addresses set out in this Prospectus. Collection, maintenance and disclosure of certain personal information are governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

#### **4.10 Enquiries**

If you have any questions regarding the Offer, or any of the documents referred to in this Prospectus, please contact the Chief Financial Officer, Mr Rob Turnbull, on 1800 259 181.

## 5. INFORMATION DEEMED TO BE INCORPORATED IN PROSPECTUS

### 5.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. However, it incorporates by reference information contained in previous documents that have been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is summarised below in sub-section 5.2 and will primarily be of interest to investors and their professional advisers or analysts. The Company informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the IPO Prospectus, Annual Report, Interim Report or Appendix 4C by contacting the Company at its registered office during normal business hours during the Offer Period. The IPO Prospectus (comprising the November 2004 Prospectus and the Supplementary Prospectus), Annual Report, Interim Report and Appendix 4C are also available at the Company's website [www.neurenpharma.com](http://www.neurenpharma.com).

### 5.2 Summary of Information Deemed to be Incorporated

Set out below is a summary of the information contained in the IPO Prospectus, Annual Report, Interim Report and Appendix 4C that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether, for the purposes of making an informed investment decision in relation to the Shares offered by this Prospectus, they should obtain a copy of the IPO Prospectus, Annual Report, Interim Report and Appendix 4C.

#### 5.2.1 IPO Prospectus.

The disclosure documents lodged by the Company with the ASIC for the offer of 37,500,000 Shares at an issue price of \$0.40 to raise a total of \$15,000,000 are comprised of the disclosure document dated 15 November 2004 ("November 2004 Prospectus") and the supplementary disclosure document dated 23 December 2004 ("Supplementary Prospectus") being (together the "IPO Prospectus").

The following table sets out the parts from the November 2004 Prospectus which are incorporated by reference in this Prospectus and a summary of material changes (if any) which need to be made to those parts because of a change in circumstances since the date of lodgement of that disclosure document.

<b>Parts incorporated by reference</b>	<b>Description of Contents</b>	<b>Material changes (if any)</b>
"Section 4 - Science Overview" on pages 20 to 24	Section 4 provides detailed background to the science of neuroprotection and growth hormone and the therapies in which the Company's compounds might be applied.	There are no material changes to this part of the IPO Prospectus.

<b>Parts incorporated by reference</b>	<b>Description of Contents</b>	<b>Material changes (if any)</b>
"Section 5 - Strategy, Products and Pipeline" on pages 25 to 28	Section 5 contains a summary of the Company's clinical development strategy and each of the compounds being researched or developed.	This section is updated by reference to: <ul style="list-style-type: none"> <li>▪ The sections of the Supplementary Prospectus noted below;</li> <li>▪ The discussion in the Interim Report of the meeting with the US FDA;</li> <li>▪ The discussion in the Annual Report and Interim Report of the Cooperative Research and Development Agreement ("CRADA") with the US Army Walter Reed Army Institute of Research ("WRAIR"); and</li> <li>▪ The discussion in the Annual Report of the agreement between Neuren and Metabolic Pharmaceuticals Limited to collaborate on NRP research, and the related government grant to Neuren of NZ\$635,000.</li> </ul>
"Section 6 - Neuren's Operations" on pages 29 to 33	Section 6 describes Neuren's operational structure and external collaborative and research relationships.	This section is updated by reference to: <ul style="list-style-type: none"> <li>▪ The discussion in the Interim Report of the meeting with the US FDA;</li> <li>▪ The discussion in the Annual Report and Interim Report of the CRADA with the US Army WRAIR;</li> <li>▪ The discussion in the Annual Report of the agreement between Neuren and Metabolic Pharmaceuticals Limited to collaborate on NRP research, and the related government grant to Neuren of NZ\$635,000; and</li> <li>▪ The financial information set out in the Annual Report and the Interim Report.</li> </ul>
"Section 7 - Markets" on pages 34 to 36	Section 7 provides a summary of the markets to which the Company's compounds may be targeted.	There are no material changes to this part of the IPO Prospectus.
"Section 8 - People" on pages 37 to 41	Section 8 comprises a brief outline of the experience and qualifications of each of the Directors, the executive team, key consultants and the Scientific Advisory Board.	This section is updated by reference to: <ul style="list-style-type: none"> <li>▪ The appointment of Dr Graeme Howie as a director noted in the Annual Report; and</li> <li>▪ The additions to management as noted in the Annual Report.</li> </ul>
"Section 9 - Independent Science Report" on pages 42 to 49	Section 9 contains a report by Aoris Nova Pty Ltd on the Company's science.	There are no material changes to this part of the IPO Prospectus.
"Section 10 - Intellectual Property Report" on pages 50 to 77	Section 10 contains a report by Fliesler Meyer LLP on the Company's intellectual property.	There are no material changes to this part of the IPO Prospectus.
"Section 12 - Risk Factors" on pages 89 to 91	Section 12 contains a summary of general and specific risks associated with Neuren.	There are no material changes to this part of the IPO Prospectus.

Parts incorporated by reference	Description of Contents	Material changes (if any)
"Section 13 - Additional Information" on pages 92 to 115	<p>This section sets out additional information required to be disclosed in the IPO Prospectus, including:</p> <ul style="list-style-type: none"> <li>▪ Neuren's incorporation details;</li> <li>▪ A history of the Company's securities;</li> <li>▪ Details of restriction periods over certain of the Company's issued Shares and Options;</li> <li>▪ Rights and liabilities attaching to the Company's Shares;</li> <li>▪ Neuren's constitution;</li> <li>▪ The remuneration of Directors;</li> <li>▪ A summary of the material contracts entered into by the Company which in the opinion of the Directors are or may be material in terms of the Offer of Shares under the IPO Prospectus or which may otherwise be material to a potential investor in making an informed investment decision. Those contracts are listed below: <ul style="list-style-type: none"> <li>- Merger Agreement between the Company and NeuronZ;</li> <li>- Contractual relationships with Auckland UniServices Limited, the University of Auckland and the Liggins Institute;</li> <li>- Contractual relationships with Pfizer Group;</li> <li>- Contractual relationship with the Company's US subsidiary;</li> <li>- Agreement with Managing Director David Clarke;</li> <li>- Agreement with Professor Peter Gluckman;</li> <li>- Agreement with Dr Doug Wilson;</li> <li>- Agreement with respect to Professor Margaret Brimble;</li> <li>- CMAX Phase 1 clinical trial agreement;</li> <li>- New Zealand Government research grants;</li> <li>- Metabolic Pharmaceuticals research agreement;</li> <li>- Chemo Dynamics manufacturing agreement; and</li> <li>- Lease of premises.</li> </ul> </li> <li>▪ A summary of other research agreements with WRAIR, The University of Texas Health science Center, and the Duke Clinical Research Institute;</li> <li>▪ A statement that the Company is not currently involved in any material legal proceedings, nor any legal proceedings pending or threatened against the Company;</li> <li>▪ A summary of the terms of the Company's Share Option Plan;</li> <li>▪ A summary of the Company's corporate governance policies;</li> </ul>	<p>This section is updated by reference to:</p> <ul style="list-style-type: none"> <li>▪ Details of the Company's capital structure as set out in section 3.4 of this Prospectus;</li> <li>▪ The discussion in the Annual Report and Interim Report of the CRADA with the US Army WRAIR;</li> <li>▪ The discussion in the Annual Report of the agreement between Neuren and Metabolic Pharmaceuticals Limited to collaborate on NRP research, and the related government grant to Neuren of NZ\$635,000;</li> <li>▪ The Material Contracts detailed in section 8.3 of this Prospectus.</li> <li>▪ The interests of Directors detailed in section 8.5 of this Prospectus.</li> <li>▪ The interests of Experts and Advisers detailed in section 8.6 of this Prospectus.</li> </ul>

---

	<ul style="list-style-type: none"> <li>▪ A summary of company law matters relevant to investing in a New Zealand company;</li> <li>▪ A summary of tax information in relation to a New Zealand company;</li> <li>▪ The application of the Australian Corporations Act;</li> <li>▪ The governing law related to the offer under the IPO Prospectus;</li> <li>▪ Details of Directors' interests;</li> <li>▪ Details of the interests of experts and advisers named in the IPO Prospectus.</li> <li>▪ Details of the expenses of the Offer;</li> <li>▪ A working capital statement by Directors;</li> <li>▪ Details of the consents of persons named in the IPO Prospectus and those persons who prepared reports for inclusion in the IPO Prospectus; and</li> </ul> <p>A statement of the availability of documents for inspection.</p>	
<p>"Section 14 – Glossary" on pages 116 to 120</p>	<p>The Glossary section defines and explains various terms and abbreviations used in the IPO Prospectus.</p>	<p>There are no material changes to this part of the IPO Prospectus, except where a defined term is also set out in section 10 of this Prospectus that definition takes precedence.</p>

---

The following table sets out the parts from the Supplementary Prospectus which are incorporated by reference in this Prospectus and a summary of material changes (if any) which need to be made to those parts because of a change in circumstances since the date of lodgement of that disclosure document.

<b>Parts incorporated by reference</b>	<b>Description of Contents</b>	<b>Material changes (if any)</b>
<p>"1. Future Development of Compounds"</p>	<p>A brief summary of biopharmaceutical industry information concerning the approximate average cost and time of development per biopharmaceutical compound up to and including preclinical pharmacology and toxicology, and the Directors' estimate of such time and cost related to Phase 1 and 2a/2b trials of Glypromate®.</p>	<p>There are no material changes to this part of the Supplementary Prospectus, except that Neuren no longer expects to have to conduct a 2b trial for Glypromate® as set out in the Chief Executive's Report section of the Interim Report.</p>
<p>"2. Phase 1 clinical trials for Glypromate®"</p>	<p>The results of the Phase 1 Glypromate® trial completed in November 2004 and the date of the final clinical study report (22 December 2004).</p>	<p>There are no material changes to this part of the Supplementary Prospectus.</p>

---

## 5.2.2 Annual Report

The Company's Annual Report for the year ended 31 December 2004 was lodged with the ASIC and ASX on 31 March 2005. The following table sets out a description of the Annual Report which is incorporated by reference in this Prospectus.

<b>Description of contents</b>	
Chief Executive's Report	<p>A discussion of the Company's operations throughout the 2004 financial year and the first quarter of the 2005 financial year, including:</p> <ul style="list-style-type: none"><li>▪ The results of the Glypromate® Phase 1 clinical trial completed in November 2004;</li><li>▪ The execution in March 2005 of the second stage of the Cooperative Research and Development Agreement ("CRADA") with the US Army Walter Reed Army Institute of Research ("WRAIR");</li><li>▪ The development of potential oral formulations of NNZ-2566;</li><li>▪ The agreement between Neuren and Metabolic Pharmaceuticals Limited to collaborate on NRP research, and the related government grant to Neuren of NZ\$635,000;</li><li>▪ The appointment of Dr Graeme Howie to the Board of Directors, and recruitment of Dr Mike Bickerdike, Robyn Murdoch and Rob Turnbull to the management of the Company.</li></ul>
Directors' Report	<p>Details regarding the Directors, including Directors' interests and remuneration. Executive remuneration, donations and the Auditors remuneration are also disclosed.</p>
Corporate Governance Statement	<p>A description of the Company's corporate governance policies and practices.</p>
Financial Statements	<p>The financial statements of the Company for the year ended 31 December 2004, comprising:</p> <ul style="list-style-type: none"><li>▪ Statement of Financial Performance;</li><li>▪ Statement of Financial Position;</li><li>▪ Statement of Movements in Equity;</li><li>▪ Statement of Cash Flows;</li><li>▪ Notes to the Financial Statements.</li></ul>
Auditors' Report	<p>An unqualified audit report by PricewaterhouseCoopers on the financial statements for the year ended 31 December 2004.</p>
Additional Information	<p>Certain other disclosures, comprising:</p> <ul style="list-style-type: none"><li>▪ Equity securities held by directors as at 15 March 2005;</li><li>▪ Details about the shareholding in Neuren including the distribution of shareholders and Optionholders, substantial security holders, securities subject to escrow, and the twenty largest shareholders;</li><li>▪ Disclosures required as a condition of listing on the ASX; and</li><li>▪ The Directors' declaration.</li></ul>



### 5.2.3 Interim Report

The Company's Interim Report for the six months ended 30 June 2005 was lodged with the ASIC and ASX on 31 August 2005. The following table sets out a description of the Interim Report which is incorporated by reference in this Prospectus.

<b>Description of contents</b>	
Directors' Report	Details regarding the Directors, a review of operations and the Directors' declaration.
Chief Executive's Report	A discussion of the Company's operations throughout the six months to 30 June 2005, including: <ul style="list-style-type: none"><li>▪ The meeting with the US Food and Drug Administration ("FDA") in April 2005 where the FDA allowed Neuren to move directly to a Phase 3 trial of Glypromate® in 2006 from the Phase 2a trial if successfully completed (eliminating the need for a Phase 2b trial);</li><li>▪ The initiation in August 2005 of the Glypromate® Phase 2a trial of 30 patients;</li><li>▪ Expansion of the CRADA with WRAIR to evaluate NNZ-2566 in animal models of Traumatic Brain Injury ("TBI");</li><li>▪ Progress in the NRP, Diketopiperazine, Macrocyclic, and Growth and Metabolism research programmes; and</li><li>▪ The Company's expectation that Pfizer funded contract research will decrease.</li></ul>
Condensed Interim Financial Statements	The unaudited financial statements of the Company for the six months ended 30 June 2005, comprising: <ul style="list-style-type: none"><li>▪ Interim Statement of Financial Performance;</li><li>▪ Interim Statement of Financial Position;</li><li>▪ Interim Statement of Movements in Equity;</li><li>▪ Interim Statement of Cash Flows;</li><li>▪ Notes to the Interim Financial Statements.</li></ul>
Accountants' Report	An unqualified review report by PricewaterhouseCoopers on the interim financial statements for the six months ended 30 June 2005.

### 5.2.4 Appendix 4C

The Company's Appendix 4C Commitments Test Entity Report for the nine months ended 30 September 2005 was lodged with the ASIC and ASX on 31 October 2005. The following table sets out a description of the Appendix 4C which is incorporated by reference in this Prospectus.

<b>Description of contents</b>	
The information in the Appendix 4C summarises the Company's source and use of cash in the three months (current quarter) and nine months (year to date) ended 30 September 2005, and the closing cash position at that date. The Appendix 4C contains: <ul style="list-style-type: none"><li>▪ A consolidated statement of cash flows;</li><li>▪ Payments to directors, associates of directors, related entities and associates of related entities;</li><li>▪ Details of non-cash financing and investing activities;</li><li>▪ Details of financing facilities available;</li><li>▪ A reconciliation of cash; and</li><li>▪ Details of acquisitions and disposals of business entities.</li></ul>	

## 6. COMPANY OVERVIEW

### 6.1 Overview

A comprehensive overview of the Company is set out in the IPO Prospectus. Persons considering subscribing for Shares under this Prospectus should refer to Section 5 of this Prospectus for a summary of the information contained in the IPO Prospectus, Annual Report, Interim Report and Appendix 4C deemed to be incorporated in this Prospectus and decide whether to obtain a free copy of these documents from the Company.

Investors are referred to the Chief Executive's Reports set out in the Annual Report and Interim Report incorporated by reference for a summary of events subsequent to the IPO Prospectus.

Investors should also refer to the description of the Appendix 4C for cash flow information of the Company for the more recent period of the 3 months ending 30 September 2005. The Appendix 4C discloses:

- Cash used in operating activities of NZ\$1,869,000 in the three months to 30 September 2005;
- Cash used in operating activities of NZ\$5,921,000 in the nine months to 30 September 2005;
- Closing cash at 30 September 2005 of NZ\$9,179,000.

### 6.2 Glypromate® Phase 2a Trial

The Company's primary business is presently the Phase 2a trial for Glypromate® in Coronary Artery Bypass Graft Surgery ("CABG") which was initiated in August 2005 and is currently underway. The Phase 2a trial has the following features:

Name of trial	Phase 2a trial of intravenous administration of Glypromate®
Primary endpoints	Safety of Glypromate® in CABG patients Pharmacokinetics of Glypromate® in CABG patients
Blinding status	Double blinded
Product development status	Glypromate® made to cGMP standards
Treatment method, route, frequency, dose levels	CABG patients are given Glypromate® intravenously over a 4 hour period. One group of CABG patients receives 1mg/kg/hr and another group of CABG patients receives 3mg/kg/hr.
Number of trial subjects	30 CABG patients: 10 of whom receive a placebo; 10 of whom receive the lower dose of Glypromate®; 10 of whom receive the higher dose of Glypromate®.
Description of control group	10 CABG patients, chosen randomly, receive a placebo
Subject selection criteria	CABG patients over 60 years old
Trial locations	Auckland, Hamilton, Wellington and Melbourne
Trial standard	GCP

There have been no significant changes to the design of the Phase 2a trial from its commencement to the date of this Prospectus.

### 6.3 Inclusion of US Army hospitals in planned Phase 3 Trial

On 24 November 2005, Neuren announced the execution of a Memorandum of Understanding ("MOU") with the Henry M. Jackson Foundation for the Advancement of Military Medicine ("Jackson Foundation") for inclusion of US Army hospital sites in the planned Glypromate® Phase 3 trial.

The Jackson Foundation is a private, not-for-profit organisation that supports the US military in conducting medical research and clinical trials and has established relationships with more than 160 military medical organisations worldwide. It was founded in 1983, in part, to foster cooperative relationships between the military medical community and the private sector, including pharmaceutical sponsors. The Jackson Foundation manages Phase 1 - 4 clinical trials utilising an established network of military medical centres across the USA.

Under the MOU, the Jackson Foundation will coordinate and review the clinical trial plans, assist in the negotiation of definitive agreements for the participation of US Army hospitals in the trial and support preparations for and the implementation of the Phase 3 trial. US Army hospitals provide medical care to retired military members and their dependents as well as active duty personnel.

## 7. TERMS AND CONDITIONS OF SHARES

The Shares to be issued pursuant to this Prospectus will rank pari passu in all respects with the Company's existing Shares.

The rights, privileges, liabilities and restrictions attaching to Shares are set out in the Constitution of the Company. A summary of the rights, privileges, liabilities and restrictions attaching to the Shares to be issued pursuant to this Prospectus is set out in section 13.4 of the November 2004 Prospectus.

## 8. ADDITIONAL INFORMATION

### 8.1 Market Prices of Shares and Options

Official trading of the Shares commenced on 3 February 2005.

The highest and lowest recorded market sale prices of the Shares quoted on ASX during the period from commencement of Official Quotation to the date of this Prospectus were \$0.25 on 10<sup>th</sup> March and 13<sup>th</sup> April 2005 and \$0.80 on 12<sup>th</sup> October 2005.

The last market sale price of the Shares on ASX on the last day that trading took place in the Shares prior to the date of this Prospectus was \$0.60 on 28 November 2005.

### 8.2 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX under the code "NEU".

The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an office of the ASIC. This includes the November 2004 Prospectus and Supplementary Prospectus, and other documents referred to in Section 5 of this Prospectus.

The Company will provide free of charge to anyone who asks for it during the application period of this Prospectus a copy of all documents used to notify ASX of information relating to the Company under the provisions of the Listing Rules since Official Quotation of its Shares on 3 February 2005. As at the time of lodging this Prospectus such documents were:

Date	ASX Announcement
01/12/2005	Suspension from Official Quotation
29/11/2005	Trading Halt
24/11/2005	Neuren Agreement with Jackson Foundation for Phase 3
09/11/2005	Neuren Senior Scientist inducted to US Institute of Medicine
31/10/2005	Commitments Test Entity - Third Quarter Report
14/10/2005	Presentation Market Update - Oct 2005
04/10/2005	Neuren Wins NZ Biotechnology Co of the Year Award
03/10/2005	Response to ASX Share Price Query
06/09/2005	Parkinsons & Hypertension patents issued
31/08/2005	Half Yearly Report & Half Year Accounts
30/08/2005	Neuren initiates Phase 2 trial
24/08/2005	US Army Presents Neuren Research Results
08/08/2005	Appendix 3B

29/07/2005	Commitments Test Entity - Second Quarter Report
11/07/2005	Walter Reed NNZ-2566 Contract Expanded
06/06/2005	FDA advances Neuren to Phase
30/05/2005	Results of Annual General Meeting
30/05/2005	AGM - CEO Presentation
20/05/2005	Appendix 3B
29/04/2005	Commitments Test Entity - First Quarter Report
22/04/2005	Annual Report 2004 & Notice of AGM
31/03/2005	Annual Report 2004
17/03/2005	Neuren CEO Update March 2005
15/03/2005	Walter Reed Collaboration
14/03/2005	Change of Director's Interest Notice (NZ Disclosure) x2
14/03/2005	Change of Director's Interest Notice x2
14/03/2005	Initial Director's Interest Notice
14/03/2005	Initial Director's Interest Notice
03/03/2005	MBP ann: Neuren and Metabolic to collaborate
02/03/2005	Neuren & Metabolic NRP Collaboration
28/02/2005	Preliminary Final Report
09/02/2005	Initial Director's Interest Notice x17 (NZ Disclosures)
09/02/2005	Initial Director's Interest Notice x 5
07/02/2005	Former Pfizer Executive to join board
03/02/2005	Neuren lists on ASX
01/02/2005	Annual Report & Financial Statements - y/e 31/12/01
01/02/2005	Annual Report & Financial Statements - y/e 31/12/02
01/02/2005	Annual Report & Financial Statements - y/e 31/12/03
01/02/2005	Annual Report & Financial Statements - p/e 31/12/02
01/02/2005	Annual Report & Financial Statements - y/e 31/12/03
01/02/2005	Half Year Directors' Report & Interim Financial Statements
01/02/2005	Share Option Plan
01/02/2005	Distribution Schedule
01/02/2005	Constitution
01/02/2005	Top 20 shareholders
01/02/2005	Conditions for admission to official list
01/02/2005	Appendix 1A - Application for admission to official list
01/02/2005	Circular re: Commencement of Official Quotation
01/02/2005	Admission to Official List
05/01/2005	Supplementary Disclosure Document
05/01/2005	Disclosure Document

### 8.3 Material contracts

Section 13 of the IPO Prospectus which is referred to above, sets out contracts to which the Company is a party and that were considered by the Directors as being material to enable investors to make an informed assessment of the Shares being offered under the IPO Prospectus. Investors and their professional advisers are referred to that section of the IPO Prospectus in relation to material contracts.

A copy of the material contracts referred to in this Prospectus will be available for inspection at the Company's registered office during office hours. The Directors consider certain documents entered into by the Company since listing on the ASX are material to the Offer or the operation of the Company or otherwise may be relevant to prospective investors in the Company. A summary of each of these documents is set out below.

#### **Joint Broker Agreement**

On 18 November 2005, Neuren executed a capital raising mandate letter issued jointly by Taylor Collison Limited and Patersons Securities Limited.

Under the mandate letter, Taylor Collison Limited and Patersons Securities Limited have agreed to be the joint lead managers to the Offer and the Private Placement. The joint lead managers agreed to only seek commitments from and make offers to investors whom they reasonably believe are institutional or sophisticated investors. They agreed to use their "best endeavours" in relation to the Offer and the Private Placement. The joint lead managers will receive from Neuren upon completion of the Offer and the Private Placement:

- (a) a management fee of 1% of the gross amount raised under this Offer and the Private Placement; and
- (b) a distribution fee of 4% of the gross amount raised under this Offer and the Private Placement.

All fees are exclusive of GST. Taylor Collison Limited and Patersons Securities Limited will each receive 50% of the fees received from the mandate.

Neuren also agrees to reimburse the joint lead managers for any out of pocket expenses incurred directly in relation to the Offer and the Private Placement.

Neuren indemnifies the joint lead managers against any and all liabilities directly or indirectly arising out of either their mandate, the Offer or the Private Placement. The indemnity does not apply only when a loss has directly and solely resulted from the wilful default, fraud or gross negligence of the joint lead managers.

Neuren undertakes not to issue equity securities without the prior written consent of the joint lead managers for the period of 6 months from the date of this Prospectus, such consent not to be unreasonably withheld or delayed.

The joint lead managers are entitled to terminate their mandate upon the occurrence of a number of events in their sole and absolute opinion, including:

- (a) the ASX refuses to grant quotation of the Shares offered in this Prospectus or the Private Placement; and
- (b) a material adverse effect including any adverse change in the financial standing or prospects of Neuren.

Neuren in turn is entitled to terminate the mandate with either or both of the joint lead managers if the joint lead managers fail to rectify any material breach of the mandate within 10 business days of receiving notice in writing from Neuren.

## **Grant from the Foundation for Research Science and Technology New Zealand for Implementation of Phase 2a trial for Glypromate®**

The Company signed an Offer Letter from the Foundation dated 19 September 2005, for the purpose of implementing the Phase 2a clinical trial for Glypromate®.

The agreement commences on 19 September 2005 and concludes on 18 March 2006, with a total amount of NZ\$289,616 (inclusive of GST) payable by the Foundation to the Company on a cost recovery basis over this period.

The Offer Letter makes no provision for the Foundation to have any interest in the intellectual property developed from the research.

### **8.4 Governing Law**

This Prospectus, the Offer and the contracts formed on acceptance of Applications under the Offer are governed by the law applicable in New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

### **8.5 Interests of Directors**

As at the date of this Prospectus, the Directors have relevant interests in securities of the Company as set out in the table below.

<b>Director</b>	<b>Interests in Ordinary Shares</b>		<b>Interests in Options</b>	
	<b>Direct</b>	<b>Indirect</b>	<b>Direct</b>	<b>Indirect</b>
R L Congreve	-	23,636,115	-	1,528,892
T D Scott	-	12,432,795	-	-
T R Amos	-	9,624,118	-	-
J D Wilson	-	135,000	-	-
G B Howie	50,000	-	-	-
D J Clarke	-	-	4,241,888	-

In line with the Company's move into clinical development, Dr Doug Wilson has and will continue to play a greater role in providing strategic clinical development advice and in particular take a leading role in dialogue with the US Food and Drug Administration and other regulatory authorities. In the period 1 January 2005 to 31 October 2005 Dr Wilson's remuneration was NZ\$180,000.

In the period 1 January 2005 to 31 October 2005 Dr Graeme Howie was paid \$8,000 for product development consultancy advice.

Except as set out below or described elsewhere in the Prospectus or the IPO Prospectus, no Director holds at the date of this Prospectus, or held at any time during the last two years prior to the date of the Prospectus, any interest in:

- The formation or promotion of Neuren;
- Property acquired or proposed to be acquired by Neuren in connection with its formation or promotion or with the Offer; or
- The Offer.

Except as set out below or described elsewhere in this Prospectus or in the IPO Prospectus, no person has paid, or agreed to pay, or has given, or agreed to give, any benefit to a Director or proposed Director:

- To induce them to become, or to qualify as, a Director; or
- For services provided by a Director or proposed Director in connection with the formation or promotion of Neuren or with the Offer.

## **8.6 Interests of Experts and Advisers**

Except as set out below or described elsewhere in the Prospectus or the IPO Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or has held at any time during the last two years prior to the date of the Prospectus, any interest in:

- The formation or promotion of Neuren;
- Property acquired or proposed to be acquired by Neuren in connection with its formation or promotion or with the Offer; or
- The Offer,

nor has anyone paid, or agreed to pay, or given, or agreed to give, a benefit to any such person in connection with the promotion or formation of Neuren or with the Offer.

Patersons and Taylor Collison are entitled to be paid \$318,000 in fees in connection with their acting as joint brokers to the Offer and the Private Placement assuming the maximum amount is raised under the Offer and the Private Placement.

Gadens Lawyers has acted as Australian solicitors to the Offer and is entitled to be paid \$20,000 for the provision of legal services in connection with the Offer.

## **8.7 Expenses of the Offer**

The total expenses of the Offer and the Private Placement, based on raising combined proceeds of \$6,360,000 are estimated to be \$360,000 comprising legal and due diligence costs of \$30,000, commission of \$318,000, and ASIC and ASX fees of approximately \$12,000 relating to the Shares issued pursuant to the Offer and the Private Placement. The expenses of the Offer will be paid out of the proceeds of the Offer.

## **8.8 Consents**

Each of the parties referred to below:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of the lodgement of this Prospectus with ASIC;
- (b) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties, other than as specified in this Section;
- (c) has not made any statement on which a statement in this Prospectus is based, other than as specified in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Gadens Lawyers have given its written consent to be named in this Prospectus as Australian solicitors to the Company in the form and context in which it is named.

Paterson Securities Ltd has given its written consent to be named in this Prospectus as joint broker to the Offer in this Prospectus in the form and context in which it is named.

Taylor Collison Ltd has given its written consent to be named in this Prospectus as joint broker to the Offer in this Prospectus in the form and context in which it is named.

Barnes Dowell James has given its written consent to its premises being named in this Prospectus as the registered office of the Company in the form and context in which it is named.

Oakhill Hamilton Pty Ltd has given its written consent to being named in this Prospectus, solely by virtue of the inclusion of the IPO Prospectus in this Prospectus (by incorporation by reference), in the form and context in which it is named.

Simpson Grierson has given its written consent to being named in this Prospectus, solely by virtue of the inclusion of the IPO Prospectus in this Prospectus (by incorporation by reference), in the form and context in which it is named.

PricewaterhouseCoopers has given its written consent to the inclusion of its audit opinion, which appears in the Annual Report, and its review opinion, which appears in the Interim Report, being included in this Prospectus (by incorporation by reference) in the form and context in which they are included and to being named as Auditor of the Company in the form and context in which it is named.

Aoris Nova Pty Ltd has given its written consent to the inclusion of their Independent Science Report, which appears in the IPO Prospectus, being included in this Prospectus (by incorporation by reference) in the form and context in which it is included.

Fliesler Meyer LLP has given its written consent to the inclusion of its Patent Report, which appears in the IPO Prospectus, being included in this Prospectus (by incorporation by reference) in the form and context in which it is included.

## **9. AUTHORITY OF DIRECTORS**

Each of the Directors of Neuren Pharmaceuticals Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 2<sup>nd</sup> day of December 2005

Signed for and on behalf of **Neuren Pharmaceuticals Limited**

**BY DR ROBIN CONGREVE**

A handwritten signature in black ink, appearing to read 'R Congreve', is written over the printed name 'BY DR ROBIN CONGREVE'.



## 10. DEFINITIONS

Where the following terms are used in this Prospectus they have the following meanings:

A\$ or \$ mean an Australian dollar;

AEDST means Australian Eastern Daylight Saving Time;

Announcement means a market release by the Company on the ASX, as listed in section 8 of this Prospectus;

Appendix 4C means the Company's quarterly report for entities admitted on the basis of commitments for the nine months ended 30 September 2005, lodged with ASX on 31 October 2005;

Application Form means the application form attached to or accompanying this Prospectus;

ASIC means the Australian Securities and Investments Commission;

ASTC means the ASX Settlement and Transfer Corporation Pty Ltd;

ASX means the Australian Stock Exchange Limited;

Board means the board of Directors as constituted from time to time;

Business Day means a week day when trading banks are ordinarily open for business in Sydney, New South Wales;

CHESS means Clearing House Electronic Subregister System, which is operated by ASTC, a wholly owned subsidiary of ASX;

Closing Date means the closing date for receipt of Application Forms under this Prospectus, being 5.00 pm (AEDST) on 14 December 2005 (unless the Offer is extended or closed earlier);

Company or Neuren means Neuren Pharmaceuticals Limited ARBN 111 496 130;

Constitution means the constitution of the Company;

Corporations Act means the Corporations Act 2001;

Directors mean the directors of the Company at the date of this Prospectus;

Holder means an owner of Shares;

Interim Report means the interim report for the Company for the period ended 30 June 2005;

Joint Brokers means Paterson Securities Ltd and Taylor Collison Ltd;

Listing Rules means the official Listing Rules of ASX;

NZ\$ means a New Zealand dollar;

Offer means the invitation to investors to apply for Shares pursuant to this Prospectus;

Offer Period means the period commencing on the Opening Date and ending on the Closing Date;

Official List means the Official List of ASX;

Official Quotation means official quotation by ASX in accordance with the Listing Rules;

Opening Date means the opening date for receipt of Application Forms under this Prospectus, being 9.00 am (AEDST), proposed to be on 5 December 2005;

Private Placement means the issue of 11,990,000 Shares in the Company at \$0.53 each to sophisticated and professional investors;

Prospectus means this prospectus;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means a holder of Shares.

**11. APPLICATION FORM**

**APPLICATION FORM NEUREN PHARMACEUTICALS LIMITED ARBN 111 496 130**

To meet the requirements of the Corporations Act 2001, this Application Form must not be passed on to another person unless attached to the Prospectus of Neuren Pharmaceuticals Limited (ARBN 111 496 130) dated 2 December 2005 ("Prospectus"). You should read the Prospectus carefully before completing this Application Form.

**A** COLBERN FIDUCIARY NOMINEES PTY LTD  Shares at \$0.53 per Share  
 applies for:

**B** I/We lodge full application monies of: \$

**C** Complete full name details

APPLICANT 1 GIVEN NAME(S) OR COMPANY NAME	SURNAME
JOINT APPLICANT 2 OR DESIGNATED ACCOUNT	
JOINT APPLICANT 3 OR DESIGNATED ACCOUNT	

**D** Complete address details

NUMBER AND STREET	
SUBURB, CITY OR TOWN AND POSTCODE	STATE

**E** Contact details

HOME ( ) EMAIL ADDRESS	WORK ( )	CONTACT NAME
------------------------------	-------------	--------------

**F** Participating Sponsored Applicants

PID	HIN
-----	-----

**G** Tax File Number/Exemption Details

APPLICANT 1	APPLICANT 2	APPLICANT 3
-------------	-------------	-------------

I/We shall apply this/these Tax File Number(s) or Exemption(s) to all my/our investments in the Company.

**H** Cheque details

DRAWER	BANK	BRANCH	TOTAL AMOUNT OF CHEQUE
DRAWER	BANK	BRANCH	TOTAL AMOUNT OF CHEQUE

By returning this Application Form I/we hereby authorise the Company to complete and execute any document necessary to effect the issue of Shares to me/us and agree to be bound by the Constitution of the Company.

# APPLICATION FORM NEUREN PHARMACEUTICALS LIMITED ARBN 111 496 130

To meet the requirements of the Corporations Act 2001, this Application Form must not be passed on to another person unless attached to the Prospectus of Neuren Pharmaceuticals Limited (ARBN 111 496 130) dated 2 December 2005 ("Prospectus"). You should read the Prospectus carefully before completing this Application Form.

**A** TAYCOL NOMINEES PTY LTD applies for:  Shares at \$0.53 per Share

**B** I/We lodge full application monies of: \$

**C** Complete full name details

APPLICANT 1 GIVEN NAME(S) OR COMPANY NAME	SURNAME
JOINT APPLICANT 2 OR DESIGNATED ACCOUNT	
JOINT APPLICANT 3 OR DESIGNATED ACCOUNT	

**D** Complete address details

NUMBER AND STREET	
SUBURB, CITY OR TOWN AND POSTCODE	STATE

**E** Contact details

HOME ( ) EMAIL ADDRESS	WORK ( )	CONTACT NAME
------------------------------	-------------	--------------

**F** Participating Sponsored Applicants

PID	HIN
-----	-----

**G** Tax File Number/Exemption Details

APPLICANT 1	APPLICANT 2	APPLICANT 3
-------------	-------------	-------------

I/We shall apply this/these Tax File Number(s) or Exemption(s) to all my/our investments in the Company.

**H** Cheque details

DRAWER	BANK	BRANCH	TOTAL AMOUNT OF CHEQUE
DRAWER	BANK	BRANCH	TOTAL AMOUNT OF CHEQUE

By returning this Application Form I/we hereby authorise the Company to complete and execute any document necessary to effect the issue of Shares to me/us and agree to be bound by the Constitution of the Company.

## GUIDE TO THE APPLICATION FORM

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Application Form. Further particulars and the correct form of registrable names to use on the Application Form are contained in the table below.

- A Insert the number of Shares you wish to apply for. The application must be for a minimum of 5,000 Shares.
- B Insert the relevant amount of Application Monies below. To calculate your Application Monies, multiply the number of Shares applied for by \$0.53.
- C Write the full name you wish to appear on your statement of shareholders. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable name. Applications using the wrong form of name may be rejected. Clearing House Electronic Sub Register System (CHES) participants should complete their name and address in the same format as they are presently registered in the CHES system.
- D Please enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applications, only one address can be entered.
- E Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- F The Company will apply to ASX to participate in CHES. If you are already a participant in CHES, you may complete this section or forward the Application Form to your sponsoring broker for completion prior to lodgement. Otherwise leave this section blank.
- G Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.
- H Please complete cheque details as requested:
- Make your cheque payable to "Patersons Securities Limited" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian bank.
  - The amount should agree with the amount shown in B.
  - Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
  - Pin (do not staple) your cheque(s) to the Application Form where indicated.

### Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

Ms N Garrett  
Patersons Securities Limited  
PO Box R1773  
Royal Exchange  
SYDNEY NSW 1225

Application Forms must be received no later than 5.00pm AEDST on 14 December 2005, subject to the right of the Company to vary the Closing Date. Investors are encouraged to submit their Application Form as soon as possible.

In the event that I/we receive this Prospectus electronically via the Internet, I/we declare that I/we have received this Prospectus personally, or a printout of it, accompanied by or attached to this Application Form prior to applying for Shares. I/we acknowledge that the Corporations Act prohibits any person from passing on to another person this Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus.

It is advisable to read the Prospectus before completing the Application Form. The Company will issue to any person free of charge, a printed copy of the Prospectus on request. While the Prospectus is current, the Company will send paper copies of the Prospectus, any supplementary prospectus and the application form, on request without charge.

### Correct Form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor/Title	Correct Form of Registrable Title	Incorrect Form
<b>Trusts</b> (use Trustee(s) name)	Mr John David Smith <Smith Family Trust A/C>	John Smith Family Trust
<b>Deceased Estates</b>	Mr Michael Peter Smith <Estate John Smith A/C>	John Smith (Deceased)
<b>Partnerships</b> (use Partners' names)	Mr John Smith and Mr Michael Smith <John Smith and Son A/C>	John Smith and Son
<b>Clubs/Incorporated Bodies</b>	Mr John David Smith <ABC Tennis Association A/C>	ABC Tennis Association
<b>Superannuation Funds</b>	John Smith Pty Ltd <Super Fund>	John Smith Superannuation Fund

Put the name(s) of any joint applicant(s) and/or account description using <> as indicated above in designated space(s) at Section C on the Application Form.