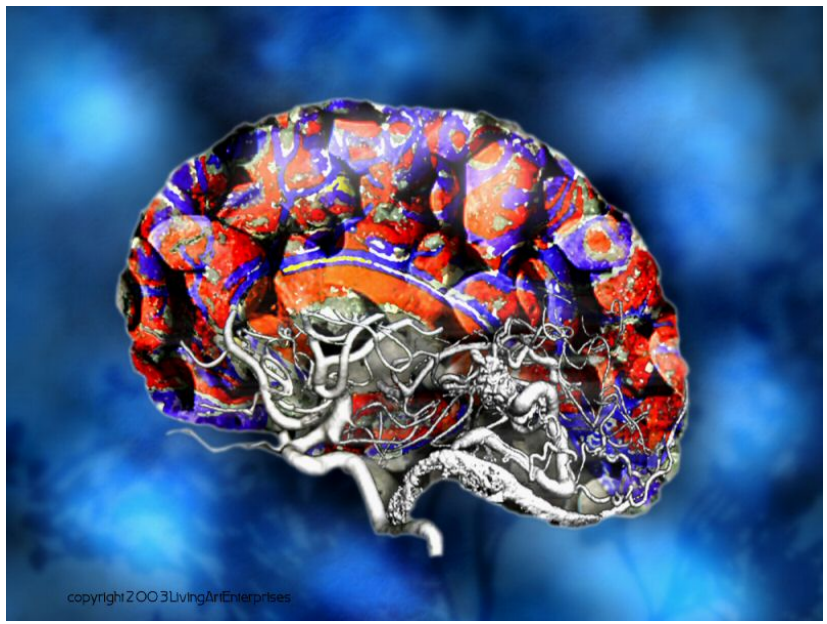
Neuren Pharmaceuticals

Institutional Placement
Raising $6.36 million
November 2005



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  - (a) apply for, acquire or dispose of Neuren Pharmaceuticals Limited or enter into an agreement to apply for, acquire or dispose of any such securities; or
  - (b) procure another person to apply for, acquire or dispose of, or to enter into an agreement to apply for, acquire or dispose of, any such securities.

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Agenda

1. Company Overview
2. Lead Products - Glypromate® and NNZ 2566
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Corporate overview

Corporate Snapshot

Neuren is a drug development company targeting brain repair& rescue, metabolism and cancer

Neuren's lead products protect against brain damage

Glypromate® has been accelerated into Phase-3 clinical trials following a productive meeting with FDA

ASX code:	**NEU**
Share price:	**$0.60**
Market cap:	**$60m**
Cash:	**$9.1m (as at 1 October 2005)**
Shares on issue:	**100.0m (of which 62.5m are in escrow)**
	20.5m options

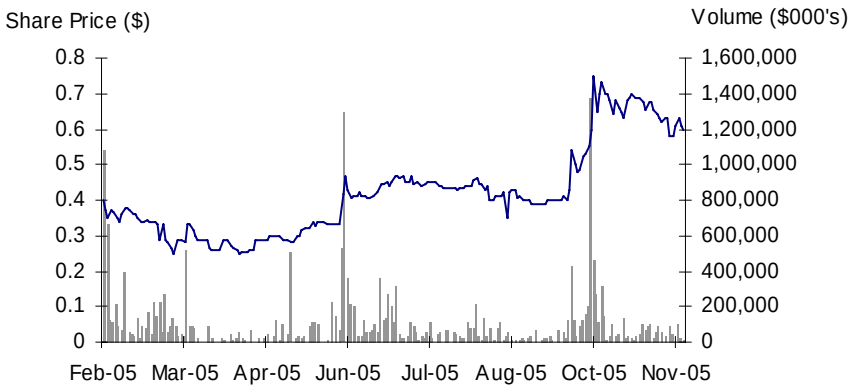
Recent Accolades:

- **BRW Top Ten Stocks Under $1.00**
- **Awarded NZ 2005 Biotechnology company of the year**
- **CSO inaugurated into US Institute of Medicine**

Register

Neuronz Ltd:	12.4%
NZ Seed Fund Management Ltd:	11.4%
Macquarie Bank Tech Funds:	9.6%
Pfizer Inc:	8.1%
K One W One:	6.7%
Top Twenty:	74.5%

Share Price Performance Since IPO



Repairing brain damage from aging and injury

Investment highlights

Stage of Development Poised for Major Milestones

- Glypromate® accelerated to Phase 3 in CY2006
  - Multi-site international and domestic trials
- NNZ 2566 is entering Phase 1 in 1H CY2006 & Phase 2 in 2H CY2006
  - Conducting in collaboration with the US Department of Defence
- Major milestones that are expected to lead to significant re-rating of stock:
  - Poised to become one of very few Australian companies conducted a Phase 3 trial under FDA jurisdiction

Excellent Commercialisation Prospects

- Option to secure licensing deal for Lead Products (Glypromate® and NNZ 2566 IV) in 2008
  - Pivotal Phase 3 efficacy trial completed for Glypromate®
- Opportunity to out-license three product lines in near term (from Q1 2007)
  - Already received approaches from Pharma with respect to NRPs, DKPs and NNZ 2566 Oral
  - Requirements for licensing deal understood
- Attractive margins and cost of goods

Investment highlights

Uniquely positioned to fund its own Phase 3 Study

- Very few Australian companies are in Phase 3 trials: Typically prohibitively expensive
- Neuren in close consultation with the US FDA are structuring a very cost effective Phase 3 trial (first pivotal study = A$10m)
- Plus time and money savings from acceleration in to Phase 3

Significant Market Opportunities

- Products address multi-billion markets with unmet needs
- Limited competition

Excellent Management Team

- Extensive international experience in drug development and commercialisation (100+ years; Filed 100 INDs)

Breadth and quality of portfolio

- Top calibre international partners: Pfizer, US Department of Defence
- Six Family of products
- Strategic Choice: Pipeline, Development Cost, Out-licence

Attractively Priced

- 14% discount to 5-day VWAP

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Repairing brain damage from aging and injury

BRAIN INJURY

- Brain cells die acutely
  - No blood supply
  - Trauma
- Brain cells die chronically
  - Disease process
  - Aging

DISEASE

- Stroke
- Traumatic Brain Injury (TBI)
- Alzheimer's Disease
- Parkinson's Disease
- Memory Loss

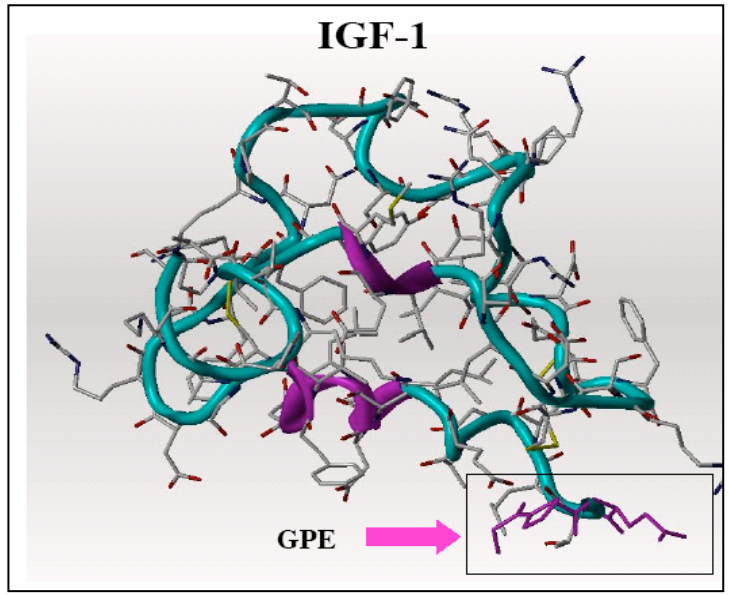
- Nervous tissue in the brain has very poor regenerative capacity
- Most neuronal damage is the result of eventual cell death that occurs over the hours or days following the initial injury

Provides a window of time for rescue

Neuren's products take the brain's natural repair agents and improve them to minimise post-injury neuronal cell death

Lead Products: Glypromate® and NNZ-2566

- Neural repair agents face several challenges, including:
  - Blood-brain barrier prevents many molecules reaching the brain
  - Most brain injuries, such as stroke, are unscheduled
  - Several mechanisms by which cell death occurs



- Neuren's two lead compounds address these challenges:
  1. Glypromate®
  2. NNZ-2566

- Glypromate® is derived from a naturally occurring peptide that is generated by the human brain. Glypromate® has the following significant neuroprotection characteristics:
  - Crosses the blood brain barrier
  - Long therapeutic window (highly effective when administered 7 – 11 hours after primary injury)
  - Highly effective in six different animal models

Lead Products: Glypromate® and NNZ-2566

- NNZ-2566 is a modified version of Glypromate® with additional attractive characteristics including:
  1. Longer Acting: Better treatment window
  2. Oral bioavailability: Critical for chronic indications including Parkinson's Disease, Alzheimer's Disease and aged related dementia

- The first indication that NNZ-2566 is being tested for is neuroprotection in patients that have experienced Traumatic Brain Injury (TBI)

- Neuren has negotiated a very attractive development arrangement with the US Department of Defence (Walter Reed Army Institute of Research)
  - Walter Reed Army Institute of Research funds half of the pre-clinical research
  - Neuren retains all future commercial rights to NNZ-2566 outside the US Military (1-2% of the total market)

- Neuren has achieved excellent results to date utilising well-established animal models for TBI
  - NNZ-2566 has delivered up to 70% improvement in behavioral outcome

- Neuren anticipates that NNZ-2566 will also be accelerated into Phase 3

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Glypromate® - Neuroprotection in CABG Surgery

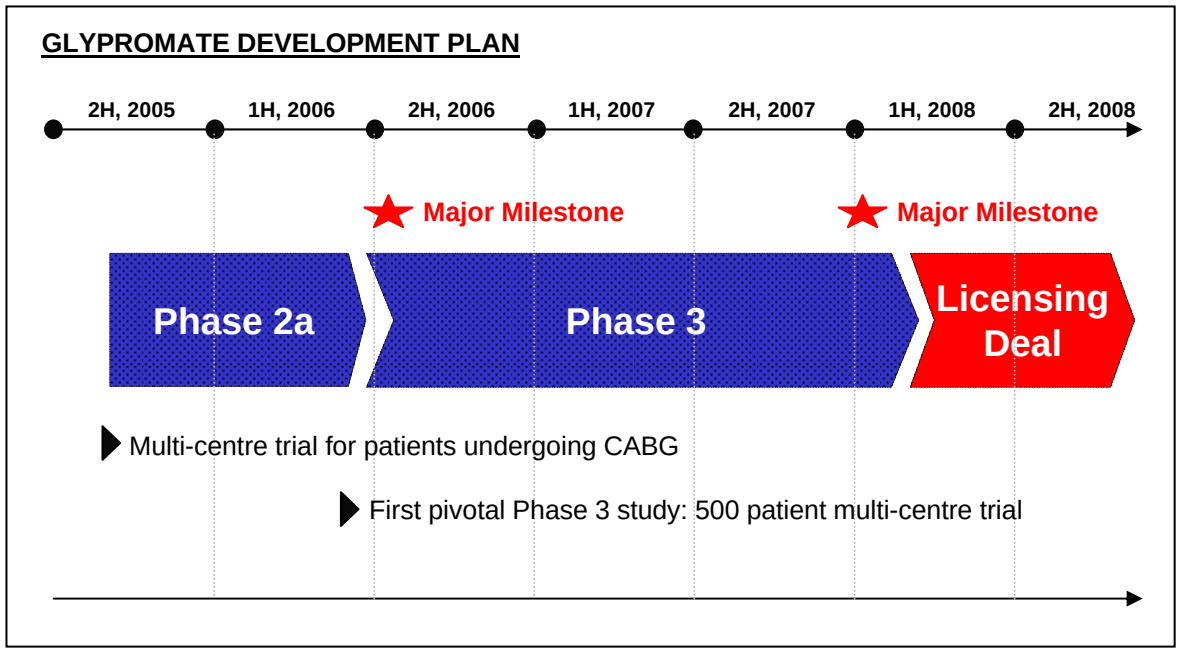
- The first indication that Glypromate® is being tested for is neuroprotection in patients undergoing Coronary Artery Bypass (CABG) Surgery
  - During CABG surgery the heart is stopped and bypassed using a machine
  - When machine is removed and heart re-started tiny clots pass to the brain
  - Up to 70% of patients have a decline in cognitive function following CABG surgery

- CABG surgery was selected by Neuren because of its excellent drug trial characteristics:
  - CABG surgery scheduling is timed and known
  - No ambiguity in diagnosis
  - Base-line cognitive function can be tested
  - Drug can be administered at optimal timing for maximal effect

No drugs currently available - An agent capable of providing neuroprotection for patients undergoing CABG would be rapidly adopted

Glypromate® – Accelerated into Phase 3

- Successfully completed the preclinical program and Phase 1 clinical study
  - Safe and non-toxic; Well tolerated by humans
- Currently in Phase-2a
  - Multi-centre trial for patients undergoing CABG which will complete in early CY2006
- Pre-investigational new drug meeting with the US FDA enabled Glypromate® directly into Phase-3 clinical testing
- Neuren now poised to commence Phase 3 clinical trial in 2006 (originally planned for 2008)



Entering significant clinical development phase in next 6 months

Glypromate® - Cost effective Phase 3 study

- Phase 3 trials are normally prohibitively expensive for Australian companies
- Neuren's first pivotal Phase 3 study has been structured in close consultation with the FDA and is extremely cost effective Phase 3 study in CY2006:
  - 500 patient multi- site trial, completion within 18 months
  - AUD$10 million for first pivotal Phase 3 study
  - Plus significant time and cost savings from acceleration

Neuren is extremely well-positioned

- Positions Neuren as one of very few listed ASX-companies conducting Phase 3 trials
- Further, Neuren is uniquely positioned in that it can self-fund the trial maximising its ability to secure lucrative licensing deals
- Acceleration reduces time to market for the drug
- Neuren has option to license Glypromate® out following first pivotal Phase-3 trial

Glypromate® - Development has been significantly de-risked

- Why do drugs fail?
  - Safety
  - Manufacturing
  - Toxicology

  The reasons that 70% of drugs fail

  Neuren's development program has demonstrated that these factors are not an issue for Glypromate®

- Phase 3 study will generate efficacy data from human patients
  - Glypromate® was significantly neuroprotective in six different animal models
  - Glypromate® has multiple modes of action
  - Neuren is working closely with FDA : Glypromate® is potentially "first in market" (i.e. no drug comparison thereby reducing efficacy development risks)
  - Neuren clinical development programs are conducted within gold star standards: Jain report
  - Neuren's team has extensive experience in taking drugs to market

Neuren's team understands and manages drug development risk

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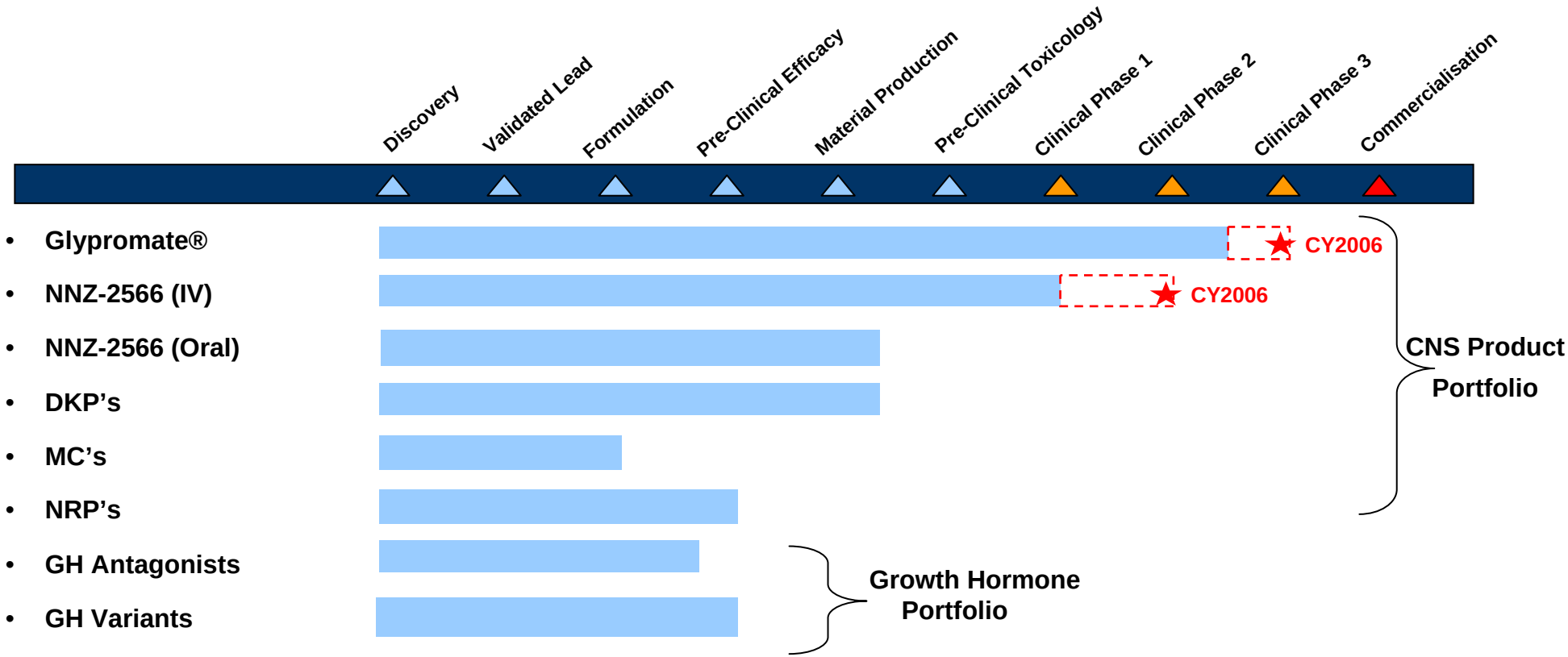
Development pipeline



Extensive development portfolio offering several means of delivering value

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Commercialisation strategy

Excellent Commercialisation Prospects

- Option to secure licensing deal for Lead Products (Glypromate® and NNZ 2566 IV) in 2008
  - Lucrative deal has pivotal Phase 3 efficacy trial will have been completed independently for Glypromate®
- Opportunity to out-license three product lines in near term (from 2007)
  - Already received approaches from Pharma
  - Interest in NRPs, DKPs and NNZ 2566 Oral
  - Requirements for licensing deal understood

Neuren's Commercialisation Principles

- Build World-Class Partnerships Early
  - Pfizer, WRAIR, Metabolic Pharmaceuticals
  - Secure best of breed external verification (FDA IND)
- Move Quickly into Clinical Trials
  - Acute indications due to cost of trials (CABG, Traumatic brain injury…) followed by chronic diseases.
  - Glypromate accelerated to Phase 3; other previous TBI trials FDA fast tracked
- Maintain Multiple Products and Parallel Development
- Target large markets with unmet needs

Significant market opportunities

- Several significant applications for both acute (short-term) and chronic (long-term) indications:

Acute Indications	Chronic Indications
♦ Stroke	♦ Alzheimer's Disease
♦ Coronary Artery Bypass (CABG) Surgery	♦ Parkinson's Disease
♦ Traumatic Brain Injury	♦ Multiple Sclerosis

- Large and growing markets with unmet needs:

Indication	Cases per year (US)	Market Size US$	Effective Treatment
Bypass Surgery	400,000	$2.0b	No
Traumatic Brain Injury	1,000,000	$1.0b	No
Stroke	800,000	$3.5b	No
Parkinson's Disease	3,000,000	$2.0b	Minimal
Alzheimer's Disease	4,500,000	$2.5b	Minimal
Multiple Sclerosis	800,000	$2.5b	Minimal

Key commercial milestones

Glypromate®	
Completion of Phase 2a trial report	Q1 CY2006
Pre-Phase 3 CMC,Tox package Trial	Q1 CY2006
Commence Phase 3 Trial	Q3 CY2006

Major value driver – One of only a very small group of Australian companies to enter Phase 3

NNZ-2566	
Pre-clinical Phase 1 toxicology completed	Q4 CY2005
Third-stage contract with US Dep't of Defence	Q1 CY2006
Commence Phase 1 Trial	Q1 CY2006
Phase 1 results	Q2/3 CY2006
Oral – Chronic models complete	Q2 CY 2006
Commencement of Phase 2a	Q4 CY2006

Other Compounds	
NRP in vivo programme completes	Q3 CY2006
DKP's – Lead candidate selection	Q2 CY2006

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Quality Board with direct experience in commercialising drugs

- Neuren's Board has extensive experience and expertise in drug development, regulatory approval and commercialisation

- Two of Neuren's Board have major multinational pharmaceutical experience with direct expertise in successfully taking drugs to global markets

Board of Directors	
Dr Robin Congreve (PHD) ***Chairman***	**Leading NZ international businessman** **Partner in Oceania and Eastern Group**
David Clarke (ME, MBA) ***Executive Director, CEO***	**Senior positions in healthcare, technology and finance** **Former CEO, South Auckland Health**
Dr Douglas Wilson, MB, ChB, PHD ***Non-Executive Director***	**Former SVP, World Head Medical and Regulatory Affairs, Boehringer Inglehim** **Participated in bringing 10 new drugs to market in USA**
Dr Graeme Howie, PhD ***Non-Executive Director***	**Former Pfizer New York; Senior exec. Pharmacia** **20+ years big pharma drug development expertise**
Tom Amos, B.Eng ***Non-Executive Director***	**Director, Macquarie Bank (Macquarie Technology Ventures)**
Trevor Scott, FCA ***Non-Executive Director***	**Leading NZ businessman** **Chair of Blis and PEBL**

Highly experienced management and scientists

Management and Scientists	
Prof Peter Gluckman (MB, DSc, FRS) ***CSO***	**Pediatrician, endocrinologist, Director of Liggins Institute** **Former Dean, University of Auckland Medical School** **World authority in neuroscience and endocrinology**
Dr Mike Bickerdike (Phd) ***Managing Scientist***	**Formerly private UK biotech** **Clinical and Collaboration/JV experience (Roche)**
Lawrence Glass (BSc, MSc) ***CBO***	**25+ years experience in biomedical research and product development** **Former CEO of a CRO that was a subsidiary of a NYSE public company**
Robyn Murdoch (MBA) ***CDO***	**Extensive experience in Clinical Development** **Formerly Pfizer, Roche, Lilly**
Maggie Scott (MBA) ***Head Clinical Operations***	**18 years experience in Clinical Trials** **Formerly Pfizer, Roche, Novartis, Lilly**
Rob Turnbull (Bcom, CA) ***CFO***	**Corporate finance experience in Biotech** **Formerly with PriceWaterhouseCoopers**
Dr Kathryn Jones (PhD) ***BD***	**Neuroscientist with Masters in Commercial Law** **Extensive IP and project management experience**

Executive staff experience

Drugs to market in USA: 100+ years experience, 100 IND's

- Atrovent for common cold, Atrovent nasal for allergic rhinitis, Combivent for COPD, Asasantin for TIAs, pameprexole for Parkinson's, Meloxicam as a NSAID for osteoarthritis, Spiriva for COPD, Nevirapine for HIV, Flomax for prostatic hypertophy, Telmisartan for hypertension, and Telmisartan/hydrochlorothiazide combo for hypertension, bolus thrombolytic for AMI, TPA for stroke

- Plus worked on drugs in Hepatitis C, various anti cancer drugs, anti adhesion molecules in stroke and burns, NMDA antagonists in stroke, thrombolytics in stroke, bolus thrombolytics for acute myocardial infarcts, drugs for Alzheimer's and depression, P38 MAP kinase inhibitors for Rheumatoid arthritis, drugs to inhibit nausea and vomiting after intense cytotoxic therapy for cancer, drugs for migraine, ICAM receptor inhibitors for rhinovirus induced common cold, Non-peptidic HIV protease inhibitors for HIV

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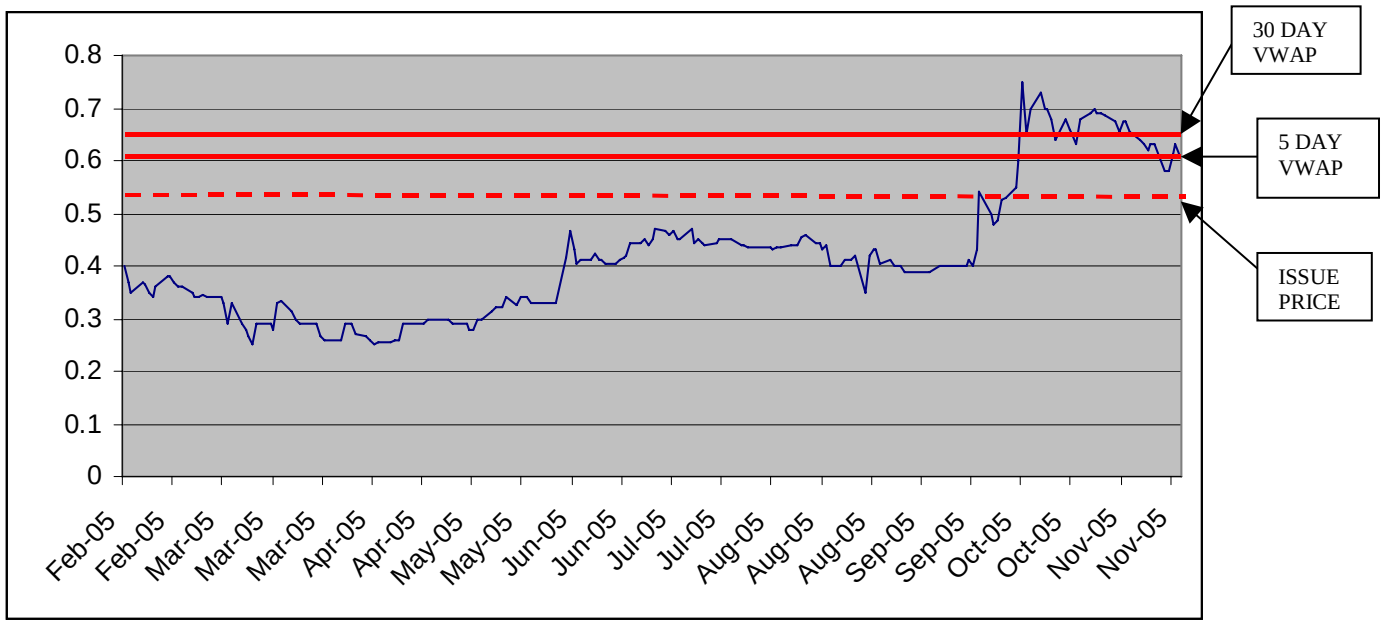
Placement

Neuren Pricing Graph



- Offer of 12m shares to raise $6.36m
- Attractive issue price of $0.53
  - 12% discount to last close
  - 14% discount to 5 day VWAP
  - 19% discount to 30 day VWAP

Use of funds

Share Capital Structre

Existing shares on issue	100,000,000	89%
Placement shares	11,990,000	11%
Total shares post capital raising	147,758,765	100%
Market capitalisation @0.53 per share	$59,254,700	

Use of Funds	**A$000**
Glypromate® pre-Phase 3 costs	$2,300
Accelerated Chronic (NNZ-2566, NNZ-2591)	$1,000
NNZ-2566 additional product for toxicity study	$1,000
NNZ-2566 new US Army programme	$ 700
Working Capital	$1,000
Costs of the Offer	$ 360
	$6,360

Indicative timetable

Trading halt	**29-30 November**
Dispatch of Firm Allocation Offer Letters	**1 December**
Receipt of Firm Allocation Offer Letters	**2 December**
Announce Placement to ASX	**2 December**
Settlement of Placement shares	**7 December**
Placement shares listed on ASX	**8 December**

All queries regarding the process should be directed to:

Patersons Securities – Nicki Garrett on (02) 8238 6229 or 0410 503 926

Taylor Collison – Craig Ball on (08) 8217 3900 or 0409 121 688

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- Limited competition

Excellent Management Team

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Breadth and quality of portfolio

- Top calibre international partners: Pfizer, US Department of Defence
- Six Family of products
- Strategic Choice: Pipeline, Development Cost, Out-licence

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Pipeline offers excellent potential

Diketopiperazines (DKPs)	• **Small molecules that are both neuroprotectant and stimulate neurite growth for neurodegenerative diseases** • **Most advanced compound, NNZ-2591, is currently being tested in animals**
Growth Hormones (GH)	• **Growth hormone program is focused on finding molecules for the treatment of cancer (promote or inhibit growth in certain tumour types)** • **Collaborations with Pfizer**
Neural Regeneration Peptides (NRPs)	• **Peptides that stimulate neuronal regeneration and may have applications in a variety of neurodenegerative diseases** • **Collaborations with Metabolic Pharmaceuticals**
Liggins Institute	• **Under an agreement with the Liggins Institute (University of Auckland) Neuren has an automatic right-to-own any intellectual property generated in the fields of neural repair and rescue , growth and metabolism**

Six families of compounds with 72+ patents

Limited competition

Acute Neurodegeneration	♦ No drugs currently on the market ♦ Competitors are currently conducting clinical trials for CABG, Traumatic Brain Injury and Stroke ♦ Glypromate® has a superior profile to other products in development
Chronic Neurodegeneration	♦ Current products offer minimal effectiveness ♦ NNZ-2566 oral has shown excellent results to date ♦ Other compounds (DKP,NP) also potential candidates

Strong Competitive Position for Neuren's lead compounds

- Part of naturally occurring neuroprotective mechanisms
- Very low toxicity
- Able to provide protection for several hours after primary injury
- Tested in multiple animal models and consistently shown excellent results
- Multiple modes of action