



Neuren Pharmaceuticals Ltd  
Level 3, 2-6 Park Avenue, Grafton  
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12 December 2005

<name>  
<address>

Dear Shareholder

You may have recently seen media coverage and our announcements in relation to the placement of 12 million shares to institutional investors on 2 December 2005, raising A\$6,360,000 and positioning the Company for further significant growth.

As noted in our Interim Report, following a meeting with the US Food and Drug Administration ("FDA") in April, Neuren proposes to progress directly to a Phase 3 (pivotal) trial of Glypromate® on successful completion of the current Phase 2a trial. This accelerated programme involves some additional pre-clinical expenditure. The Board decided that in order to cover this and to apply additional resources to our NNZ-2566 and NNZ-2591 (diketopiperazine) programmes which are advancing more rapidly than expected, a small capital raising was appropriate. The placement of the 12 million shares available to be issued under the ASX Listing Rules was quick and cost effective and has enabled the Company to enlist quality institutional support to its share register at a time when there is relative strength in the Australian biotechnology share market.

As part of the private placement process a short form prospectus was prepared and lodged in Australia for a nominal number of shares. As noted in the prospectus its purpose was to qualify the shares issued in the private placement for relief from secondary sale restrictions contained in the Corporations Act, and the Company is not accepting general applications under this disclosure document.

Many shareholders have expressed their interest in participating in a capital raising. Shareholders are assured that the Board is aware of their continuing support and will certainly consider a rights issue to existing shareholders as part of any future capital raising.

We invite you to review the Company's latest update presentation on our website [www.neurenpharma.com](http://www.neurenpharma.com). If you would like to receive these announcements and other communications from Neuren by email I would encourage you to register your interest by email to [enquiries@neurenpharma.com](mailto:enquiries@neurenpharma.com) or by completing and faxing the attached form.

Yours sincerely

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

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 9 367 7186

	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.