



Neuren Pharmaceuticals Limited
Level 2, 57 Wellington Street, Freemans Bay
PO Box 9923, Newmarket
Auckland, New Zealand
office: +64 9 529 3940
fax: +64 9 361 7981
enquiries@neurenpharma.com
www.neurenpharma.com

12 August 2008

Dear Shareholder

Please find enclosed the Notice of Special Meeting for shareholders to approve various resolutions related to the recently announced placement and Share Purchase Plan. The Special Meeting is to be held at 12.30 pm (NZT) on Thursday 28 August 2008 in our offices on Level 2, 57 Wellington Street, Freemans Bay, Auckland.

As I noted in our announcement on 6 August 2008, we are very pleased to receive the exceptional support from Australian and New Zealand shareholders and new investors in the recent placement and the underwriting of the Share Purchase Plan. The success of this effort in a challenging market reinforces our view that Neuren has one of the most promising pipelines in Australasia.

I look forward to seeing you at the above meeting. If you are unable to attend I encourage you to register your vote by proxy 48 hours prior to the Special Meeting.

Yours sincerely

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

Dr Robin Congreve
Chairman



Neuren Pharmaceuticals Limited
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Auckland, New Zealand
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NOTICE OF SPECIAL MEETING

Notice is given that a Special Meeting of Neuren Pharmaceuticals Limited shareholders will be held at the Company's offices at Level 2, 57 Wellington Street, Freemans Bay, Auckland, New Zealand, on Thursday 28 August 2008 commencing at 12.30 pm (NZT). In accordance with the Constitution, the Board has fixed 8 August 2008 as the date of shareholder entitlement to notice of the Special Meeting.

BUSINESS

Ordinary Resolutions

Resolution 1 – Ratification and approval of previous issue of shares – Private Placement

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and 7.4 of the Listing Rules of ASX Limited and for all other purposes, the issue and allotment of 11,875,000 fully paid ordinary shares in the Company at A\$0.08 per share issued to clients of Taylor Collison on 11 August 2008 be approved and ratified."

Resolution 2 - Approval of the issue of shares under the Share Purchase Plan

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, the issue of up to 102,125,000 shares in the Company at an issue price of A\$0.08 under the Share Purchase Plan is approved for all purposes including the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited."

Resolution 3 - Approval to issue ordinary shares to Taylor Collison Limited (as underwriter of the Share Purchase Plan)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 2 being passed and for the purposes of Listing Rule 7.1 of the Listing Rules of ASX Limited and for all other purposes, the issue to Taylor Collison Limited or clients of Taylor Collison (as underwriter or sub-underwriters of the Share Purchase Plan in the event of a shortfall) of up to a maximum of 25,625,000 ordinary shares at an issue price of A\$0.08 each, is approved."

Resolution 4 - Approval to issue ordinary shares to Dr Robin Congreve who may participate as a sub-underwriter of the Share Purchase Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 2 being passed and for the purposes of Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, the issue to Dr Robin Congreve and his associated parties (as a sub-underwriter of the Share Purchase Plan in the event of a shortfall) of up to a maximum of 12,500,000 ordinary shares at an issue price of A\$0.08 each, is approved."

Resolution 5 - Approval to issue ordinary shares to Mr Trevor Scott who may participate as a sub-underwriter of the Share Purchase Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, subject to Resolution 2 being passed and for the purposes of Listing Rule 10.11 of the Listing Rules of ASX Limited and for all other purposes, the issue to Mr Trevor Scott and his associated parties (as a sub-underwriter of the Share Purchase Plan in the event of a shortfall) of up to a maximum of 12,500,000 ordinary shares at an issue price of A\$0.08 each, is approved."

Voting Exclusions

The Company will disregard any votes cast:

- (a) in relation to Resolution 1, by the persons who participated in the placement or their associates;
- (b) in relation to Resolution 3, by the persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed, or their associates;
- (c) in relation to Resolution 4, by Dr Robin Congreve or any of his associates;
- (d) in relation to Resolution 5, by Mr Trevor Scott or any of his associates.

However, the Company will not disregard a vote if:

- (a) it is cast by such person for another person who is entitled to vote and the vote is cast in accordance with the directions on the proxy form; or
- (b) the vote is cast by a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

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

By order of the Board



Mr Rob Turnbull
Chief Financial Officer
Neuren Pharmaceuticals Limited
12 August 2008

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum forms part of the Notice of Special Meeting dated 12 August 2008 and has been prepared to provide shareholders with information on matters to be considered at the Special Meeting on 28 August 2008.

The purpose of this Explanatory Memorandum is to provide shareholders with an explanation of the resolutions to be proposed and considered at the Special Meeting on 28 August 2008 and to allow shareholders to determine how they wish to vote on these resolutions.

Each of the resolutions is an ordinary resolution requiring it to be passed by a simple majority of votes cast by shareholders entitled to vote on the resolution. Further information regarding each of these resolutions is set out below.

This Explanatory Memorandum is an important document, and should be read in its entirety by all shareholders.

2. RESOLUTION 1 - RATIFICATION AND APPROVAL OF PREVIOUS ISSUE OF SHARES - PRIVATE PLACEMENT

11,875,000 fully paid ordinary shares in the Company (Shares) were issued at A\$0.08 per share to clients of Taylor Collison on 11 August 2008. The funds raised from the issue of these Shares are to be applied to meet working capital requirements and development and reporting of top level efficacy results for the Phase 3 clinical trial of Glypromate[®] in which patient recruitment was recently completed. These Shares rank pari passu with and are on the same terms as Shares currently on issue, and are quoted on the ASX.

ASX Listing Rule 7.4 is relevant to this resolution. These Shares were issued within the 15% of capital issued in the previous 12 months limit under Listing Rule 7.1, without the need for shareholder approval. The effect of shareholders passing Resolution 1 by ratifying the issue of Shares pursuant to ASX Listing Rule 7.4 will be to restore the Company's ability to issue shares within that limit, to the extent of the 11,875,000 Shares issued.

3. RESOLUTION 2 – APPROVAL OF ISSUE OF SHARES UNDER SHARE PURCHASE PLAN

On 6 August 2008 the Company announced that it would be undertaking the Share Purchase Plan (SPP). Under the SPP each shareholder with a registered address in Australia or New Zealand will be able to subscribe for a maximum of A\$5,000 or 62,500 shares at \$0.08 per share. This gives existing shareholders the opportunity to subscribe for shares at the same price as the private placement on 11 August 2008 and without the costs of broking or other fees.

ASX Listing Rule 7.1 provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

Listing Rule 7.2 provides certain exceptions to Listing Rule 7.1. An exception exists where the Shares are issued pursuant to a share purchase plan. However, the exception only applies where the issue price of the Shares issued under the SPP is at least 80% of the average market price for the Shares over the last five days before the:

- (a) announcement of the SPP was made; or
- (b) issue of the Shares under the SPP.

As the issue price of A\$0.08 does not satisfy (a) above and the Company can not be guaranteed that (b) will be capable of being satisfied at the time of the issue, the Company can not rely on the exception in Listing Rule 7.2.

In addition, the exception in ASX Listing Rule 7.2 also only operates where no more than 30% of the number of Shares currently on issue are to be issued under the SPP. If all shareholders subscribe for A\$5,000, 102,125,000 Shares would be required to be issued under the SPP which represents more than the 30% of the Company's securities on issue.

Shareholder approval is therefore required in accordance with ASX Listing Rule 7.1.

In compliance with Listing Rule 7.3 shareholders are advised as follows:

- (a) The total number of securities which may be allotted is up to 102,125,000 Shares;
- (b) Shareholders of the Company with a registered address in Australia and New Zealand at the Record Date (13 August 2008) and who otherwise comply with the terms of the SPP will be entitled to comply with the SPP;
- (c) The Shares will be issued on a date within 3 months of the date of this special meeting. The Shares are expected to be allotted on or about 11 September 2008;
- (d) The Shares will be issued at A\$0.08 (8 cents) each;
- (e) The Shares are fully paid ordinary shares that rank pari passu in all respects with the Company's existing fully paid ordinary Shares; and
- (f) The Company intends to apply the funds raised towards working capital requirements and development and reporting of top level efficacy results for the Phase 3 clinical trial of Glypromate[®] in which patient recruitment was recently completed.

4. RESOLUTION 3 - APPROVAL TO ISSUE ORDINARY SHARES TO TAYLOR COLLISON LIMITED (AS UNDERWRITER OF THE SHARE PURCHASE PLAN)

ASX Listing Rule 7.2 Exception 15 allows a Company to issue shares under a SPP without shareholder approval, but excludes shares issued under an underwriting agreement. Accordingly, any Shares issued to Taylor Collison Limited (or its sub-underwriters or clients) as a result of any shortfall under the SPP will reduce the 15% of capital in the previous 12 months limit permitted under Listing Rule 7.1. As the actual number of Shares which will be issued to the Taylor Collison Limited (or its sub-underwriters or clients) as a result of any shortfall under the SPP is not yet known, approval is sought for the maximum number of Shares which could be issued to them pursuant to the Underwriting Agreement.

In compliance with Listing Rule 7.3 shareholders are advised as follows:

- (a) The total number of securities which may be allotted is up to 25,625,000 Shares;
- (b) It is proposed that the Shares will be issued to Taylor Collison Limited and/or clients of Taylor Collison Limited who will be sub-underwriters;
- (c) The Shares will be issued on a date within 3 months of the date of this special meeting. The Shares are expected to be allotted on or about 11 September 2008;
- (d) The Shares will be issued at A\$0.08 (8 cents) each;
- (e) The Shares are fully paid ordinary shares that rank pari passu in all respects with the Company's existing fully paid ordinary Shares; and

- (f) The Company intends to apply the funds raised towards working capital requirements and development and reporting of top level efficacy results for the Phase 3 clinical trial of Glypromate® in which patient recruitment was recently completed.

5. RESOLUTION 4 - APPROVAL TO ISSUE ORDINARY SHARES TO DR ROBIN CONGREVE WHO MAY PARTICIPATE AS A SUB-UNDERWRITER OF THE SHARE PURCHASE PLAN

ASX Listing Rule 10.11 requires shareholder approval be obtained for the Company to issue Shares to a related party. Dr Congreve is a related party by virtue of being the Chairman of Neuren. Accordingly, shareholder approval is sought pursuant to ASX Listing Rule 10.11 for the issue of Shares to Dr Robin Congreve and/or his associates (as a sub-underwriter of the Share Purchase Plan in the event of a shortfall). The sub-underwriting is for up to a maximum of 12,500,00 Shares to be allocated between Dr Robin Congreve and Mr Trevor Scott. As the allocation between Dr Robin Congreve and Mr Trevor Scott is not specified, shareholder approval is sought for up to the maximum of 12,500,000 Shares in respect of Dr Robin Congreve.

In compliance with Listing Rule 10.13 shareholders are advised as follows:

- (a) The Shares are to be issued to Dr Robin Congreve and/or his associates (as sub-underwriters of the Share Purchase Plan in the event of a shortfall);
- (b) The total number of securities which may be allotted is up to 12,500,000 Shares;
- (c) The Shares will be issued on one date within 1 month of the date of this special meeting. The Shares are expected to be allotted on or about 11 September 2008;
- (d) The Shares will be issued at A\$0.08 (8 cents) each;
- (e) The Shares are fully paid and ordinary shares that rank pari passu in all respects with the Company's existing fully paid ordinary Shares; and
- (f) The Company intends to apply the funds raised towards working capital requirements and development and reporting of top level efficacy results for the Phase 3 clinical trial of Glypromate® in which patient recruitment was recently completed.

6. RESOLUTION 5 - APPROVAL TO ISSUE ORDINARY SHARES TO MR TREVOR SCOTT WHO MAY PARTICIPATE AS A SUB-UNDERWRITER OF THE SHARE PURCHASE PLAN

ASX Listing Rule 10.11 requires shareholder approval be obtained for the Company to issue Shares to a related party. Mr Scott is a related party by virtue of being a Director of Neuren. Accordingly, shareholder approval is sought pursuant to ASX Listing Rule 10.11 for the issue of Shares to Mr Trevor Scott and/or his associates (as a sub-underwriter of the Share Purchase Plan in the event of a shortfall). The sub-underwriting is for up to a maximum of 12,500,00 Shares to be allocated between Dr Robin Congreve and Mr Trevor Scott. As the allocation between Dr Robin Congreve and Mr Trevor Scott is not specified, shareholder approval is sought for up to the maximum of 12,500,000 Shares in respect of Mr Trevor Scott.

In compliance with Listing Rule 10.13 shareholders are advised as follows:

- (a) The Shares are to be issued to Mr Trevor Scott and/or his associates (as sub-underwriters of the Share Purchase Plan in the event of a shortfall);
- (b) The total number of securities which may be allotted is up to 12,500,000 Shares;
- (c) The Shares will be issued on one date within 1 month of the date of this special meeting. The Shares are expected to be allotted on or about 11 September 2008;
- (d) The Shares will be issued at A\$0.08 (8 cents) each;

- (e) The Shares are fully paid ordinary shares that rank pari passu in all respects with the Company's existing fully paid ordinary Shares; and
- (f) The Company intends to apply the funds raised towards working capital requirements and development and reporting of top level efficacy results for the Phase 3 clinical trial of Glypromate® in which patient recruitment was recently completed.

7. VOTING

7.1. How to Vote

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

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

OR

2. Attend the Meeting.

7.2. Persons Entitled to Vote

The persons who will be entitled to vote at the Meeting are those persons (or their proxies or representatives) registered as holding ordinary shares on Neuren's share register at 7.00 pm (AEST) on 8 August 2008.

7.3. Proxies and Corporate Representatives

Shareholders entitled to attend and vote at the Meeting may appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on their behalf. A proxy need not be a shareholder of Neuren. Proxy Forms must be received at Neuren's offices, Level 2, 57 Wellington Street, Freemans Bay, Auckland or PO Box 9923, Newmarket, Auckland, New Zealand (or facsimile +64 9 361 7981) 48 hours before commencement of the Meeting. The Proxy Form is enclosed with this Notice.



PROXY FORM

Neuren Pharmaceuticals Limited
ARBN 111 496 130

<name>
<address 1>
<address 2>
<address 3>
<address 4>
<address 5>

All correspondence to:
Neuren Pharmaceuticals Limited
PO Box 9923, Newmarket
Auckland, New Zealand
Facsimile +64 9 361 7981
Enquiries (within Australia) 1 800 259 181
(outside Australia) +64 9 529 3940
www.neurenpharma.com

SRN: <shareholder no.>

Appointment of Proxy

I/We being member/s of Neuren Pharmaceuticals Limited and entitled to attend and vote hereby appoint

The Chairman* of the Meeting (mark with an "X") **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Special Shareholders' Meeting of Neuren Pharmaceuticals Limited to be held at the Company's offices at Level 2, 57 Wellington Street, Freemans Bay, Auckland, New Zealand on Thursday 28 August 2008 at 12.30 pm (NZT) and at any adjournment of that Meeting. **The Chairman of the Meeting intends to vote undirected proxies in favour of the resolutions.**

Voting directions to your proxy – please mark to indicate your directions

		For	Against	Abstain**
Resolution 1	Ratification and approval of previous issue of shares - Private Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of the issue of shares under the SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue ordinary shares to Taylor Collison Limited (as underwriter of the SPP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue ordinary shares to Dr Congreve who may participate as a sub-underwriter of the SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue ordinary shares to Mr Scott who may participate as a sub-underwriter of the SPP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IMPORTANT: FOR RESOLUTION 4 ABOVE

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

* If you mark the Abstain box you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy

Mark with an "X" if you wish to appoint a second proxy. **AND** % **OR** State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/Trustee/Sole Director and Company Secretary

Securityholder 2

Director/Trustee

Securityholder 3

Director/Trustee

Contact Name

Contact Daytime Telephone

____/____/____
Date

How to complete the Proxy Form

1 Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on this form and lodge it in accordance with the instructions below. **PLEASE NOTE, YOU CANNOT CHANGE OWNERSHIP OF YOUR SECURITIES USING THIS FORM.**

2 Appointment of a Proxy

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

3 Votes on Resolutions

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

4 Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

5 Signing Instructions

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

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

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the Meeting at 12.30 pm (AEST) on Thursday, 28 August 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

IN PERSON	Level 2, 57 Wellington Street, Freemans Bay, Auckland, New Zealand
BY MAIL	PO Box 9923, Newmarket, Auckland, New Zealand
BY FACSIMILE	+64 (9) 361 7981