

30 October 2013

Neuren Pharmaceuticals Limited
ARBN 111 496 130
Suite 201, 697 Burke Road
Camberwell, VIC 3124
Ph: +61 3 9092 0480
www.neurenpharma.com

Dear Shareholder

Offer to participate in Share Purchase Plan

Neuren Pharmaceuticals Limited (ARBN 111 496 130) ("**Company**") recently completed a placement of 187 million shares to institutional and sophisticated investors at A\$0.115 per share, raising A\$21.5 million before costs ("**Placement**").

The Company is now pleased to offer you the opportunity to participate in a share purchase plan ("**SPP**"), under which you can apply for up to A\$15,000 in shares at A\$0.115 per share.

Participation in the SPP is optional. It will be open to shareholders who were registered holders of fully paid ordinary shares in the Company as at 7.00pm Sydney time on 18 October 2013, and whose registered address is in Australia or New Zealand.

The proceeds raised under the SPP will be applied, together with proceeds from the Placement, to accelerate execution of the Company's development and commercialisation strategy by:

- Ensuring full funding through to completion of four Phase 2 clinical trials of NNZ-2566 in Fragile X Syndrome, Rett Syndrome, Concussion and Traumatic Brain Injury.
- Optimising the manufacturing process for commercial supply of NNZ-2566.
- Advancing Neuren's second drug product NNZ-2591 through pre-clinical development.

To apply for a parcel of shares, please follow the instructions on the enclosed application form and ensure that your application is received no later than 5.00pm Sydney time on 20 November 2013.

Shares issued under the SPP will have the same entitlements as other fully paid Ordinary shares in the Company.

The Company is seeking to raise a maximum of A\$3 million from the SPP. The Company reserves the right to scale back the maximum participation amount per shareholder if total applications exceed this amount. Should this happen, you may be allocated shares to a value which is less than the parcel of shares you applied for and the difference will be refunded to you.

We encourage you to read the attached SPP Terms and Conditions carefully. If you are unsure about whether to participate, please contact your professional adviser. If you require further information, please contact our Share Registry (contact details are in the enclosed instructions).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company and thank you for your continued support.

Yours sincerely,



Dr Richard Treagus
Executive Chairman

Share Purchase Plan Offer Document

For the offer of fully paid ordinary shares in the Company (“**New Shares**”) at A\$0.115 per share.

Key Dates*

Date (and time if relevant)	Event
18 October 2013 7.00pm (Sydney time)	Record Date The date and time on which a shareholder must have been registered in order to be considered eligible to participate in the SPP.
30 October 2013	Offer Documents mailed to eligible Shareholders.
30 October 2013	Opening Date The date on which the offer opens.
20 November 2013 5.00pm (Sydney time)	Closing Date The offer closes at, and applications must be received by, this time and date.
27 November 2013	Allotment Date The date on which New Shares are allotted.
27 November 2013	Despatch Date Transaction confirmations will be sent to shareholders on or around this date.
2 December 2013	Trading Date The date on which New Shares are expected to begin trading.

* *The Company may change any of the Key Dates at its discretion (even if the offer has opened or applications have been received).*

Instructions

To participate in the SPP, please read the Terms and Conditions carefully and follow the step-by-step instructions on the Application Form.

You must complete the Application Form and post or return it to the relevant address on the Application Form, together with a cheque or money order, in accordance with the instructions on the Application Form.

Cheques and money orders must be made payable to “Neuren Pharmaceuticals Limited” for the correct amount. The Company will not accept payment by cash.

Timing

All payments and applications must be received **before 5.00pm Sydney time on Wednesday, 20 November 2013**. You cannot withdraw or cancel your application once you have sent it in.

Do not forward cash. Receipts for payments will not be issued.

Application money will not bear interest against the Company in any circumstances.

Please read the enclosed Application Form for further details on how to apply for New Shares under the SPP.

Further information

The Company is able to make this offer to shareholders without providing a disclosure document in accordance with class order relief provided by the Australian Securities and Investments Commission (“ASIC Class Order 09/425”) and the New Zealand Securities Act (Neuren Pharmaceuticals Limited) Exemption Notice 2013 (“Exemption Notice”).

Subscribers may obtain a copy of the Company’s most recent Annual Report and financial statements free of charge from the Company’s website (www.neurenpharma.com), the ASX website (www.asx.com.au, issuer code: NEU) or from the Company itself on request.

Questions

If you have any questions, please contact the Neuren Pharmaceuticals Limited SPP Offer Information Line any time between 8.30am and 5.00pm (Sydney time) Monday to Friday on 1300 857 499 if calling within Australia or +61 1300 857 499 if calling from outside of Australia.

No offer to persons in the United States

These materials do not constitute an offer of securities for sale in the United States and may not be sent or disseminated in, directly or indirectly, the United States. The New Shares have not been and will not be registered under the US Securities Act of 1933 or the securities laws of any state of the United States and may not be offered or sold in the United States or to any person acting for the account or benefit of persons in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable state securities laws.

Terms and Conditions

IMPORTANT NOTICE: The market price of shares in the Company may rise or fall from now to when the New Shares are allotted to you under the SPP. Therefore, if you apply for and we allot to you New Shares under the SPP, the offer price for those New Shares may be more than, or less than, the market price of shares in the Company you could buy at that time. By completing and returning the Application Form you acknowledge this risk. Any change in the market price of the Company's shares will not change the offer price of A\$0.115 under the SPP. We encourage you to contact your professional advisor regarding whether to participate in the SPP and how much to apply for.

Offer timetable

- (a) The offer timetable is set out in the Key Dates above and is included in these Terms and Conditions.
- (b) Application Forms, cheques and money orders may not be processed and may not be valid if they have not been received by the Company by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques or money orders forwarded by post to be received by Link Market Services Limited ("**Share Registry**").
- (c) The Company expects to send a transaction confirmation or holding statement to you on or around the Despatch Date.
- (d) The Company expects that the New Shares will be allotted under the SPP on the Allotment Date and will commence trading on ASX on the Trading Date. You must confirm your holding before trading in any New Shares you believe have been allotted to you under the SPP.
- (e) At any time, the Company can change the Closing Date, the Allotment Date, the Trading Date and the Despatch Date (even if the offer has opened and Application Forms have been received) by lodging a revised timetable with ASX.

Eligible Shareholders

You are an Eligible Shareholder and may participate in the SPP if you were a registered holder of ordinary shares in the Company with a registered address in Australia or New Zealand as at 7:00pm (Sydney time) on Friday, 18 October 2013 ("**Record Date**").

The Company has determined that it is not practical for holders of shares with registered addresses in other countries to participate.

Further, you are not eligible if you are in the United States or acting for the account or benefit of a person in the United States.

- **Holders receiving more than one offer:** If you are the only registered holder of shares in the Company, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of A\$15,000 in applying for New Shares.
- **Joint Holders:** If 2 or more persons are recorded in the register of members of the

Company as jointly holding shares, they are considered to be a single registered holder for the purpose of the SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of A\$15,000 in applying for New Shares.

- **Custodians, trustees and nominees:** If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order 09/425 or the Exemption Notice (as applicable) ("**Custodian**"), you may contribute a maximum of A\$15,000 in applying for New Shares for each participating beneficiary on whose behalf you, or a downstream Custodian, holds shares (but joint holders are taken to be a single holder), subject to providing us with a certificate in accordance with paragraph (d) of "Significance of applying for New Shares" below. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of A\$15,000 in applying for New Shares. You are not eligible to participate on behalf of a person who resides in the United States or elsewhere outside Australia and New Zealand.

Participation is optional

Participation in the SPP is entirely optional. If you are an Eligible Shareholder, you can choose whether or not to participate. If you are a Custodian you can choose whether to extend the offer to your beneficiaries.

How much can you invest?

- (a) If you are an Eligible Shareholder, you may apply for new shares in Neuren up to A\$15,000. The minimum subscription is A\$1,035 (or NZ\$1,173). You have the option to apply in Australian dollars or New Zealand dollars in the increments set out below:

Option	A\$ payment	NZ\$ payment
A	A\$1,035	NZ\$1,173
B	A\$2,530	NZ\$2,866
C	A\$4,495	NZ\$5,603
D	A\$10,000	NZ\$11,330
E	A\$14,996	NZ\$16,990

The amount of the NZ\$ payment option was determined by the Company based on the

exchange rate of A\$1.00 = NZ\$1.133 quoted on the Record Date.

- (b) The parcels may be subject to a Scaleback and rounding.
- (c) Unless you are applying as a Custodian, the maximum amount of A\$15,000 applies even if you receive more than one Application Form or if you hold shares in the Company in more than one capacity (for example, if you are both a sole and joint holder of shares in the Company - see "Eligible Shareholders" above) and irrespective of the number of shares you held on the Record Date. We can reject any application for New Shares if we believe you have not complied with this condition.

How to apply for New Shares

If you would like to participate in the SPP, you must complete an Application Form and return it with a cheque or money order in accordance with the instructions on the Application Form.

Cheques and money orders must be payable to "Neuren Pharmaceuticals Limited" for the correct amount. The Company will not accept payment by cash.

The Company's discretion regarding applications

The Company may accept or reject applications for New Shares under the SPP, including if:

- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;
- (b) a cheque is dishonoured or has not been completed correctly;
- (c) the correct amount corresponding to your application is not provided with the Application Form;
- (d) unless you are applying as a Custodian, an applicant appears to be contributing more than A\$15,000 under the SPP;
- (e) if you are a Custodian, we are not satisfied with your certification for any reason;
- (f) an application is received after the time and date specified as the Closing Date. The Company has a discretion whether or not to accept late Application Forms and cheques or money orders; or
- (g) the Company believes you are not an Eligible Shareholder,

and the Company must reject applications if required to do so under ASIC Class Order CO 09/425 or the Exemption Notice.

The Company reserves the right to return your cheque or money order and not allot you any New Shares.

Offer Price

The offer price of the New Shares will be A\$0.115 per share. This price was fixed on 22 October 2013 on the basis that it is the same price at which the recent

private placement of shares in the Company was undertaken. The offer price represents a discount of approximately 8% to the closing price of the Company's shares on the ASX on the trading day preceding 22 October 2013. The offer price also represents a discount of approximately 11% to the volume-weighted average price of the Company's shares on the ASX during the five trading days on which sales were recorded prior to the announcement of the SPP on 22 October 2013, being a period that falls within the period 30 days immediately before the date of this offer. This period is specified as a reference period for determining the offer price in ASIC Class Order 09/425 and the Exemption Notice.

Maximum number of New Shares

The Company is seeking to raise a maximum of A\$3 million under the SPP. Therefore, the maximum total number of New Shares that may be issued under the SPP will be calculated by dividing A\$3 million by the offer price ("Offer Limit").

Applications may be scaled back

- (a) If the Company receives applications for more than the Offer Limit, it reserves the right, in its absolute discretion, to scale back the maximum participation amount per shareholder ("Scaleback").
- (b) If there is a Scaleback you may not receive all the New Shares for which you have applied. Each applicant will be treated equally and scaled back on a pro rata basis. If a Scaleback produces a fractional number when applied to your parcel, the number of New Shares you will be allotted will be rounded down.
- (c) The Company will refund to you by direct credit deposit to your nominated bank account (where you have given your nomination to the Share Registry) or by cheque, the difference between your application money and the total offer price for the New Shares allotted to you.

Rounding of New Shares

- (a) If you apply for New Shares under the SPP, you agree to contribute a certain amount to buy New Shares rather than to apply for a certain number of New Shares. The number of New Shares you will receive will be determined by:
 - If there is no Scaleback applied to your allotment, dividing the amount you agree to contribute for New Shares by the offer price; or
 - If there is a Scaleback applied to your allotment, dividing the amount you are taken to have contributed by the offer price.
- (b) If this calculation produces a fractional number, the number of New Shares you will be allotted will be rounded down to the nearest whole number of New Shares and:
 - If there is no Scaleback applied to your allotment, any residual balance will form part of the assets of the Company. You will

not receive a refund of this amount, which will always be less than the price of one New Share issued under the SPP; or

- If there is a Scaleback applied to your allotment, the residual balance from rounding down will be added to the refund you receive from the Scaleback.

No other participation costs

No brokerage, commission or other participation costs are payable by you to acquire New Shares under the SPP.

No interest

No interest will be paid on any application money returned to you.

You cannot transfer your rights under this SPP

Your rights under this offer are personal to you and non-renounceable. This means, if you are eligible, you cannot transfer your right to purchase New Shares under this SPP to anyone else.

Equal ranking and rights to dividends

New Shares issued under the SPP will, at the time of issue, rank equally with existing shares quoted on ASX, with the same voting rights, dividend rights and other entitlements.

Significance of applying for New Shares

If you apply to participate in the SPP:

- (a) you agree that once you have sent in your application, you cannot withdraw or cancel your application and your application is unconditional;
- (b) you confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws and specifically that you are not in the United States or acting for the account or benefit of a person in the United States;
- (c) you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the aggregate application money paid by you in any capacity (except as a Custodian) for:
 - the New Shares the subject of the Application Form; and
 - any other shares issued to you, or to a Custodian on your behalf and at your instruction, under the SPP or any similar arrangement operated by the Company in the 12 months before the date we received your application, is not more than A\$15,000;
- (d) if you are a Custodian and are applying for New Shares with a total application price exceeding A\$15,000, you agree to certify to us in writing the matters required by ASIC Class Order 09/425 or the Exemption Notice (as applicable),

in accordance with the Custodian certificate, a copy of which can be obtained from the Share Registry;

- (e) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (f) you agree to be bound by the constitution of the Company;
- (g) you authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if we elect to do so;
- (h) you agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (i) you agree that your application is only effective when received by us and not when posted;
- (j) you accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on the Company's register;
- (k) you are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;
- (l) you agree that if there is a rounding down of the number of New Shares and no Scaleback, any remaining balance of your payment after your allotment will form part of the assets of the Company and will not be refunded;
- (m) you acknowledge that no interest will be paid on any application money held pending the allotment of New Shares or subsequently refunded to you for any reason;
- (n) you agree that if you have previously provided the Company or the Share Registry with bank account details for the purpose of direct credit of dividends, any refund to be paid to you under these Terms and Conditions may be directed into that nominated account;
- (o) you agree that the Company and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy New Shares; and
- (p) you agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

No offer outside Australia and New Zealand

If you apply to participate in the SPP, you acknowledge and agree that:

- (a) the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions

in the United States, or in any other jurisdiction outside Australia and New Zealand;

- (b) the New Shares may not be offered or sold in the United States except in a transaction, exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (c) you may not send copies of these Terms and Conditions or any other material relating to the SPP to any person in the United States;
- (d) you must not submit an Application Form for any person resident in the United States or elsewhere outside Australia and New Zealand; and
- (e) if you do not comply with these restrictions, it may result in violations of applicable securities laws.

Withdrawal, waiver, suspension and termination

The Company reserves the right to withdraw the offer at any time up to the Allotment Date.

The Company reserves the right at any time to:

- (a) waive compliance with any provision of these Terms and Conditions;
- (b) amend or vary these Terms and Conditions; and
- (c) suspend or terminate the SPP.

Any amendment, variation, suspension or termination is binding on all Eligible Shareholders even if the Company does not notify you of the event.

Settling disputes

The Company may settle in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for New Shares (including any Scaleback). The Company's decision is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by the Company's Board or any delegate of the Board.

Governing Law

These Terms and Conditions are governed by the laws in force in Victoria. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts of Victoria.


No underwriting

The SPP will not be underwritten.

Interpretation

The term "these Terms and Conditions" includes terms and conditions in the remainder of this Share Purchase Plan Offer Document and the Application Form.

Signed by each of the directors of the Company:



Richard Treagus
Chairman



Trevor Scott
Director



Bruce Hancox
Director



Larry Glass
Director



Neuren Pharmaceuticals Limited

ARBN 111 496 130

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 857 499
From outside Australia: +61 1300 857 499
ASX Code: NEU
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Record Date: 7:00pm (Sydney time)
18 October 2013

Offer Opens: 30 October 2013

Offer Closes
5:00pm (Sydney time): 20 November 2013

SHARE PURCHASE PLAN (“SPP”) APPLICATION FORM

How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.

Paying by Cheque, Bank Draft or Money Order in Australian or New Zealand currency.

PAYMENT

Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- A. Tick the box beside the amount you wish to apply for.
- B. Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be made payable to “Neuren Pharmaceuticals Limited” and crossed “Not Negotiable”. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to an exact parcel, Neuren Pharmaceuticals Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,035/NZ\$1,173.
- C. Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Please detach and enclose with payment

SRN/HIN:

Entitlement Number:



A (tick one box only)

I/we wish to purchase a parcel of Shares to the Australian dollar amount of:

A\$1,035 OR A\$2,530 OR A\$4,945 OR A\$10,000 OR A\$14,996

I/we wish to purchase a parcel of Shares to the New Zealand dollar amount of:

NZ\$1,173 OR NZ\$2,866 OR NZ\$5,603 OR NZ\$11,330 OR NZ\$16,990

B Make your cheque, bank draft or money order payable to “Neuren Pharmaceuticals Limited” and crossed “Not Negotiable”. Please ensure that your cheque payment currency matches the currency you have selected, i.e. Australian cheque for A\$ price and New Zealand cheque for NZ\$ price.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C Telephone Number – Business Hours Telephone Number – After Hours Contact Name

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order CO 09/425 or the New Zealand Securities Act (Neuren Pharmaceuticals Limited) Exemption Notice 2013 you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the Neuren Pharmaceuticals Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order), you certify that the aggregate of the Application Payment paid by you for:
 - the parcel of New Shares indicated on this Application Form; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip does not exceed A\$14,996.00/NZ\$16,990.
7. Neuren Pharmaceuticals Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Neuren Pharmaceuticals Limited may scaleback applications in its discretion.

How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf.

Mailing Address

Neuren Pharmaceuticals Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

Neuren Pharmaceuticals Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 20 November 2013. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Neuren Pharmaceuticals Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the Neuren Pharmaceuticals Limited SPP Offer Information Line on 1300 857 499 if calling within Australia or +61 1300 857 499 if calling from outside of Australia.