



Neuren Pharmaceuticals Limited
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15 August 2008

The Company Announcements Office
ASX Limited

**Neuren Pharmaceuticals Limited
Share Purchase Plan**

Please find enclosed the Share Purchase Plan letter mailed to eligible shareholders today.

Yours sincerely

A handwritten signature in black ink, appearing to read "Rob Turnbull".

Mr Rob Turnbull
Chief Financial Officer



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**NEUREN PHARMACEUTICALS LIMITED
SHARE PURCHASE PLAN**

- Eligible shareholders entitled to purchase up to A\$5,000 of ordinary shares
 - Price will be A\$0.08 per ordinary share
 - Shareholders have a NZ\$ payment option
 - No brokerage or additional transaction costs
 - Offer closes 5.00pm (AEST) on Tuesday, 2 September 2008.
-

Dear Shareholder

Neuren is offering each shareholder with a registered address in Australia or New Zealand at 7.00 pm (AEST) on 13 August 2008 up to A\$5,000 worth of new fully paid ordinary shares in the capital of the Company at a price of A\$0.08 per share. Shareholders also have the option of paying the subscription amount in New Zealand dollars (NZ\$). We encourage all eligible shareholders to consider taking advantage of this opportunity to acquire further Neuren shares.

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 02/831) and the New Zealand Securities Act (Neuren Pharmaceuticals Limited) Exemption Notice 2006 (NZ Exemption Notice).

The terms and conditions of the Plan are set out in this letter and the enclosed application form. By accepting the offer to apply for new shares under the Plan, you agree to be bound by these terms and conditions and the constitution of the Company.

Neuren's progress in the first half of 2008 has been very good with a number of major achievements:

- Early completion of the Phase 3 Glypromate[®] trial
 - Lower variance and fewer missing data enable completion with 320 patients
 - Patient enrolment completed in July 2008
 - Top-line results expected by the end of 2008, six months ahead of schedule
- NNZ-2566
 - US\$4m Department of Defense grant confirmed to support clinical trial
 - Two trials to be combined into a single study — potential US\$3m in cost savings
 - Phase 2 design complete, leveraging off significant US Army expertise
 - Positive pre-IND meeting held in May 2008 with the FDA;
 - IND in preparation and clinical sites lined up
- Motiva[™]
 - Clinical trial supplies re-qualified; sufficient for 150 patients so no further drug cost
 - International advisory committee established
 - Revised protocol design completed and protocol amendment in preparation
- Operations
 - Staff resources realigned to support clinical programs
 - Overall 20% reduction in staffing
 - Moved to smaller headquarters in Auckland

- General
 - Glypromate® and NNZ-2566 awarded Top 10 Best Neuroscience Projects for Licensing by an independent committee assembled by Windhover Information, including NeuroInvestment.

As a result of these achievements, we believe that, with adequate financing, a number of critical milestones can be achieved by the end of 2010:

- 2008
 - Complete Phase 3 Glypromate® trial and announce top-line results
 - Initiate Phase 2b Motiva™ trial (post-stroke apathy and depression)
 - Initiate Phase 2 NNZ-2566 trial (traumatic brain injury)
 - Complete global exclusive license transaction for one pre-clinical asset
- 2009
 - Final report on Phase 3 Glypromate® trial; announce strategic plans for further development
 - Interim analysis on NNZ-2566 (first 100 patients)
 - Complete Motiva™ Phase 2b enrolment
- 2010
 - Complete NNZ-2566 Phase 2 enrolment
 - Phase 2 trial results on NNZ-2566
 - Phase 2b trial results on Motiva™

The purposes of the Plan are to:

- give shareholders the opportunity to subscribe for shares at the same recent private placement share price of A\$0.08 per share without having to incur brokerage fees; and
- raise additional funds for the Company to meet working capital requirements and the development and reporting of top level results for the Phase 3 clinical trial of Glypromate® in which patient recruitment was recently completed.

Eligibility

Holders of the Company's shares with registered addresses in Australia or New Zealand as at 7.00 pm Sydney time on the record date of 13 August 2008 are eligible to participate. There is no minimum shareholding requirement. The Company has determined that it is not lawful or practical for shareholders in other jurisdictions to participate in the Plan.

The offer under the Plan is non-renounceable and therefore eligible shareholders may not transfer their rights to subscribe for shares under the Plan.

Price of Shares Offered Under the Plan

The issue price for each new fully paid ordinary share offered under the Plan is A\$0.08 and was fixed on 6 August 2008 on the basis that it is the same price at which shares were issued under the Company's recent private placement on 11 August 2008 of 11.875 million shares. The issue price represents approximately a 30.5% discount to the volume weighted average end-of-day share price of the Company's shares on the ASX during the period 15 July to 28 July 2008, 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 issue price in the ASIC Class Order 02/831 and the NZ Exemption Notice. The issue price is also approximately a 36.2% discount to the volume weighted average share price of the Company's shares over the five trading days on which sales were recorded prior to the announcement of the Plan on 6 August 2008.

Price Risk

The market price of the Company's shares may rise or fall between the date of the offer and the date when the new shares are issued. This means that the price you pay for the new shares under the Plan might exceed the market price of Neuren's shares at the time the new shares are issued. Any change in the market price of the Company's shares will not change the issue price of A\$0.08 under the Plan.

Entitlement

If you are eligible to participate in the Plan, you may apply for new shares in Neuren up to A\$5,000. The minimum subscription is A\$1,000. You have the option to apply in Australian dollars or New Zealand dollars in the increments as set out below:

Alternative	Number of New Shares	Amount Payable A\$	Amount Payable NZ\$ Payment Option
Offer A	62,500	A\$5,000	NZ\$6,210
Offer B	50,000	A\$4,000	NZ\$4,968
Offer C	37,500	A\$3,000	NZ\$3,726
Offer D	25,000	A\$2,000	NZ\$2,484
Offer E	12,500	A\$1,000	NZ\$1,242

The amount of the NZ\$ payment option was determined by the Company based on the exchange rate of A\$1.00 = NZ\$1.242 quoted on the record date.

Limit on Participation

The maximum value of shares that may be applied for under this Plan is A\$5,000. In order to comply with Australian Securities and Investments Commission relief and the NZ Exemption Notice in respect of the Plan, the maximum value of new shares each eligible shareholder (irrespective of the size of their shareholding) may apply for under this Plan or similar arrangements is A\$5,000 over any twelve month period. *This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts).* However, if you act as trustee corporation, nominee company or bare trustee (Custodian) in respect of more than one beneficiary, you may apply for up to A\$5,000 of new shares for each occasion that you are separately recorded as trustee or nominee for a different beneficiary. The Company reserves the right to reject any application for new shares where it believes this requirement has not been complied with.

Costs of Participation

No brokerage, commission, stamp duty or other transaction costs will be payable by you in respect of the application for and issue of new shares under the Plan.

Offer Opening and Closing Dates

The offer opens at 9.00 am Sydney time on **19 August 2008**.

The offer closes at 5.00 pm Sydney time on **2 September 2008**.

The Company may vary the date for closing the offer and will announce any such variation to the ASX.

Acceptance Instructions

To accept the offer, complete the application form and select the offer (Offer A, Offer B, Offer C, Offer D or Offer E) with respect to the number of shares for which you wish to apply.

The completed application form with a cheque made payable to "Neuren Pharmaceuticals Limited Trust Account" and crossed "Not Negotiable" for the amount payable by you for the shares should be received no later than 5.00 pm (AEST) on the closing date of the offer (2 September 2008).

Shareholders choosing the NZ\$ payment option should mail completed applications and cheques to:

Neuren SPP
PO Box 9923
Newmarket, Auckland
New Zealand

All other completed applications and cheques are to be mailed to:

Neuren Pharmaceuticals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney NSW 1235
Australia

Once you have accepted the offer you may not withdraw your acceptance.

The Company reserves the right to reject your application and not issue any new shares to you if your application form is not completed correctly or your cheque is for an incorrect amount or does not clear within five business days of presentation.

Allocation of New Shares

Under the ASX Listing Rules, the Company may generally issue up to 30% of ordinary issued capital under a share purchase plan without shareholder approval provided certain conditions are met. One of these conditions is that the offer price per share is not less than 80% of the average market price. As noted above the offer price of A\$0.08 per share represents approximately a 36.2% discount to the volume weighted average share price of the Company's shares over the five trading days on which sales were recorded prior to the announcement of the Plan on 6 August 2008. In addition, if all shareholders to whom the SPP is offered were to take up their maximum of A\$5,000, more than 30% of the Company's currently outstanding ordinary shares would be issued under this SPP offer. Accordingly the Company will be seeking shareholder approval for the offer price of A\$0.08 and the expected maximum number of shares that may be issued of 102,125,000.

Issue of New Fully Paid Ordinary Shares under the Plan

The new shares are proposed to be issued and allotted on or about 11 September 2008. It is expected that the new shares will be quoted on ASX on or about 12 September 2008 and you should receive your holding statement or confirmation advice in respect of the new shares shortly after that date.

New fully paid ordinary shares issued under the Plan will rank equally and carry the same rights as existing fully paid ordinary shares in the Company.

Administration of the Plan

The Plan is administered by the Board of the Company. The Board may adopt such administrative procedures as it thinks appropriate in relation to the Plan. The Board may settle, in any manner it thinks fit, any difficulties, anomalies or disputes which may arise under or in connection with the operation of the Plan, whether generally or in relation to any participant or class of participants, offer or acceptance of shares, and the decision of the Board will be conclusive and binding on all participants and other persons to whom the determination relates. The Board reserves the right to waive compliance with any provision of these terms and conditions. The Board may reject any application form for any reason and may scale back acceptances.

Modification and Termination

Subject to the Corporations Act 2001 and the ASX Listing Rules, the Company may modify or terminate the Plan at any time, and may also implement another Plan in the future, but it is not obliged to do so. The Company will notify ASX of any modification or termination of the Plan.

Further Information

All eligible shareholders may obtain a copy of the Company's most recent Annual and Interim Reports 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.

Acknowledgements

Participation in the Plan is entirely optional and the Company does not make any recommendation or give any advice regarding whether eligible shareholders should participate in the Plan. You should consult your professional adviser in relation to this offer and your participation in the Plan.

By accepting an offer under the Plan, you acknowledge and certify that:

- you have read, understood and agree to be bound by the terms and conditions of the Plan;
- the aggregate of the application price for the new shares the subject of the application and any other shares applied for by you under the Plan or any similar arrangement in the 12 months prior to the application for new shares under the Plan does not exceed A\$5,000;
- you have sought such professional advice in relation to the Plan as you deem necessary; and
- you agree to be bound by the constitution of the Company.

Contacts

If you have any questions about the Plan please contact Neuren on 1800 259 181 (from Australia) or +64 9 529 3940, or if it is in regards to your shareholding the share registry Link Market Services Limited on 1300 558 249 (in Australia) or (+61 2) 8280 7111. You may also email the Company at enquires@neurenpharma.com.

Signed by each of the directors of
Neuren Pharmaceuticals Limited,
or by his agent:



Dr Robin Congreve
Chairman



Mr Tom Amos
Director



Dr Doug Wilson
Director



Dr Graeme Howie
Director



Mr Trevor Scott
Director