

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Neuren Pharmaceuticals Limited

ABN

111 496 130

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|------------------|
| 1 | +Class of +securities issued or to be issued | Convertible Note |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A\$100,000 |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<ul style="list-style-type: none"> ▪ The Principal Amount of the Note is A\$100,000; ▪ The Note does not bear interest and is unsecured; ▪ The Maturity Date is 22 March 2010; ▪ On maturity the Note shall convert to new ordinary shares in the Company determined by dividing the Principal Amount, or part thereof to be converted, by the lesser of: <ul style="list-style-type: none"> i. 130% of the average of the Volume Weighted Average Prices per share of the Company's ordinary shares quoted on the ASX ("VWAPs") for the twenty (20) business days immediately prior to 18 November 2009; and ii. 85% of the lowest of the VWAPs during the term of the Note; ▪ The ordinary shares issued upon conversion of the Notes will rank equally in all respects with the then existing ordinary shares on issue; ▪ The Notes do not carry any voting rights at meetings of shareholders of Neuren, and have no rights of participation in any rights issue undertaken by Neuren prior to conversion of the Notes.
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No</p> <p>On conversion of the notes, the acquired Ordinary Shares will rank equally with existing Ordinary Shares.</p>
<p>5 Issue price or consideration</p>	<p>A\$100,000 cash</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Clinical trial costs, research and development, and working capital.</p>

+ See chapter 19 for defined terms.

7	Dates of entering +securities into uncertificated holdings or despatch of certificates	22 February 2010																							
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="670 481 909 515">Number</th> <th data-bbox="917 481 1378 515">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="670 515 909 705">366,482,327</td> <td data-bbox="917 515 1378 705">Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	366,482,327	Ordinary Shares																			
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9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="670 739 909 772">Number</th> <th data-bbox="917 739 1378 772">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="670 772 909 862">720,000</td> <td data-bbox="917 772 1378 862">Ordinary Share Options exercisable at NZ\$0.392 before 31 March 2010</td> </tr> <tr> <td data-bbox="670 862 909 952">600,000</td> <td data-bbox="917 862 1378 952">Ordinary Share Options exercisable at NZ\$0.472 before 31 March 2010</td> </tr> <tr> <td data-bbox="670 952 909 1041">750,000</td> <td data-bbox="917 952 1378 1041">Ordinary Share Options exercisable at A\$0.15 before 1 October 2010</td> </tr> <tr> <td data-bbox="670 1041 909 1131">3,000,000</td> <td data-bbox="917 1041 1378 1131">Ordinary Share Options exercisable at A\$0.25 before 7 February 2011</td> </tr> <tr> <td data-bbox="670 1131 909 1220">20,000,000</td> <td data-bbox="917 1131 1378 1220">Ordinary Share Options exercisable at A\$0.0445 before 18 November 2013</td> </tr> <tr> <td data-bbox="670 1220 909 1310">4,629,630</td> <td data-bbox="917 1220 1378 1310">Ordinary Share Options exercisable at A\$0.0389 before 4 December 2013</td> </tr> <tr> <td data-bbox="670 1310 909 1400">40,306,174</td> <td data-bbox="917 1310 1378 1400">Ordinary Share Options exercisable at A\$0.0457 before 23 December 2013</td> </tr> <tr> <td data-bbox="670 1400 909 1489">14,234,876</td> <td data-bbox="917 1400 1378 1489">Ordinary Share Options exercisable at A\$0.0337 before 17 February 2014</td> </tr> <tr> <td data-bbox="670 1489 909 1579">A\$100,000</td> <td data-bbox="917 1489 1378 1579">Convertible note maturing 22 March 2010</td> </tr> <tr> <td data-bbox="670 1579 909 1680">A\$400,000</td> <td data-bbox="917 1579 1378 1680">Convertible note maturing 18 November 2011</td> </tr> </tbody> </table>	Number	+Class	720,000	Ordinary Share Options exercisable at NZ\$0.392 before 31 March 2010	600,000	Ordinary Share Options exercisable at NZ\$0.472 before 31 March 2010	750,000	Ordinary Share Options exercisable at A\$0.15 before 1 October 2010	3,000,000	Ordinary Share Options exercisable at A\$0.25 before 7 February 2011	20,000,000	Ordinary Share Options exercisable at A\$0.0445 before 18 November 2013	4,629,630	Ordinary Share Options exercisable at A\$0.0389 before 4 December 2013	40,306,174	Ordinary Share Options exercisable at A\$0.0457 before 23 December 2013	14,234,876	Ordinary Share Options exercisable at A\$0.0337 before 17 February 2014	A\$100,000	Convertible note maturing 22 March 2010	A\$400,000	Convertible note maturing 18 November 2011	
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10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable																							

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

- | | | |
|----|---|----------------|
| 11 | Is security holder approval required? | Not applicable |
| 12 | Is the issue renounceable or non-renounceable? | Not applicable |
| 13 | Ratio in which the +securities will be offered | Not applicable |
| 14 | +Class of +securities to which the offer relates | Not applicable |
| 15 | +Record date to determine entitlements | Not applicable |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | Not applicable |
| 17 | Policy for deciding entitlements in relation to fractions | Not applicable |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | Not applicable |
| 19 | Closing date for receipt of acceptances or renunciations | Not applicable |
| 20 | Names of any underwriters | Not applicable |
| 21 | Amount of any underwriting fee or commission | Not applicable |
| 22 | Names of any brokers to the issue | Not applicable |
| 23 | Fee or commission payable to the broker to the issue | Not applicable |

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

Not applicable

39 Class of +securities for which quotation is sought

Not applicable

+ See chapter 19 for defined terms.

<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Not applicable</p>					
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>Not applicable</p>					
<p>42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="790 1086 1093 1131">Number</th> <th data-bbox="1093 1086 1388 1131">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 1131 1093 1312">Not applicable</td> <td data-bbox="1093 1131 1388 1312"></td> </tr> </tbody> </table>	Number	+Class	Not applicable		
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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 22 February 2010
Chief Financial Officer

Print name: Mr Rob Turnbull

+ See chapter 19 for defined terms.