



Neuren Pharmaceuticals Ltd  
Level 2, 57 Wellington Street  
Freemans Bay, Auckland, New Zealand  
office: +64 9 3700 200  
fax: +64 9 361 7981  
enquiries@neurenpharma.com  
www.neurenpharma.com

13 May 2011

Dear Shareholder

Please find enclosed the notice for a Special Shareholders' Meeting which we are holding at 12.00 pm (AEST) on Tuesday 31 May 2011 at the offices of HWL Ebsworth, Level 14, Australia Square, 264-278 George Street, Sydney, Australia. This Special Shareholders' Meeting is being held at the same venue as, and will immediately precede, the Annual Shareholder' Meeting for which you will recently have received a separate notice.

As set out in the attached notice the purpose of the Special Shareholders' Meeting is to ratify the placement of shares made by the Company on 4 May 2011 and in conjunction with that approve a further placement of shares to bring the total placement amount to A\$2 million.

Overleaf is a copy of the announcement lodged with ASX on 4 May 2011 regarding the share placement and a proposed rights issue. You will see from that announcement that we have secured a new cornerstone investor in interests associated with Mr Lang Walker of Sydney (described in the enclosed notice of meeting as "Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund") and I can now confirm that the placement will include clients of Southern Cross Equities and Taylor Collison.

I hope that you will be able to support the enclosed resolutions. If you would like to cast your vote on them please lodge your proxy in accordance with the instructions contained within the enclosed Notice of Special Meeting.

If you can attend the Special Shareholders' Meeting, the Annual Shareholders' Meeting in Sydney or the shareholder briefing in Auckland we would be grateful if you could r.s.v.p for catering purposes either by email to [enquiries@neurenpharma.com](mailto:enquiries@neurenpharma.com) or by phoning 1800 259 181 in Australia or (09) 3700 200 in New Zealand.

Yours sincerely

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

Dr Robin Congreve  
Chairman



## Neuren Announces Private Placement and Rights Issue

**SYDNEY, Australia, 4 May 2011:** Neuren Pharmaceuticals (ASX:NEU) announced today that it has negotiated a private placement which will raise A\$2 million through the issue of shares at 1.3 cents per share. Investors in the private placement include interests associated with Lang Walker of Sydney and other sophisticated and professional investors. 66,479,000 new shares will be issued immediately to the Walker interests. The balance of the placement will be subject to shareholder approval. In June, the Company plans to undertake a renounceable rights issue offering existing shareholders the right to acquire one share for every share owned at the same price per share as the private placement.

By mutual agreement between Neuren and SpringTree Global Opportunities Fund, LP ("SpringTree") the convertible debt agreement pursuant to which SpringTree supported the Company with its funding between November 2009 and today, will be terminated. SpringTree has voluntarily agreed to waive the termination fee that would otherwise have been due in connection with the termination of that agreement. The Company would like to express its appreciation to SpringTree for being a supportive financial partner that recognised the Company's potential.

The placement and rights issue funds will cover corporate overhead and operating costs through the completion of the two ongoing Phase 2 trials of NNZ-2566 and Motiva® and to expand opportunities for those and the cancer programmes wherever possible.

Further announcements and the offer documents relating to the rights issue will be provided to shareholders in the next few weeks. The EGM at which shareholder approval will be sought for the private placement will be held at the same time as the AGM on 31 May 2011 in Sydney. A separate notice of meeting will be sent to shareholders regarding the EGM.

A representative of interests associated with Lang Walker said, "We welcome this opportunity to support a company of Neuren's calibre and look forward to sharing in its future success."

Commenting on the placement and rights issue, Dr Robin Congreve, Neuren's Chairman, said: "The opportunity to add a new Australian cornerstone investor with a long-term, strategic view of the Company to the register is most welcome. Neuren's board and management fully appreciate that the enthusiasm and commitment of existing shareholders have sustained the Company from the beginning. In recognising that, we believe that it is clearly in the best interests of both our shareholders and the Company to enable existing shareholders to participate in this fundraising on the same terms as our new investors. As we drive the clinical trials toward completion and work to add value to all our programmes, we look forward to the continued support of and engagement with all our shareholders."

### About Neuren

Neuren Pharmaceuticals is a biopharmaceutical company developing new therapies for brain injury, chronic neurological diseases and cancer. Neuren presently has two clinical-stage molecules, NNZ-2566 and Motiva®, in Phase 2 clinical trials largely funded by the U.S. Army and the National Health and Medical Research Council, respectively. Through its subsidiary, Perseis Therapeutics Limited, Neuren is developing monoclonal antibodies against Trefoil Factors 1 and 3, proteins produced by cancer cells that are associated with cancer spread and reduced patient survival. For more information, please visit [www.neurenpharma.com](http://www.neurenpharma.com).

### For more information, contact:

Larry Glass, CEO

Tel : +1 301 758 2987

## NOTICE OF SPECIAL MEETING

Notice is given that a Special Meeting of Neuren Pharmaceuticals Limited ARBN 111 496 130 (**Company** or **Neuren**) shareholders will be held at the offices of HWL Ebsworth, Level 14, Australia Square, 264-278 George Street, Sydney, Australia, on Tuesday 31 May 2011 commencing at 12.00 pm. In accordance with the Constitution, the Board has fixed 10 May 2011 as the date of shareholder entitlement to notice of the Special Meeting.

### BUSINESS

#### Ordinary Resolutions

1. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of ASX Limited and for all other purposes, the issue to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund of 66,479,000 ordinary shares in the Company at A\$0.013 per share on 4 May 2011, on the terms and conditions outlined in the Explanatory Memorandum accompanying this Notice of Meeting, be ratified."

2. To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rules 7.1 and 7.3 of the Listing Rules of ASX Limited and for all other purposes, the Company approves and authorises the issue of up to a maximum of 87,370,000 ordinary shares in the Company at A\$0.013 per share to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund and sophisticated and professional investors who are clients of Taylor Collison Limited and Southern Cross Equities Limited, on the terms and conditions outlined in the Explanatory Memorandum accompanying this Notice of Meeting."

#### Voting Exclusions

The Company will disregard any votes cast:

- (a) in relation to Resolution 1, by the persons who participated in the issue and their associates;
- (b) in relation to Resolution 2, by the persons who may participate in the proposed issues 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, and their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for 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 Shareholders Meeting.

By order of the Board



Rob Turnbull  
CFO  
Neuren Pharmaceuticals Limited  
13 May 2011



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## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

This Explanatory Memorandum forms part of the Notice of Special Meeting dated 13 May 2011 and has been prepared to provide shareholders with information on matters to be considered at the Special Meeting on 31 May 2011.

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 31 May 2011 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. RATIFICATION AND APPROVAL OF PREVIOUS ISSUE OF SECURITIES TO AUCKLAND TRUST COMPANY LIMITED AS TRUSTEE FOR THE SECOND PACIFIC MASTER SUPERANNUATION FUND (ORDINARY RESOLUTION 1)

#### 2.1. General

On 4 May 2011 the Company announced a placement of A\$2 million to interests associated with Mr Lang Walker and other sophisticated and professional investors at A\$0.013 per share, A\$864,227 (66,479,000 ordinary shares) of which was placed immediately with Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund, an associate of Mr Walker, and the balance to be issued subject to shareholder approval. The issue of 66,479,000 shares represented the number of shares available to the Company to be issued under ASX Listing Rule 7.1 without shareholder approval (15% of the existing shares on issue).

The proceeds from the issue of the shares will be used to support Neuren's contribution to the Phase 2 trial of NNZ-2566 in Traumatic Brain Injury and for working capital purposes.

#### 2.2. ASX Listing Rule 7.4

ASX Listing Rule 7.4 provides that an issue of equity securities without approval of shareholders under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if:

- a. the issue of securities did not breach Listing Rule 7.1; and
- b. holders of ordinary securities subsequently approve the issue.

Broadly speaking, ASX Listing Rule 7.1 prevents a listed company from issuing securities in excess of 15% of its issued capital at any point in time unless shareholders approve.

The effect of this Ordinary Resolution 1 is that the Company will be able to refresh its 15% issuing capacity under ASX Listing Rule 7.1 with effect from the date of the Special Shareholders' Meeting.

#### 2.3. Technical Information required by ASX Listing Rule 7.5

In compliance with ASX Listing Rule 7.5, the following information is provided.

- a. ASX Listing Rule 7.5.1: The number of securities allotted.  
66,479,000 ordinary shares
- b. ASX Listing Rule 7.5.2: Issue price of securities  
A\$0.013 per share for a total subscription of A\$864,227

c. ASX Listing Rule 7.5.3: Terms of securities

The ordinary shares issued rank equally with and have the same terms as all other existing ordinary shares of the Company on issue.

d. ASX Listing Rule 7.5.4: Name of allottees

Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund, an associate of Mr Lang Walker

e. ASX Listing Rule 7.5.5: Intended use of the funds raised

The funds raised from the issue of the securities will be used to support Neuren's contribution to the Phase 2 trial of NNZ-2566 in Traumatic Brain Injury and for working capital purposes.

f. ASX Listing Rule 7.5.6: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

#### 2.4. Director's Recommendation

The directors of the Company recommend that shareholders approve this Resolution to approve the ratification of the previous issues of securities to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund, an associate of Mr Lang Walker.

### 3. APPROVAL FOR ISSUE OF SECURITIES TO AUCKLAND TRUST COMPANY LIMITED AS TRUSTEE FOR THE SECOND PACIFIC MASTER SUPERANNUATION FUND AND SOPHISTICATED AND PROFESSIONAL INVESTORS WHO ARE CLIENTS OF TAYLOR COLLISON LIMITED AND SOUTHERN CROSS EQUITIES LIMITED (ORDINARY RESOLUTION 2)

#### 3.1. General

As noted above, on 4 May 2011 the Company announced a placement of A\$2 million to interests associated with Mr Lang Walker and other sophisticated and professional investors at A\$0.013 per share, A\$864,227 (66,479,000 ordinary shares) of which was placed immediately as noted in 2.1 above and the balance to be issued subject to shareholder approval.

Ordinary Resolution 1 above deals with the 66,479,000 ordinary shares which have been issued prior to the Special Shareholders' Meeting. By this Ordinary Resolution 2 the Company seeks shareholder approval to issue the balance of the approximately A\$2 million placement (87,370,000 ordinary shares) at A\$0.013 per share within 3 months of this Special Shareholders' Meeting to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund, an associate of Mr Walker, and clients of Taylor Collison Limited and Southern Cross Equities Limited, being the other sophisticated and professional investors.

The proceeds from the issue of the ordinary shares will be used to support Neuren's contribution to the Phase 2 trial of NNZ-2566 in Traumatic Brain Injury and for working capital purposes.

#### 3.2. Technical Information required by ASX Listing Rule 7.3

In compliance with ASX Listing Rule 7.3, the following information is provided.

a. ASX Listing Rule 7.3.1: Maximum number of securities to be issued pursuant to Ordinary Resolution 2

87,370,000 ordinary shares.

b. ASX Listing Rules 7.3.2 and 7.3.7: Date of issue and allotment of securities

The ordinary shares will be issued and allotted on one date within three months of the date of this Special Meeting.

c. ASX Listing Rule 7.3.3: Issue price of securities

Each ordinary share will be issued at a price of A\$0.013.



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d. ASX Listing Rule 7.3.4: Name of allottees

Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund and sophisticated and professional investors who are clients of Taylor Collison Limited and Southern Cross Equities Limited

e. ASX Listing Rule 7.3.5: Terms of securities

The ordinary shares rank equally with and have the same terms as all other existing ordinary shares of the Company on issue.

f. ASX Listing Rule 7.3.6: Intended use of the funds raised

The funds raised from the issue of the ordinary shares will be used to support Neuren's contribution to the Phase 2 trial of NNZ-2566 in Traumatic Brain Injury and for working capital purposes.

g. ASX Listing Rule 7.3.8: Voting exclusion statement

A voting exclusion statement is included in the Notice accompanying this Explanatory Statement.

### 3.3. Director's Recommendation

The directors of the Company recommend that shareholders approve this Resolution to approve the issue of ordinary shares to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund and sophisticated and professional investors who are clients of Taylor Collison Limited and Southern Cross Equities Limited.

## 4. 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 Proxy Form.

OR

2. Attend the Meeting.

### 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 30 May 2011.

### 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**  
(Special Shareholders' Meeting)

**Neuren Pharmaceuticals Limited**  
ARBN 111 496 130

**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 3700 200  
enquiries@neurenpharma.com

SRN:

**Appointment of Proxy**

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

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.

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

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 offices of HWL Ebsworth, Level 14, Australia Square, 264-278 George Street, Sydney, Australia on 31 May 2011 at 12.00 pm (AEST) and at any adjournment of that meeting.

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

		For	Against	Abstain*
Resolution 1	Ratification of previous issue of ordinary shares to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue ordinary shares to Auckland Trust Company Limited as trustee for the Second Pacific Master Superannuation Fund and sophisticated and professional investors who are clients of Taylor Collison Limited and Southern Cross Equities Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**The Chairman of the Meeting intends to vote undirected proxies in favour of the resolutions.**

\* 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.

<p><b>Individual or Securityholder 1</b></p> <input style="width: 100%; height: 30px;" type="text"/> <p>Individual/Trustee/Sole Director and Company Secretary</p>	<p><b>Securityholder 2</b></p> <input style="width: 100%; height: 30px;" type="text"/> <p>Director/Trustee</p>	<p><b>Securityholder 3</b></p> <input style="width: 100%; height: 30px;" type="text"/> <p>Director/Trustee</p>
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\_\_\_\_\_  
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 securityholder 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.

### 6 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 12.00 pm (AEST) on Tuesday, 31 May 2011. 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