

Neuren Secures up to AU\$7.8 million in New Funding to Complete Phase II Traumatic Brain Injury Trial

SYDNEY, Australia, 18 November 2009:

Neuren Pharmaceuticals Ltd (ASX:NEU) announced today that it has executed an agreement for the private placement of up to AU\$6.7 million in convertible notes with SpringTree Special Opportunities Fund, LP (SpringTree). The Fund is managed by SpringTree Global Investors, LLC, a New York-based asset management company that makes debt and equity investments in public companies around the world. SpringTree has already advanced AU\$550,000 under an initial note and the Company has issued to SpringTree 5,900,000 options exercisable at AU\$0.0445 within 4 years after the execution of the agreement, 6,000,000 shares by way of collateral for repayment of the amounts advanced, and 8,070,669 shares in satisfaction of its obligation to pay SpringTree a commitment fee. The shares issued as collateral may be cancelled or purchased at the discretion of SpringTree. Closing of the balance of the agreement is conditional on shareholder approval and the raising of US\$1 million from other sources. The Company plans to announce a special meeting of shareholders shortly and, in the notice, will provide additional details on the terms of the agreement which require SpringTree to advance under additional notes monthly over 24 months beginning with the first tranche at AU\$400,000, the next ten tranches at AU\$100,000, and subsequent tranches at AU\$60,000. SpringTree has the right to increase the amount of any monthly note following the initial tranche to AU\$100,000 and, with the Company's consent, to AU\$250,000. The placement was arranged by KTA Capital, a New York investment bank and broker-dealer registered with the US Securities and Exchange Commission. KTA has been retained by Neuren to obtain financing and to explore opportunities for other strategic relationships for the Company.

In conjunction with the SpringTree private placement and to meet the financing condition under the agreement, Neuren has obtained commitments for investment of US\$1 million by some existing and proposed new shareholders on terms based on, and no less favourable to Neuren, than the SpringTree initial note. This proposed transaction also is contingent on shareholder approval. The investment may take the form of a private placement in Neuren listed shares, acquisition of a direct interest in the Company's US subsidiary from Neuren Pharmaceuticals Ltd or a combination of the two. The structure of this investment will be disclosed in the notice of the Special Shareholders' Meeting when the transaction details are finalised.

Commenting on the agreement, Jeff Easton, Managing Director of SpringTree Global Investors, LLC, said: "We are delighted to have this opportunity to support Neuren as the Company advances its pipeline of products toward approval and commercialization. We are particularly impressed with the creative and cost-effective strategies that the Company has employed to maintain the momentum of development for their lead candidates even under difficult market conditions. Neuren clearly brings great passion to pursuing development of products for traumatic brain injury and other major unmet medical needs. That passion, together with the Company's technical capabilities and the relationship that Neuren has established with the US Army, gives us great confidence in the Company's ability to successfully execute on their programs. We also are very hopeful that, with additional funding, Neuren also will be able to continue development of the other promising compounds in its portfolio."

Larry Glass, Neuren's CEO, said, "This new financing will support the Company's operations, providing the resources needed to complete the NNZ-2566 Phase II trial with the US Army, as well as to explore additional opportunities for the remaining pipeline. We are extremely pleased



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that SpringTree and the investors of the US\$1 million recognize and appreciate the value proposition represented by Neuren and its portfolio. We look forward to being able to give our full attention to these projects which are critically important both for Neuren's shareholders and patients."

About Neuren

Neuren Pharmaceuticals is a biopharmaceutical company developing novel therapeutics in the fields of brain injury, neurological diseases and conditions, and cancer. The Neuren portfolio comprises seven product families targeting markets with large unmet needs and limited competition. Neuren has two clinical-stage molecules — Motiva™ and NNZ-2566 — focused on a range of acute and chronic neurological conditions as well as a number of drug discovery programs focused on important targets in neurology and, through its subsidiary Perseis Therapeutics Limited, oncology. For more information, please visit www.neurenpharma.com.

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