

22nd September 2009

Re: Offer to buy-back ordinary shares in Verva Pharmaceuticals Limited

Dear Shareholder

You are probably aware that Verva Pharmaceuticals Limited ("**Verva**") was de-merged from ChemGenex Pharmaceuticals Limited ("**ChemGenex**") in late 2007 as a public unlisted company. At the time of the de-merger, ChemGenex shareholders received an *in specie* allocation of shares in Verva; however, because Verva is unlisted, shareholders have not been able to easily trade their Verva shares. Verva has received a number of enquiries from shareholders seeking information as to how and when they will be able to trade their Verva shares.

In order to provide a trading opportunity for Verva shareholders, we are pleased to announce a share buy back plan under which Verva offers to purchase all your Verva ordinary shares for the price of \$0.01 per share ("**Purchase Price**").

This offer to buy back ordinary shares is being made to all holders of ordinary shares in Verva and is subject to the terms and conditions contained in the enclosed Buy Back Agreement ("**Buy Back Offer**"). This is an equal access offer available to all the holders of all ordinary shares in Verva. The maximum aggregate number of shares which may be bought back by Verva is equal to ten percent (**10%**) of Verva's total ordinary shares on issue.

To take advantage of this Buy Back Offer, simply:

- (a) complete items 1, 2 and 3 of the Schedule and sign both copies of the enclosed Buy Back Agreement;

Note Verva believes your share details based on the company's current share registry records maintained by LINK Market Registry are as follows:

Total Ordinary Shares held

Holding Statement number

- (b) return the duplicate completed and signed Buy Back Agreement documents in the enclosed reply paid envelope to reach the reply paid address before 5.00 pm AEST on Friday 27th November, 2009.

Please note that, as a public unlisted entity, Verva has not issued share certificates to shareholders. Rather, you will have received an electronic holding statement issued by LINK Market Registry. There is no requirement to return this statement if you accept the Buy Back Offer. Verva and LINK will update the registry electronically to reflect the sale of your shares.

Please also note that you may only accept the Buy Back Offer with regard to all of your ordinary shares, not part of your holding. Verva reserves the right, in its discretion, to scale back acceptances of this offer if aggregate shareholder acceptances exceed either (i) ten percent (**10%**) of Verva's total ordinary shares on issue; or (ii) an amount of fifty thousand Australian dollars (**\$50,000**) in aggregate under the Buy Back Offer. The number of shares the Company agrees to purchase from you, after allowing for scaling back (if any), will be inserted by the Company as the "**Buy Back Shares**" at item 4 of the Schedule in the Buy Back Agreement. Verva may, at its discretion, extend the deadline to accept this offer. Any such extension will be announced on the Verva website www.vervapharma.com.

You are not obliged to accept this Buy Back Offer. If you do not wish to accept this offer, you need not do anything.

If you decide to accept this Buy Back Offer then, subject to Verva exercising the discretion to scale back described above, Verva will send back to you:

- a) an executed copy of your Buy Back Agreement (after completing items 4 and 5 of the Schedule) to complete the exchange of the binding Buy Back Agreement; and
- b) a cheque corresponding to the number of Buy Back Shares being bought at the Purchase Price (as will be stated at item 5 of the Schedule).

Please carefully consider the Buy Back Offer as detailed in the enclosed Buy Back Agreement and further explained in the separate Q & A information sheet and seek your own independent professional legal, taxation and financial advice as required. This letter is not to be taken as any advice or recommendation to you by Verva.

Verva reserves the right to extend the indicative dates contained in this letter. If you have any questions please contact Verva by e-mail verva@vervapharma.com or through the Company Secretary Mr. Matthew Murphy by e-mail verva@mprgroup.com.au or by phone (03) 9869 5900.

Yours sincerely



Dr Ian Nisbet - Chairman
Verva Pharmaceuticals Limited

