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NEW PRECLINICAL DATA CONFIRM NAUREX'S NOVEL ANTIDEPRESSANT GLYX-13 APPEARS FREE OF THE BEHAVIORAL IMPAIRMENT AND ABUSE POTENTIAL SEEN WITH KETAMINE

—In Multiple Preclinical Studies, Novel NMDA Receptor Modulator GLYX-13 Shows Rapid Onset of Antidepressant-Like Activity, but With No Ketamine-Like Side Effects—

—Initiation of Patient Enrollment in Phase II Trial of GLYX-13 in Treatment-Resistant Depression Slated for Early 2011—

MIAMI, FL and EVANSTON, IL, December 7, 2010 -- Naurex Inc., a clinical-stage company developing innovative treatments to address unmet needs in psychiatry and neurology, reported that data being presented today at the 49th Annual Meeting of the American College of Neuropsychopharmacology (ACNP) further confirm that its lead antidepressant candidate GLYX-13 appears free of the behavioral impairment and abuse potential that have limited the clinical utility of other NMDA receptor (NMDAR) modulator drugs such as ketamine.

Ketamine and similar NMDAR-modulating agents act very rapidly to alleviate the symptoms of depression and bipolar disorder, but their clinical utility has been hampered by their potential for abuse and behavioral impairment, including schizophrenia-like effects, at doses near the therapeutic dose. GLYX-13 is Naurex's lead glycine-site functional partial agonist (GFPA) selective modulator of the NMDA receptor. The novel GFPA class of compounds has been specifically designed to achieve the well-documented efficacy of classic NMDAR-modulating drugs, while avoiding their serious side effects.

In previously reported preclinical studies, GLYX-13 demonstrated the robust antidepressant-like activity of ketamine, including its rapid onset and long duration of effect, with no signs of side effects. In preclinical studies, GLYX-13 has demonstrated the widest therapeutic ratio between efficacy and side effects (>500:1) of any known NMDAR modulator.

In the new study, researchers employed a sophisticated preclinical model measuring whether subjects detect and respond to the presence of a specific drug. Rats were trained to accurately discriminate whether ketamine or saline was present in a routine injection, by choosing one of two levers that delivers a reward when correctly matched to the injected substance. The tests were run using increasing doses of ketamine and GLYX-13, including doses that are known to produce antidepressant effects in preclinical models. The rats receiving ketamine selected the "ketamine trained" lever over the "saline trained" lever as the dose was increased, until they were overcome by impairment from the drug. In contrast, the rats receiving increasing doses of GLYX-13 did not preferentially select the "ketamine" lever over the "saline" lever and continued responding until the end of the experiment.*

"This well-validated model shows dramatically different responses in rats dosed with ketamine and with GLYX-13," said Robert Balster, Ph.D., professor of Pharmacology and Toxicology and director of the Institute for Drug and Alcohol Studies at Virginia Commonwealth University, an author of the study and a recognized expert on drug dependence. "Despite its therapeutic potential, the NMDAR modulator ketamine is a well-known drug of abuse with sedative and dissociative effects. GLYX-13 also acts at the NMDA receptor, but it has a different pharmacology and appears to be devoid of these effects, making it a promising candidate for development as a medication."

Numerous studies have shown that ketamine has a markedly faster onset of action than other antidepressants (within hours, instead of weeks) and alleviates depression symptoms in a greater proportion of patients. In studies in preclinical models of depression, GLYX-13 demonstrates antidepressant-like effects consistent with those of ketamine, with antidepressant-like efficacy that was evident within minutes of administering a single dose and lasted more than two weeks post-dosing. No ketamine-like side effects were observed.

J. David Leander, Ph.D., chief scientific adviser to Naurex and an author of the study, commented, "These new data produced by experts in the pharmacology of drug dependence further confirm the clean side effect profile we have seen to date with GLYX-13. In our Phase I trial, there was no sign of any behavioral impairment or ketamine-like subjective effects at drug exposures that exceeded the 'therapeutic range' established in our animal studies. We are currently initiating a Phase II trial of GLYX-13 in patients who are not achieving an adequate response to their current antidepressant agents."

In addition to GLYX-13, Naurex is developing the NRX-1050 series of GFPAs, including numerous second-generation, orally available molecules with structures and mechanisms of action similar to GLYX-13.

The 49th Annual Meeting of the American College of Neuropsychopharmacology is being held at the Fontainebleau Resort, Miami Beach, Florida, December 5-9, 2010.

*Lack of ketamine-like discriminative effects of GLYX-13: A novel NMDA receptor glycine site functional partial agonist with antidepressant-like preclinical effects, J. David Leander, Katherine Nicholson, Robert Balster, Jeffrey Burgdorf, Joseph Moskal.

About NMDA Receptor Modulators and Depression

The glutamate receptor subtype known as NMDA plays a central role in modulating aspects of brain activity. The antidepressant effects of known NMDAR modulators, such as ketamine, have been confirmed in multiple clinical studies over the last decade. These studies have shown dramatic efficacy in patients with treatment-resistant and bipolar depression, demonstrating response rates greater than 50%, fast onset of action within hours of a single dose and a long duration of effect. The antidepressant efficacy of ketamine has been underscored in recent studies published in *Science* and the *Archives of General Psychiatry*. But ketamine and other known NMDAR blockers are also associated with significant toxicities at or near their therapeutic doses. These side effects, which include schizophrenia-like effects, behavioral impairment and abuse liability, have limited the therapeutic potential of these agents.

About Glycine-Site Functional Partial Agonists

GFPAs modulate the NMDA receptor in a novel and selective way that results in the largest therapeutic index of any known NMDAR modulator. GFPAs are being developed with the goal of achieving the antidepressant efficacy and rapid onset seen with conventional NMDAR modulators, but without their limiting side effects. The efficacy potential of GFPAs has been demonstrated in animal models in a number of CNS disorders, including major depressive disorder, neuropathic pain, schizophrenia, anxiety, Alzheimer's disease and other cognition disorders. In these studies, GFPAs did not exhibit the schizophrenia-like effects associated with conventional NMDAR-modulating drugs.

About Naurex

Naurex Inc. is a clinical-stage private company developing novel therapies to address unmet needs in psychiatry and neurology based on a new mechanism of action for modulating the NMDA receptor in a safe way—glycine-site functional partial agonists (GFPAs). Naurex's lead product, GLYX-13, has shown promising signs of antidepressant activity with excellent safety in preclinical studies, and these safety results have been confirmed in a Phase I clinical trial. Naurex is currently initiating a Phase II trial to assess GLYX-13 in patients who have had an inadequate response to first-line treatment. Naurex's second-generation GFPAs program includes a number of molecules with preclinical proof of concept. It has patented these novel GFPAs chemistry classes and key molecular features that represent a platform for the development of new therapies for a variety of CNS disorders. For more information, visit www.naurex.com.