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**NAUREX'S NOVEL ANTIDEPRESSANT GLYX-13 RECOGNIZED AS ONE OF WINDHOVER'S
TOP 10 NEUROSCIENCE PROJECTS TO WATCH**

***—Independent Committee Selects Naurex's Novel NMDA Modulators for Prestigious List
of Most Promising CNS Candidates—***

EVANSTON, IL, August 31, 2010 -- Naurex Inc., a clinical stage company developing innovative treatments for depression and other CNS disorders, today reported that its clinical stage candidate for the treatment of depression, GLYX-13, and its second-generation NRX-1050 series have been selected for inclusion on Windhover's list of the "Top 10 Most Interesting Neuroscience Projects to Watch." They were chosen by a committee that included Windhover Information, the publishers of *IN VIVO* and *Start-Up*, and independent CNS expert Harry Tracy, president of NI Research and editor of the neuroscience business analysis journal *NeuroInvestment*.

GLYX-13 and the molecules in the NRX-1050 series represent a novel mechanism at a well-known target—they are glycine-site functional partial agonist selective modulators (GFPAs) of the NMDA receptor (NMDAR) that have been designed to be devoid of the limiting side effects of classic NMDAR-modulating drugs while maintaining their well-documented efficacy.

GLYX-13 is in clinical development for treatment-resistant depression and has demonstrated a positive safety profile in a Phase I trial. In preclinical studies, GLYX-13 has shown promising signs of robust antidepressant activity with excellent safety, demonstrating rapid onset of effect and long duration after a single administration. Naurex will initiate a Phase II proof-of-concept trial later this year to evaluate GLYX-13 in patients who are not achieving an adequate response to their current antidepressant agents.

"We are delighted that these respected industry experts have selected our novel NMDA receptor modulators as among the most promising candidates in the CNS field," said Derek Small, acting CEO of Naurex. "Treatment-resistant depression is a debilitating condition that affects millions of people. We are optimistic that GLYX-13 and our NRX-1050 series have the potential to make a dramatic difference for these patients, helping those poorly served by existing therapies and providing relief within hours—rather than weeks—of receiving a single dose. Both programs have also demonstrated potential in a number of other CNS indications."

The NRX-1050 series of GFPAs comprises numerous second-generation, orally available molecules with structures and mechanisms of action similar to GLYX-13. This series includes multiple potential lead molecules, and *in vivo* proof-of-concept data have been generated for a number of the candidates.

"Selected companies have been screened using a strict set of judging criteria for the Top 10 award and represent what our committees considered the most attractive neuroscience opportunities the industry has to offer," said David Cassak, vice president, content, Windhover Conferences, a division of Elsevier Business Intelligence. "Winners have met rigorous criteria, including: unmet medical need, market potential, diversity of indications, strong science, multi-level partnering opportunities (biotech and pharma), potential for new opportunities beyond initial indications and corporate stability."

Along with inclusion in the “Top 10 to Watch” list, Naurex has been selected to present at Windhover’s Therapeutic Area Partnerships meeting, which will be held November 2-4, 2010 at the Westin Copley Place in Boston, MA. More information on the meeting can be found at www.tapartnerships.com.

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 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 by NIMH researchers in 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, sedation and abuse and addiction potential, have limited the therapeutic potential of these agents. In studies to date, Naurex’s novel GFPAs have shown the significant efficacy of other NMDAR modulators, but without their limiting side effects.

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 diseases, 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 side effects associated with conventional NMDAR modulating drugs. In preclinical studies, Naurex’s lead drug candidate, GLYX-13, has demonstrated a wide therapeutic ratio between efficacy and side effects ($\geq 500:1$). Preclinical studies also have shown that the antidepressant effects of GLYX-13 were evident within 20 minutes and lasted at least two weeks after administration of a single dose.

About Naurex

Naurex Inc. is a private company developing novel therapies for depression and other CNS disorders 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. These safety results have been confirmed in a Phase I clinical trial. Later this year, Naurex plans to initiate a Phase II trial assessing GLYX-13 in patients who have had an inadequate response to first-line treatment. Naurex has patented these novel GFPAs chemistry classes and key molecular features that may represent a platform for the development of new therapies for a variety of CNS disorders. For more information, visit www.naurex.com.

About Windhover

Windhover Information Inc., an Elsevier company, has provided analysis of the healthcare industry to decision-makers at all levels since the founding of its flagship publication, *IN VIVO: The Business & Medicine Report*, in 1983. Windhover provides its information and analysis in many formats, including print, electronic databases, international conferences and webinars. For more on the company’s products and services, please see www.windhover.com.

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