



VistaGen

News Release

VistaGen Receives Significant Stem Cell Tools and Technologies Grant from California Institute for Regenerative Medicine

— Award Places VistaGen among First Group of Companies to Receive Funding —

SOUTH SAN FRANCISCO, CA (December 16, 2008) — VistaGen Therapeutics announced today that the California Institute for Regenerative Medicine (CIRM), the State's stem cell agency, has awarded a major grant to the Company to expand ongoing development and commercialization of its leading-edge stem cell-based technologies designed to predict clinical safety and efficacy of new drugs in ways never before possible.

VistaGen is among the first group of for-profit stem cell companies to secure CIRM funding as part of the Institute's new "Tools and Technologies" research and development program.

Ralph Snodgrass, Ph.D., VistaGen's CEO, explained that this timely new CIRM grant, valued at nearly \$1 million, "will allow us to expand our core stem cell technologies for producing human liver cells into more advanced biological research tools to enable the pharmaceutical industry to identify and develop safer drugs more efficiently. Liver toxicity is very costly to the pharmaceutical industry, and is one of the two most common causes of drug failures." VistaGen Senior Scientist, Dr. Kristina Bonham, will serve as principal investigator for the CIRM-funded study program.

Established in California in 1998, VistaGen is one of the world's leading companies focused on using the power of stem cell technologies to transform the ways new drugs are discovered and tested. CIRM is the California state stem cell agency that administers \$3 billion in voter-approved funding for stem cell research in California. The new grant funding awarded to VistaGen is an example of the direct entry into CIRM-funded initiatives by the commercial sector of California's biotech industry. All prior CIRM research grants were awarded to academic groups studying the biology of stem cells.

CIRM's Tools and Technologies Awards are intended to support work that either creates new reagents and methods for stem cell research, or that scales up existing technologies — all designed to accelerate the development of critical therapies for patients with chronic diseases or injury.

"This funding is another critical step in our strategy to become a 'one-stop-shop' for the world's premier stem cell differentiation systems," Dr. Snodgrass said. "It will enhance our fundamental expertise for capturing the value of stem cell biology for predictive toxicology, drug discovery screening and drug development."

VistaGen Therapeutics is a biotechnology company based in South San Francisco, California. In 2009, VistaGen expects to launch a new era of R&D productivity in the pharmaceutical industry, an era driven by clinically relevant, commercially scalable, human biology-based screening systems capable of predicting the safety and efficacy of new drugs in ways never before possible. By using predictive information from its stem cell-based "*Clinical Trials in a Test Tube™*" to increase the efficiency of identifying effective drug candidates and reduce clinical trial failures, especially failures due to heart or liver toxicity, VistaGen expects its next-generation stem cell-based human systems biology platform to enhance dramatically the pharmaceutical industry's ability to deliver innovative drugs for some of the world's most challenging diseases and conditions.

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