

NeurAxon Announces Closing of Convertible Debenture Financing

- Richard Meadows to Join Board of Directors -

WALTHAM, MA. December 29, 2009 — NeurAxon, Inc., a development-stage pharmaceutical company that is designing and developing next-generation pain therapeutics targeting neuronal nitric oxide synthase (nNOS), today announced that it has closed the sale of approximately \$8.75 million of unsecured subordinated 2.0% convertible debentures that are convertible under specified circumstances into existing class B preferred shares. The financing included CTI Life Sciences Fund and existing investors Delphi Ventures, OrbiMed Advisors, LLC, Ventures West Capital, Ltd, H.I.G. Ventures, BDC Venture Capital, NeuroVentures Fund and Lawrence Bloch, M.D., J.D., CEO of NeurAxon.

NeurAxon will use the net proceeds from the financing to support ongoing research and development efforts for its internally generated pipeline of selective inhibitors of nNOS, an enzyme involved in modulating pain and central nervous system neuronal sensitization. Concurrent with the financing, Richard Meadows, Managing Director with CTI Life Sciences, will join NeurAxon's Board of Directors. CTI Life Sciences invests in emerging life sciences companies at the start-up and clinical development stage, primarily in Canada with a select number of investments in the United States. Mr. Meadows has made and managed numerous investments in biotechnology therapeutic development companies and has represented investors on over a dozen boards of directors. Prior to joining CTI, Mr. Meadows was a Venture Partner with VantagePoint Venture Partners, a US private equity fund based in San Bruno, California. Prior to his employment with VantagePoint, Mr. Meadows was a Partner in the Biotechnology Group of CDP Capital Technology Ventures.

News Release

“Richard Meadows has extensive experience in biopharmaceutical operations, finance and general management, including with portfolio companies developing therapeutics for neuropathic pain. Richard’s experience will be particularly valuable to NeurAxon as neuropathic pain is the lead indication for our second product candidate,” said Lawrence Bloch, M.D., J.D., CEO of NeurAxon.

About NeurAxon, Inc.

NeurAxon, Inc. (www.neuraxon.com) discovers and develops next-generation pain therapeutics focused on its first-in-class selective inhibitors of neuronal nitric oxide synthase (nNOS), an enzyme involved in modulating pain and central nervous system neuronal sensitization..