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BrainCells Inc. Expands Series B Financing to \$50 Million

San Diego, CA, April 17, 2008 – BrainCells Inc. (BCI), a biopharmaceutical company utilizing its platform technology to identify and develop compounds that promote the growth of new neurons for the treatment of central nervous system (CNS) diseases, announced today that it raised an additional \$20 million in an extension of its Series B financing, bringing the total to \$50 million. New investor, New Enterprise Associates (NEA), along with current investors and Alexandria Real Estate Equities, Inc. participated in the extension. Other investors that participated in the Series B included MedImmune Ventures, Bay City Capital, Oxford Bioscience Partners, Technology Partners, Pappas Ventures and NeuroVentures. The financing will be used to continue clinical development of BCI's product candidates including a Phase 2 trial with BCI-540, and to identify additional assets to further expand its pipeline.

As part of the financing extension, BCI announced the addition of Chuck Newhall, general partner and co-founder of NEA, to its Board of Directors. Prior to NEA, he was a Vice President at T. Rowe Price Associates. Before that, Mr. Newhall founded the Mid-Atlantic Venture Capital Association (MAVA) and currently serves as Chairman Emeritus. His board memberships include Bravo by ElderHealth, CoGenesys, Hospital Partners of America, Pharmsos, Sensors for Medicine & Science, Supernus Pharmaceuticals, TargetRx, Trine Pharmaceuticals, and Vitae Pharmaceuticals.

"Only weeks after closing our first round of the Series B financing, we are thrilled with the result of the second close and bringing in the support of NEA, another high-quality investor," said Jim Schoeneck, CEO of BCI. "Chuck's decades of experience in the industry will be a tremendous asset to the company as we build momentum in the clinic this year."

BCI recently initiated a Phase 2a clinical trial with its lead product candidate, BCI-540, for the treatment of depression. The Company in-licensed BCI-540 in August 2006 and used its proprietary platform technology to identify the compound's neurogenic profile, which is comparable to antidepressants on the market today, but that has shown in pre-clinical studies to not affect serotonin levels, which could avoid the negative side effects associated with existing therapies.

"With an eye on innovative companies providing solutions for clinically unmet needs, we find BCI's ability to leverage its neurogenic screening technology to identify and develop new treatments for CNS disorders to be extremely promising," said Chuck Newhall, general partner and co-founder of NEA. "I look forward to joining the BCI board and seeing the company through a transformational year with several anticipated clinical milestones."

About BrainCells Inc.

BrainCells Inc. (BCI) is a San Diego-based drug discovery and development company that is applying its proprietary neurogenesis platform technology to identify and reposition compounds for the

treatment of central nervous system (CNS) diseases. Neurogenesis is the process by which endogenous stem cells in the adult human brain produce new brain tissue, including neurons. With its predictive screening platform, BCI can direct the selection and development of neurogenic compounds, increasing the opportunity for successful clinical trials in a variety of CNS indications. For more information, visit www.braincellsinc.com.

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