November 4, 2010

Rexahn Awarded Qualifying Therapeutic Discovery Project Grants to Further Develop Anti-Cancer, Depression, and Erectile Dysfunction Treatments

ROCKVILLE, Md.--(BUSINESS WIRE)-- Rexahn Pharmaceuticals, Inc. (NYSE Amex:RNN), a clinical stage pharmaceutical company developing and commercializing potential best in class oncology and CNS therapeutics, announced today that it has been awarded grants totaling $822,137 through the US Federal Government's Qualifying Therapeutic Discovery Project.

The Qualifying Therapeutic Discovery Project grants are designed for qualified biotechnology companies with fewer than 250 employees that demonstrate the potential to develop new therapies to treat chronic conditions or unmet medical needs; reduce long-term health care costs in the United States; or significantly advance the goal of curing cancer within 30 years.

Enacted as part of the Patient Protection and Affordable Care Act of 2010, the program reimburses up to 50% of investments in qualifying projects in 2009 and 2010.

Rexahn's President and Chief Operating Officer, Mr. Rick Soni, noted, "We are very pleased to receive the grants for all four applications we submitted. The award will further strengthen Rexahn's financial position as we advance our drug development projects for cancers, depression, and erectile dysfunction."

Rexahn Projects Receiving Grants

Anti-Cancer Drugs

Rexahn is developing anti-cancer drugs to address the unmet needs of cancer patients. Archexin(R), Rexahn's lead candidate, is a unique, single targeted inhibitor of the AKT1 mRNA, presently in development for the treatment of advanced pancreatic cancer in combination with gemcitabine - potentially offering efficacy and tolerability benefits over present combination therapies. Preliminary results from this Phase 2 trial are expected in Q2 2011. Archexin has further potential in ovarian and stomach cancer, renal cell carcinoma, glioblastoma, which all orphan drug designation granted by the FDA, and prostate cancer. Among Rexahn's other oncology candidates, RX-3117 is an anti-metabolite nucleoside with superior potency to gemcitabine in cancer animal models. RX-5902 is a new chemical entity (NCE), small molecule, micro tubule assembly inhibitor with potential multi mechanisms, presently in preclinical development for melanoma, and other solid and drug resistant tumors, in both oral and IV formulations. Both of these compounds are approximately 12 months away from IND filing.

Serdaxin(R)

Serdaxin is presently in clinical development for Major Depressive Disorder, and may work as a dual enhancer of serotonin and dopamine in the brain through a novel mechanism of action. In Rexahn's Phase IIa, proof of concept study, Serdaxin showed numerical differences versus placebo for response and remission rates, as well as significance in the severe patient population versus placebo. The trial also demonstrated Serdaxin to be safe and well tolerated without the appearance of serious side effects that are commonly linked to currently marketed antidepressants. Rexahn is moving forward with a larger phase II clinical trial, involving approximately 300 subjects using an independent central rater to reduce bias associated with depression trials. Preliminary results are expected in Q4 2011. Additionally, Serdaxin has shown neuroprotective potential in animals treated with neurotoxins, and may have important applications in the treatment of human neurodegenerative disorders such as Parkinson's disease (PD) and Alzheimer disease (AD). Moreover, animal model studies also suggest that Serdaxin reduces aggressive behavior and relieves anxiety.

Zoraxel(TM)

Zoraxel is a unique CNS acting erectile dysfunction treatment, which works within 1 hour from administration, potentially without the safety concerns associated with PDE-5 inhibitors. In a proof of concept study, Zoraxel had a consistent improvement in IIEF-EF (International Index of Erectile Function) scores at the highest dose, 15 mg and also demonstrated Zoraxel's excellent safety and tolerability profile. Rexahn recently announced plans for a large Phase II study that will assess Zoraxel's efficacy in approx. 225 male subjects with ED. Preliminary data is expected to be available in Q3 2011.

Poly-HPMA System for Drug Delivery

Rexahn's HPMA co-polymer system may provide an alternative and novel method of cancer targeting. The system works by conjugating cytotoxic anti-cancer drugs to a polymer backbone with a ligand to target cancer cells. Potentially this type of targeting will allow delivery of drugs directly into cancer cells to avoid damage to healthy non-target tissue.

About Rexahn Pharmaceuticals, Inc.

Rexahn Pharmaceuticals is a clinical stage pharmaceutical company dedicated to developing and commercializing first in class and market leading therapeutics for cancer, CNS disorders, sexual dysfunction and other unmet medical needs. Rexahn currently has three drug candidates in Phase II clinical trials, Archexin(R), Serdaxin(R), and Zoraxel(TM) and a robust pipeline of preclinical compounds to treat multiple cancers and CNS disorders. Rexahn also operates key R&D programs of nano-medicines, 3D-GOLD, and TIMES drug discovery platforms. For more information, please visit www.rexahn.com.

Safe Harbor

To the extent any statements made in this press release deal with information that is not historical, these are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about Rexahn's plans, objectives, expectations and intentions with respect to future operations and products and other statements identified by words such as "will," "potential," "could," "can,"

"believe," "intends," "continue," "plans," "expects," "anticipates," "estimates," "may," other words of similar meaning or the use of future dates. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Uncertainties and risks may cause Rexahn's actual results to be materially different than those expressed in or implied by Rexahn's forward-looking statements. For Rexahn, particular uncertainties and risks include, among others, the difficulty of developing pharmaceutical products, obtaining regulatory and other approvals and achieving market acceptance; the marketing success of Rexahn's licensees or sublicensees; the success of clinical testing; and Rexahn's need for and ability to obtain additional financing. More detailed information on these and additional factors that could affect Rexahn's actual results are described in Rexahn's filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. All forward-looking statements in this news release speak only as of the date of this news release. Rexahn undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Source: Rexahn Pharmaceuticals, Inc.