

November 13, 2007



Neuralstem Inc. Reports 2007 Third Quarter Financial Results and Events

ROCKVILLE, Md., Nov. 13 /PRNewswire-FirstCall/ -- Neuralstem Inc. (Amex: CUR) today reported financial results for the three and nine months ended September 30, 2007.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20061221/DCTH007LOGO>)

For the third quarter of 2007, the company reported a net loss of \$1,422,020, or \$(0.05) per share, compared to \$211,088, or \$(0.01) per share, for the comparable 2006 period. Net loss attributable to common stockholders for the first nine months of 2007 was \$4,169,103 or \$(0.15) per share, compared to \$1,844,738, or \$(0.08) per share, for the comparable period in 2006.

Result of Operations for the Three Months ending September 30, 2006 and 2007

Revenues for the three months ended September 30, 2007 and 2006 were \$45,733 and \$150,071 respectively. These amounts include grant reimbursements of \$15,733 and sales of our cells (tissue products) of \$30,000 for the three months ending September 30, 2007. All revenue in 2006 was from grant reimbursements.

Research and development expenses for the three months ended September 30, 2007 and 2006 were \$672,101 and \$422,794, respectively. The increase in expenses in current period consists mainly of payroll and payroll related expenses, stock option expense, research supplies and costs incurred in connection with specific research grants.

General and administrative expenses for the three months ended September 30, 2007 and 2006 were approximately \$832,348, and \$311,932, respectively. The principal increase in expenses in 2007 versus 2006 is a result of increased payroll, legal (both patent and corporate), Stock based compensation expenses and the establishment of a management incentive program.

Other income for the three months ended September 30, 2007 and 2006 were approximately \$59,099, and \$385,720, respectively. The third quarter, 2006 includes \$388,401 reversal of liability for the issuance of new warrants related to covenants in that year's issuance of common stock. Other Expense in 2006 was \$2,681 net of the effect of the reversal. The increase in 2007 relates to interest income derived from our higher cash deposit balance compared to prior period.

Net loss for the three months ended September 30, 2007 and 2006 was \$1,422,020 and \$211,088, respectively.

Results of Operations for the Nine Months ending September 30, 2006 and 2007

Revenues for the nine month period ending September 30, 2007 were \$306,057, compared with the same period in the prior year of \$209,283. The increase in revenue is due to a licensing agreement, sales of tissue products, and the substantial completion of a National Institute of Health grant in 2007.

Research and development expenses for the nine month periods ending September 30, 2007 and 2006 were approximately \$ 2,202,670 and \$1,247,386, respectively. The increase in expenses in current period consists mainly of payroll and payroll related expenses, stock based compensation expense, research supplies and costs incurred in connection with our current effort to produce preclinical data which results in animal surgeries, manufacturing of cells, and in vitro characterization of cells which includes testing and cell quality control.

General and administrative expenses for the nine month periods ending September 30, 2007 and 2006 were \$2,359,515 and \$763,664, respectively. The principal increase in expenses in the current period versus the same period last year is a result of increases in professional fees and expenses related to accountants, legal and business advisors, stock based compensation expense and the introduction of an incentive bonus plan.

Non-operating income (expense) for the nine month period ending September 30, 2007 and 2006 were \$135,390, and \$(4,029), respectively. The largest factor influencing the increase in 2007 relates to interest income derived from our higher cash deposit balance compared to prior period.

STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	Sept 30,		Sept. 30,	
	2007	2006	2007	2006
Revenues	\$45,733	\$150,072	\$306,057	\$209,283
Operating expenses				
Research and development costs	672,101	422,794	2,202,670	1,247,386
General, selling and administrative expenses	832,348	311,932	2,359,515	763,664
Depreciation and amortization	22,403	12,154	48,365	38,942
	1,526,852	746,880	4,610,550	2,049,992
Operating loss	(1,481,119)	(596,808)	(4,304,493)	(1,840,709)
Nonoperating income (expense)				
Interest	59,397	24,218	136,358	61,381
Interest expense	(298)	(394)	(968)	(9,090)
Reversal of Loss related to adjustment of warrants liability to fair value	-	388,401	-	-
Other expense	-	(26,505)	-	(56,320)
Net loss	(1,422,020)	(211,088)	(4,169,103)	(1,844,738)

Net loss per share, basic	(0.05)	(0.01)	(0.15)	(0.08)
------------------------------	--------	--------	--------	--------

Average number of shares of common stock outstanding	29,372,895	25,608,272	28,370,589	24,591,149
--	------------	------------	------------	------------

BALANCE SHEET

September 30,
2007

ASSETS

CURRENT ASSETS

Cash	5,346,177
Prepaid expenses	138,533
Total current assets	5,484,710

Property and equipment, net	86,750
Other assets	43,272
Intangible assets, net	23,709

Total assets	\$5,638,441
--------------	-------------

LIABILITIES AND STOCKHOLDERS' EQUITY
(DEFICIT)

CURRENT LIABILITIES

Accounts payable and accrued expenses	857,475
Total current liabilities	857,475

Note payable, long-term portion	22,570
Total liabilities	880,045

STOCKHOLDERS' EQUITY

Preferred stock	-
Common stock	300,227
Additional paid-in capital	47,219,997
Accumulated deficit	(42,761,828)
Total stockholders' equity	4,758,396

Total liabilities and stockholders' equity	5,638,441
--	-----------

Third Quarter 2007 Highlights:

Neuralstem listed its common stock on The American Stock Exchange(R) (Amex(R)) under the ticker symbol CUR. It had previously been traded over the counter under the symbol NRLS. "Moving to the Amex is the next logical step for Neuralstem. It is a result of the continuous and significant progress the company has made in each and every phase of its activity, and of an increasing awareness of the company and its prospects on the part of the financial community," said Richard Garr, Neuralstem President and Chief Executive Officer.

Neuralstem, Inc. announced it has entered into a collaborative agreement with the ALS Clinic at University of Michigan Health System, directed by Dr. Eva Feldman, M.D., Ph.D., the De Jong Professor of Neurology at the UM Medical School. The goal of the

collaboration is to provide further proof-of-principle data to move Neuralstem's spinal cord stem cells into patients with Amyotrophic Lateral Sclerosis (ALS), or Lou Gehrig's disease. ALS is a motor neuron disease, which strikes people between the ages of 40 and 70. As many as 30,000 Americans have the disease at any given time.

The Audit Committee of the Board of Directors dismissed Dave Banerjee CPA as its independent registered public accounting firm. Effective October 15, 2007, the Audit Committee engaged Stegman & Company as its independent registered public accounting firm.

On October 26, 2007, the Company agreed to reduce the exercise price of the warrants it issued in connection with the Company's March 2007 offering ("March Offering"). The reduction in the warrant price was negotiated by the Company's placement agent and the participating investors. As a result of the reduction in the exercise price, all 17 investors who participated in the March Offering chose to exercise their warrants. As a result, the Company received gross proceeds of \$3,374,250 from the exercise of these warrants

About Neuralstem

Neuralstem's patent-protected technology provides, for the first time, the ability to produce neural stem cells of the human brain and spinal cord in commercial quantities, and the ability to control the differentiation of these cells into mature, physiologically relevant human neurons and glia. The Company expects that its first Investigational New Drug (IND) application will be for the treatment of Ischemic Paraplegia, a form of paraplegia that sometimes results from the surgery to repair aortic aneurysms and for which there is currently no effective treatment. The Company hopes to submit its initial IND application to the FDA and begin its first human trial during calendar year 2007.

Major Central Nervous System diseases targeted by the Company with research programs currently underway include: Ischemic Paraplegia, Traumatic Spinal Cord Injury, ALS, and Parkinson's disease. The company's Cells recently extended the life of rats with ALS (Lou Gehrig's disease) in an experiment outlined in a paper published in the journal TRANSPLANTATION, and were deemed viable for continued work in neurodegenerative spinal conditions. Neuralstem cells also recently reversed paralysis in rats with Ischemic Spastic Paraplegia, a form of paralysis that can result from the surgery to repair aortic aneurysms, as reported in NEUROSCIENCE (<http://www.neuroscience-ibro.com/>). The company has also developed immortalized human neural stem cells for in-vitro use in drug development for the academic and pharmaceutical markets. For further information, please visit <http://www.neuralstem.com>.

Cautionary Statement Regarding Forward Looking Information

This presentation may contain forward-looking information about Neuralstem, Inc. which are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "project," "plan," "seek," "intend," or "anticipate" or the negative thereof or comparable terminology, and include discussions of strategy, and statements about industry trends and

Neuralstem's future performance, operations and products. This and other "Risk Factors" contained in Neuralstem's public filings with the SEC should be read in connection with this release. For further information on Neuralstem, please review the company's filings with the SEC including its Annual Report filed on Form 10-KSB for the period ended December 31, 2006, as well as the company's subsequent filings.

This news release may contain forward-looking statements made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements in this press release regarding potential applications of Neuralstem's technologies constitute forward-looking statements that involve risks and uncertainties, including, without limitation, risks inherent in the development and commercialization of potential products, uncertainty of clinical trial results or regulatory approvals or clearances, need for future capital, dependence upon collaborators and maintenance of our intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements. Additional information on potential factors that could affect our results and other risks and uncertainties are detailed from time to time in Neuralstem's periodic reports, including the quarterly report on Form 10-Q for the quarter ended September 30, 2007.

SOURCE Neuralstem Inc.