

# **NORTHSTAR NEUROSCIENCE REPORTS CLINICAL TRIAL MILESTONES FOR THE THIRD QUARTER 2006**

Northstar Neuroscience

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Northstar Neuroscience, Inc. (Nasdaq: NSTR), a developer of innovative medical devices for the treatment of neurological diseases and disorders, provided an update on the status of its ongoing clinical trials. Patient randomization for its EVEREST pivotal study for stroke motor recovery is ahead of schedule. Preliminary results of the stroke-related Broca's aphasia study, CHESTNUT, are promising. In addition, clinical trials using cortical stimulation for the treatment of severe tinnitus and treatment-resistant depression continue to progress.

"We are making good progress across all of our clinical studies," said Dr. Alan Levy, Northstar's President and CEO. "We believe the rate of enrollment in our EVEREST trial as well as the promising initial findings of our aphasia study underscore Northstar's ability to effectively and efficiently move our cortical stimulation therapy through development."

Patient randomization in the EVEREST pivotal study evaluating the use of cortical stimulation for the recovery of hand/arm function following stroke exceeded earlier projections and has increased to 97 subjects through September 30. The company must collect complete data on 151 subjects, and may randomize up to 174 to complete the study. The multi-center clinical trial has also received Food and Drug Administration approval for three additional research sites, bringing the total number of approved sites to 21. As a result of the study's progress, the company has adjusted its projections and now expects to have primary end point data for the EVEREST study available for submission to the FDA in the fourth quarter of 2007. In addition, the EVEREST Data Safety Monitoring Board met during the third quarter of 2006. There were no unanticipated adverse events and members formally voted to allow continuation of the EVEREST clinical trial.

The company also announced updates for its clinical studies. Patient randomization for the CHESTNUT aphasia study is complete. Initial findings, which were released on September 28, 2006, are promising and show that cortical stimulation coupled with speech-language therapy appears safe and may enhance language rehabilitation.

The SAHALE study of cortical stimulation for the treatment of tinnitus continues to progress and primary endpoint data is expected to be available by the end of the first quarter of 2007. Tinnitus, also known as ringing in the ears, is the perception of sound where none exists. Northstar has also initiated its treatment-resistant depression feasibility trial, called PROSPECT. Enrollment in the twelve-patient study is expected to be complete by the end of 2007.

Northstar Neuroscience will announce its financial results for the third quarter in early November