

**U.S. NEWS RELEASE TO PHARMACEUTICAL AND
BIOTECHNOLOGY MEDIA**

**VISTAGEN THERAPEUTICS and CATO BIOVENTURES SIGN STRATEGIC
BUSINESS DEVELOPMENT AGREEMENT FOR CNS PRODUCTS**

Burlingame, CA, March 22, 2006 /BusinessWire/ -- VistaGen Therapeutics Inc., a biopharmaceutical company applying leading embryonic stem cell technology to discover and develop novel treatments for central nervous system disorders, diabetes and cardiovascular disease, and Cato BioVentures, the venture capital affiliate of Cato Research Ltd., a global contract research organization, announced today the signing of a strategic business development agreement. The agreement grants VistaGen exclusive rights of first negotiation to all CNS product opportunities identified or acquired by Cato BioVentures and Cato Research.

H. Ralph Snodgrass, Ph.D., VistaGen's President and CEO, noted, "This CNS product option arrangement allows us to expand our strategic relationship with Cato and access its broad range of business development capabilities in our core therapeutic focus area. Our operating capital requirements remain low, which reduces risk, yet we now have the important product acquisition upside potential of a fully integrated drug development company."

Shawn K. Singh, J.D., Managing Principal of Cato BioVentures and a member of VistaGen's Board of Directors added, "VistaGen's CNS focus and leading embryonic stem cell-based drug discovery and development technology provide an ideal leverage opportunity for our expanding CNS product acquisition and investment activities. VistaGen's management team is strong, its core technology is broadly applicable and its technical expertise is deep."

Allen Cato, M.D., Ph.D., co-founder and Chief Executive Officer of Cato Research explained, "We have access to dozens of CNS product acquisition and development opportunities each year through our long standing relationships with biotechnology and pharmaceutical companies and academic institutions worldwide. Under our new agreement, these CNS product opportunities are now available to VistaGen. We have built a strong strategic drug development relationship with VistaGen around its lead CNS product candidate, AV-101, a promising new compound focused on epilepsy and neuropathic pain. We look forward to expanding that relationship with additional CNS product candidates."

About VistaGen Therapeutics, Inc.

VistaGen Therapeutics, Inc. is applying and expanding its embryonic stem cell technology to discover and develop new CNS, diabetes, and cardiovascular disease drug candidates. VistaGen's proprietary stem cell technology facilitates the development of information-rich drug screening assays to model the true biological effects of new drug candidates. This enables VistaGen and its pharmaceutical and biotechnology partners to increase the efficiency of their drug development programs. VistaGen expects to file an IND for its lead drug candidate, AV-101, for treatment of epilepsy and neuropathic pain in the first-half of 2007.

About Cato BioVentures

Cato BioVentures is the venture capital affiliate of Cato Research Ltd., a leading contract research and development organization. For nearly 20 years, Cato BioVentures has assisted entrepreneurs and established management teams in building successful life science companies. Through strategic CRO service agreements with Cato Research, Cato BioVentures invests its in-kind CRO Service Capital™ in innovative therapeutics, medical devices, diagnostics and platform tools and technologies for improved drug discovery and development, offering promising life science companies immediate access to a broad range of essential CRO

services on a noncash basis. Access to these time-critical CRO services enables management to achieve key value-added development and regulatory milestones with less reliance on other sources of capital. Cato BioVentures has offices in Boston's Bay Colony, Research Triangle Park and Silicon Valley. For more info see www.catobioventures.com.

About Cato Research Ltd.

Founded in 1988 by Dr. Allen Cato and Lynda Sutton and headquartered near Research Triangle Park, Cato Research is a global full-service contract research and development organization providing strategic and tactical support for clients in the pharmaceutical, biotechnology and medical device industries. Cato Research has a staff of over 300 located in offices in the United States, European Union, Canada, Israel, and South Africa.

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