



Northstar Neuroscience, Inc. Announces Second Liquidating Distribution to Shareholders

SEATTLE, December 11, 2009 – (BUSINESSNEWSWIRE) Northstar Neuroscience, Inc. (OTC:NSTR) today announced that the Company’s board of directors approved a second liquidating distribution of \$0.10 per share payable to the shareholders of record of the Company’s common stock as of July 2, 2009 (the “Effective Date”) pursuant to the shareholder-approved Plan of Complete Liquidation and Dissolution. The Company expects to pay this liquidating distribution in cash on or about December 15, 2009.

As previously disclosed, on June 12, 2009 the Company filed Articles of Dissolution with the Secretary of State of the State of Washington in accordance with the Company’s Plan of Dissolution. The Articles of Dissolution became effective, and the Company became a dissolved corporation under Washington law, on the Effective Date.

Subsequent to the filing of the Articles of Dissolution, the Company’s common stock was delisted from the NASDAQ Global Market on the Effective Date at which time the Company instructed its transfer agent to close the Company’s stock transfer records and to no longer recognize or record any transfers of shares of the common stock after such date except by will, intestate succession or operation of law. On July 15, 2009, the Company paid an initial liquidating distribution of \$2.06 per share to the shareholders of record of common stock as of the Effective Date.

Pursuant to the provisions of Washington law, the Company plans to retain the remaining assets of the Company to satisfy and make reasonable provision for the satisfaction of current, contingent or conditional claims and liabilities of the Company. After satisfaction of any such current, contingent or conditional claims and liabilities, remaining assets, if any, will be distributed at such time as the Company’s board of directors determines that it is appropriate. The amount and timing of a final distribution, if any, will be at the discretion of the Company’s board of directors.

Statement under the Private Securities Litigation Reform Act of 1995.

Statements in this press release regarding our business that are not historical facts are “forward-looking statements” that involve risks and uncertainties. Among those risks and uncertainties are the risks and uncertainties set forth in the Risk Factors section of our Definitive Proxy Statement filed with the Securities and Exchange Commission on April 17, 2009.

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SOURCE: Northstar Neuroscience