



NANO MEDICAL SYSTEMS

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Grant to Austin nano-medical firm will boost work on drug-delivery device

AUSTIN, Texas – A grant of \$3.5 million from the State of Texas will give a major boost to NanoMedical Systems Inc., an Austin company that is developing an innovative method of delivering medications through an under-the-skin device that uses nanotechnology.

The grant will help accelerate the completion of engineering and pre-clinical testing for the device, which will allow for a controlled dose of medicine to be released into the bloodstream over many weeks or months. The device will be a safer, more reliable and less costly alternative to a long series of injections or clinical visits.

The grant is from the state's Emerging Technology Fund, created in 2005 to encourage the development and commercialization of new technologies and recruit research talent to the state. The Austin Chamber of Commerce and the Central Texas Regional Center of Innovation and Commercialization, which helps administer the Emerging Technology Fund, announced the grant today (November 17).

“The ETF grant is making a significant investment in the future of Texas and the country by supporting NanoMedical Systems,” said Randy Goodall, president and CEO of the company. “Our technology platform offers reliable drug dosing tailored to the individual patient's needs and therefore has the potential to engender a revolutionary transformation in medicine.”

Goodall said the company represents an important milestone in Texas' long-term effort to forge alliances among the state government, higher education and the private sector in order to diversify the state's economy through advanced technology.

“NanoMedical Systems is a clear example of the economic benefits of the synergies of the private and public sectors, including the advanced research at our major universities and health science centers,” Goodall said.

“Our company is a result of the convergence in Texas of the fields of semiconductors, micro- and nano-electromechanical systems, nano-materials and biotechnology. Our work is at the center of all these exciting developments, and we are grateful to the state for its role in helping us contribute to the new economy of Texas.”

NanoMedical Systems leases incubator space at the Austin-based computer chip consortium SEMATECH and has ties to faculty and research labs at three institutions in the University of Texas System. The company's basic technology was developed by Mauro Ferrari, a co-founder of the company who holds faculty positions at the University of Texas Health Science Center at Houston, UT M. D. Anderson Cancer Center in Houston, UT Austin, and Rice University. Texas A&M University and its Texas Institute for Preclinical Studies will be involved in the company's work next year.

Each small silicon chip through which the company's device will deliver medication into the bloodstream has 100,000 nanochannels, each precisely dimensioned from engineered materials to a size near that of a drug molecule. Early fabrication of the chips is being carried out at the Advanced Technology Development Facility (ATDF), the semiconductor R&D plant at the SEMATECH site, now owned and operated by SVTC Technologies LLC.

"This is a dream situation," Ferrari said. "We have an opportunity to take decisive strides against cancer, working all together as a team: the company, the State of Texas, our university laboratory, and our collaborating partners at several Texas institutions. University laboratories alone cannot bring medical innovations into the clinic, they need companies that will turn basic discoveries into new medical treatments and clinical devices.

"That is why it is such a privilege to 'fly in formation' with NMS: We can make a real difference in patient care. I am confident that the work we are doing will have benefits beyond cancer, with applications to cardiovascular and infectious diseases, among others. We will continue to explore new approaches in civilian medicine, but also in space and military medicine, with the support of the sponsors of our university laboratory research: NASA, the Department of Defense and the National Institutes of Health."

The device being developed by NanoMedical Systems, called a Personalized Molecular Drug-delivery System, or PMDS, is a small capsule designed to be implanted just under the skin in a simple office procedure. The capsule will be able to hold enough medication for weeks or months of controlled release. As development continues the capsule will be made even smaller because it will contain mostly the active pharmaceutical agent and almost none of the bulk solution in which an injectable drug is usually dissolved.

NanoMedical Systems is focusing on an anti-cancer drug that is used in long-term therapy for its first commercially viable product. Its R&D activities over the next year will include further design and testing of the device's chip and capsule, animal studies, and applications with the federal Food and Drug Administration. Optimizing additional drugs for controlled release in even smaller, smarter capsules will proceed in parallel with pharmaceutical partners.

For its lab and assembly operations, the company will begin leasing cleanroom space from Minco Technology Labs in North Austin.

In addition to the grant announced this week, NanoMedical Systems has benefited from earlier funding by the Emerging Technology Fund. The fund provided a \$5 million grant to ATDF for nanofabrication equipment, and a \$2.5 million grant in 2006 was part of a financial package at the UT Health Science Center at Houston providing personnel and research start-up funds that were instrumental in recruiting Ferrari to Texas from Ohio State University. Ferrari, one of the founders of the field of biomedical nanotechnology, is president of the Alliance for NanoHealth, a collaborative venture involving eight Houston-area research institutions.

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Additional information about NanoMedical Systems and its PMDS is available on the company's Web site at www.NanoMedSys.com.