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Novasys Medical Receives \$18.95 Million in Second Tranche of Series D Financing
Funds for ongoing commercialization of Renessa® Treatment for female incontinence

NEWARK, CALIF., July 21, 2009 – Novasys Medical, Inc., developer of the Renessa® treatment for female stress urinary incontinence, announced today that it has received \$18.95 million in the second tranche of its previously announced Series D preferred stock financing. The Company received the first tranche of the Series D round in May 2008, with lead investor Versant Ventures and new investors ThreeArch Partners and Skyline Ventures. All three participated in the second tranche, with existing investors Alloy Ventures, Delphi Ventures, GBS Venture Partners and Hercules Technology Growth Capital.

“In this challenging financing environment, we greatly value the continued support of our investors. They understand the tremendous opportunity the non-surgical Renessa treatment offers women,” said Debra Reisenhel, President and CEO of Novasys Medical. “This financing will speed the process of securing reimbursement for the Renessa treatment. Since the first tranche of the Series D financing closed last May, we’ve enjoyed major progress with several key payers agreeing to cover the procedure. These payers include Aetna, plus regional Medicare carriers Noridian, First Coast and TrailBlazers, who cover 27 million lives. Additional payers are expected to join them in covering Renessa soon.”

Beckie Robertson, Managing Director with Versant Ventures, said, “We’re really pleased with the reimbursement progress Novasys has made with payers in the past year. We’re confident this is a huge opportunity in an underserved market.”

Female Stress Urinary Incontinence (SUI)

SUI is the involuntary leakage of urine associated with coughing, sneezing, laughing and recreational activities. It is caused by a variety of factors---most commonly childbirth---and often restricts the social, professional, and personal lives of an estimated 15 million women in the U.S. alone. With currently available surgical and non-surgical SUI therapies, many patients and physicians have concerns about safety, recovery, compliance and/or effectiveness. Experts estimate 80% of women with SUI thus do not seek treatment of any kind.

The FDA-cleared Renessa System includes a small probe which a physician passes through the natural opening of the urethra (transurethral). The probe gently heats the tissue in the bladder neck and upper urethra. The heat denatures the collagen in the tissue, and upon healing, the tissue becomes firmer and more resistant to leaks. The Renessa treatment can be performed in the convenience of a physician's office, or in an outpatient setting, using local anesthesia. There are no incisions, bandages or dressings required. Recovery is rapid and comfortable, with minimal post-procedure limitations. More than 350 urologists, urogynecologists and gynecologists have been trained and have performed the Renessa procedure in nearly 3,000 patients.

About Novasys Medical

Novasys Medical, Inc. is a privately held, venture-backed company which develops innovative therapies in women's health. The company's initial focus is the development and commercialization of the Renessa System, a proprietary, non-surgical approach to the treatment of female stress urinary incontinence (SUI).

For more information, please visit www.novasysmedical.com or call (510) 226-4060.

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