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Novasys Medical Secures \$49.5 Million in Series D Financing to Expand Commercialization of its *Renessa*® Treatment for Incontinence in Women

NEWARK, CALIF., May 15, 2008 – Novasys Medical, Inc., a developer of innovative therapies in women’s health, announced today that it has secured \$49.5 million in Series D preferred stock financing. The round was led by Versant Ventures, with ThreeArch Partners and Skyline Ventures also participating as new investors. The round also included participation by existing investors Affinity Capital Management, Alloy Ventures, Delphi Ventures, GBS Venture Partners, INVESCO Private Capital, JP Morgan Partners (managed by Panorama Capital), and ONSET Ventures.

“We are very pleased that Versant, ThreeArch and Skyline, three of the best known and respected venture capital firms in the Silicon Valley, have joined our top-tier group of existing investors,” said Debra Reisenhel, President and CEO of Novasys Medical. “This financing will enable the Company to further its efforts to bring the innovative *Renessa*® non-surgical treatment to women suffering from stress urinary incontinence (SUI). The funds will allow us to continue our clinical studies as well as secure reimbursement for the *Renessa* procedure.”

Beckie Robertson, Managing Director with Versant Ventures and new member of Novasys’ Board of Directors, remarked, “Novasys Medical’s *Renessa* System represents one of the most exciting technologies in women’s health in recent years. Women with SUI are looking for alternatives to surgery and conservative therapies such as Kegel exercises. The limited availability of effective non-surgical options has resulted in a huge unmet need and *Renessa* is uniquely positioned to address that need.” Rich Lin has joined the Board of Directors for ThreeArch Partners and Steve Sullivan has joined the Board representing Skyline Ventures.

Female Stress Urinary Incontinence

SUI is the involuntary leakage of urine associated with laughing, coughing, sneezing and recreational activities. The condition 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 that 80% of women with SUI do not seek treatment of any kind because of these concerns.

The FDA-cleared *Renessa* System includes a small probe which a physician passes through the natural opening of the urethra (transurethral). The probe heats multiple small treatment sites in the submucosa of the bladder neck and upper urethra, denaturing collagen in the tissue, thereby reducing or eliminating leaks. The *Renessa* treatment can be performed in the convenience of a physician's office using local anesthesia. There are no incisions, bandages or dressings required. Recovery is

rapid and comfortable, with minimal post-procedure limitations. To date, over 300 urologists, urogynecologists and gynecologists have been trained and have performed the Renessa procedure in over 2500 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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