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Press Release

NovaSterilis, Inc. Awarded $933,000 Grant from National Institutes of Health

ITHACA, NY, August 8th, 2006 – **NovaSterilis, Inc.** today announced that it has received $933,000 in funding as a Phase-II Small Business Innovation Research (SBIR) grant from the U.S. National Institutes of Health for its project entitled "A Novel Method for Reduction of Bioburden in Bone Allografts." The continuation and expansion of SBIR funding will be used to investigate new methods of viral inactivation, and the growth of new bone in sterilized bone allografts.

NovaSterilis designs and commercializes products using its proprietary supercritical carbon dioxide sterilization technology. **NovaSterilis**' technology inactivates a wide range of microbes, including bacterial endospores, and is compatible with sensitive biomaterials such as bone and other musculoskeletal tissue used in transplant medicine, which cannot tolerate existing sterilization methods. Current methods of sterilization have significant limitations with respect to such biomedical applications.

Musculoskeletal conditions encompass more than 150 diseases and syndromes and are the most frequent cause of disability worldwide. Such illnesses are among the most costly to treat, often requiring donor-to-patient bone or soft tissue transplantation, which has fueled the rapid growth of the modern tissue bank industry. However, current methods for sterilizing allograft tissue are imperfect, and often erode the osteogenic and biomechanical properties of the allograft.

"At **NovaSterilis**, we believe that with SBIR funding we can enhance our technology platform for the tissue bank industry so a broader spectrum of allograft products can achieve the highest levels of safety for recipient patients," said **David C. Burns, President and CEO of NovaSterilis**. "The tissue bank industry has continuously searched for a technology that can reduce the risk of infection and improve patient safety."

"The Phase-II funding from NIH will enable **NovaSterilis** to continue to pursue our breakthrough technology in the growing tissue sterilization market," commented **Tony Eisenhut**, Executive Chairman of **NovaSterilis**. "In so doing, our company hopes to greatly reduce the incidence of serious infections and illnesses arising from contaminated tissue."

About NovaSterilis: NovaSterilis, Inc commercializes novel supercritical carbon dioxide-based technologies for the pharmaceutical and biomedical industries. The Company's proprietary technologies, including the NOVA2200™ sterilization system, grew out of the internationally acclaimed research conducted by Professor Robert S. Langer and his team.