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For Immediate Release

Nanospectra Awarded \$1.3 Million NCI Grant for Brain Tumor Application

Grant Funds Development of Particle-Based Ablation Therapy in Primary Brain Tumors

Houston, Texas – August 3, 2010 – Nanospectra Biosciences, Inc. today announced that the National Cancer Institute of the National Institutes of Health has awarded a three-year \$1.3 million grant for the development of a therapy for the nanoparticle-directed ablation of primary brain tumors. The University of Texas MD Anderson Cancer Center is a research partner in the award.

“This award will fund development of our particle-based therapy for primary brain tumors,” stated Jon Schwartz, PhD, co-Principal Investigator of the grant for Nanospectra. “Under previous work funded by the National Science Foundation, we have demonstrated that our intravenously delivered particles will accumulate in a tumor located in the brain of larger animals. Once the tumors were illuminated with a laser, the light-absorbing particles thermally destroyed the tumor in the brain of the animals. This new award will allow us to continue the development work necessary to advance this therapy to a human clinical trial in primary brain tumors.”

Dr. Schwartz of Nanospectra Biosciences and Jason Stafford, PhD, Associate Professor in the Department of Imaging Physics in the Division of Diagnostic Imaging at The University of Texas MD Anderson Cancer Center, are the principal investigators of this NIH R01 award entitled “Nanoparticle-Directed Photothermal Ablation of Primary Brain Tumors Guided by Magnetic Resonance”. The therapy will be monitored by magnetic resonance imaging (MRI) and utilize a real-time MRI temperature feedback system developed by Visualase, Inc. of Houston, Texas.

Each year approximately 20,000 Americans are diagnosed with a cancer originating in the brain, or primary brain cancer. An additional 200,000 Americans develop brain tumors that have metastasized from tumors in other parts of the body. These tumors are difficult to treat, resulting in high mortality rates, and current therapies can have substantial side effects. Nanospectra believes its minimally invasive, particle-based ablation therapy can substantially improve treatment for these patients.

“One objective of this image-guided therapy is to minimize the damage to normal brain tissue adjacent to the tumor,” stated Dr. Stafford of MD Anderson Cancer Center. “The detection, location and treatment of brain tumors in this large animal study will each be monitored by MRI, which offers both precision and flexibility for these applications. We believe this ablation therapy, if successfully developed, can provide a beneficial treatment option for patients with this devastating cancer.”

Nanospectra is currently conducting a pilot clinical trial using this approach, AuroLase® Therapy, for the ablation of recurrent and refractory tumors in the head and neck under an approved Investigational Device Exemption. In that clinical trial, particles are delivered through the blood stream to a tumor and then illuminated with a near-infrared laser to thermally destroy the tumor. As demonstrated in prior animal studies, the tumors can be successfully ablated with minimal damage to adjacent healthy tissue.

This award and the project do not necessarily represent the views of the National Cancer Institute or the National Institutes of Health.

About Nanospectra Biosciences:

Nanospectra Biosciences, Inc. is a Houston-based, privately held, emerging life science company engaged in the commercialization of AuroLase® Therapy, a particle-based therapy for the selective and precise thermal destruction of solid tumors while minimizing damage to healthy adjacent tissue and preserving critical structures. AuroLase Therapy is an investigational medical device currently being evaluated in a clinical study. Nanospectra has an exclusive license to intellectual property developed at Rice University and is the beneficiary of years of collaborative research with scientists at MD Anderson Cancer Center and other institutions.

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