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HemCon Medical Technologies Fights Adverse Patent Decision

Portland, Ore. (April 30, 2010) – HemCon Medical Technologies, Inc., announced today that it will ask a US District Court in New Hampshire to review and reverse a jury verdict based on a patent held by Marine Polymer Technologies, Inc. The jury awarded damages of \$29.4 million against HemCon in the patent case. HemCon will ask the Court to review the validity of the patent and reverse the damage award.

HemCon has also initiated a proceeding to reexamine the validity of the patent through the US Patent Office. In 2009, the company filed a request with the Patent Office to reexamine, and possibly invalidate or limit, Marine Polymer's patent in light of prior publications about chitosan. The Patent Office granted the Request for Reexamination in November 2009. On April 1, 2010, the Patent Office issued a formal first office action, rejecting all claims of Marine Polymer's patent. In this first office action, the Patent Office indicated its willingness to allow the claims of the patent, if Marine Polymer would limit them to micro algae. Marine Polymer's response to the first office action is due June 1, 2010. Statistically, 76% of reexaminations result in cancellation or a change in scope of the reexamined patent.

In 2006, HemCon was named in a lawsuit filed by Marine Polymer, a Connecticut-based medical device company, alleging that HemCon had violated its patent covering a chitosan compound. Marine Polymer holds a patent describing a chitosan compound that is derived only from the sterile culturing of marine micro algae.

HemCon uses a chitosan compound to manufacture highly effective bandages that have been used in battlefield conditions by the U.S. military, among others. HemCon does not use chitosan that is derived from sterile culturing of micro algae, as described in the Marine Polymer patent. Instead, HemCon uses chitosan derived from shells of shrimp caught in the open ocean.

"The jury's decision would allow the patent to cover shrimp-based chitosan compounds that were publicly disclosed by others well before the patent application was filed," said John Morgan, HemCon's President and Chief Executive Officer. "We believe the jury's decision is wrong and will ask the Court to review and reverse it."

"We are encouraged that the Patent Office has found on a preliminary basis that the Marine Polymer patent should be limited to compounds different from those used by HemCon. The changes being proposed by the Patent Office would effectively reverse the jury's decision in the New Hampshire District Court," said Morgan.

HemCon Medical Technologies, Inc. (www.hemcon.com) founded in 2001, develops, manufactures, and markets innovative technologies to control bleeding and infection resulting from trauma or surgery. HemCon products are designed for use by military and civilian first responders as well as medical professionals in hospital, dental and clinical settings where rapid control of bleeding is of critical importance. HemCon is headquartered in Portland, Ore., with additional commercial operations in Ireland, England, Germany and the Czech Republic.

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