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U.S. Army Selects HemCon Medical Technologies as Sole Source Partner to Develop Lyophilized Human Plasma

Civilians To Also Benefit from Life-Saving Research

PORTLAND, Ore. – May 13, 2008 – The U.S. Army has selected HemCon Medical Technologies Inc. as the sole source to develop, test and secure FDA approval for a lyophilized (freeze-dried) human plasma (LHP) product and delivery system. The \$15.4 million multi-year cooperative agreement will support the research and development of the new process. The project is expected to be complete in 2010.

The use of plasma as a resuscitation fluid, according to early U.S. Army studies, has shown to significantly reduce battlefield mortality. In many situations, use of fresh frozen human plasma is limited by storage requirements and the short shelf-life for thawed plasma. As a life-saving measure for coagulopathy, the US Army Medical Research and Materiel Command has identified the LHP initiative as a high priority. The new LHP product and delivery system will offer individual units of single source donor plasma that are safe and easy to carry, reconstitute and administer.

HemCon previously partnered with the U.S. Army to develop the HemCon[®] Bandage. Since 2003, HemCon has produced and distributed the HemCon Bandage and ChitoFlex[®] dressings for the U.S. Army and other military and civilian medical professionals. The chitosan-based hemostatic dressings, manufactured using a proprietary process, are currently included in every U.S. soldier's battlefield first-aid kit. The success of the HemCon Bandage led to improved civilian patient care when the bandage moved to acute care facilities in 2007.

Leveraging a core competency in lyophilization, HemCon plans to do the same with its LHP initiative – improve battlefield *and* civilian care. Success of the LHP process on the battlefield could mean improved care for civilians. Responsible for more than 160,000 deaths annually, the National Trauma Institute reports that trauma is the leading cause of death in the U.S. for individuals ages one to 44. An LHP product and delivery system that is readily available at the point of care could significantly decrease mortality for these patients. Another advantage of LHP is the ability to reconstitute in less than 2 minutes; where waiting 20 minutes for fresh frozen plasma to thaw – may be the difference between life and death.

“This is a crucial initiative, and HemCon is honored to be the choice of the U.S. Army,” said John W. Morgan, president and CEO of HemCon. “Developing a lyophilized human plasma product and delivery system will be a significant evolution for battlefield and civilian trauma care. It’s also an important evolution for HemCon as we expand our presence in global health care markets. As the use of LHP carries into the civilian medical space, I believe we will see increased survival rates in patients treated at smaller hospitals and numerous trauma centers where currently, fresh frozen plasma is not readily available.”

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About HemCon Medical Technologies Inc.

HemCon Medical Technologies Inc., 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 medical professionals in pre hospital, hospital, dental and clinical settings where rapid control of bleeding is of critical importance. The HemCon® Bandage was developed in collaboration with the Oregon Medical Laser Center and Providence St. Vincent's Hospital. HemCon's manufacturing and corporate headquarters are located in Portland, Ore. For more information, please visit www.hemcon.com.

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