

News From



**IMALUX CORPORATION
PRESS ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

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IMALUX AWARDED \$2.3 MILLION RESEARCH GRANT

Cleveland, Ohio, November 5, 2007 – Imalux Corporation (“Imalux”), a medical device company and developer of the Niris™ Imaging System based on Optical Coherence Tomography (“OCT”) technology, today announced the receipt of a Fast-Track research grant from the National Cancer Institute of the National Institutes of Health. The award of up to \$2.3 million is to fund Imalux’s accelerated development of video rate Optical Coherence Tomography for early stage cancer visualization.

The Phase 1 funding of the grant in the amount of \$322,000 is in place for the first year of the project. Assuming satisfactory achievement of the Phase 1 requirements, Fast-Track Phase 2 funding of \$2 million will be available to continue the project for two years.

Bill R. Sanford, Imalux Chairman of the Board and Chief Executive Officer, commented, “We are honored to have been selected by the National Cancer Institute for a highly competitive Fast-Track award. The new funding, combined with our recent successful equity financing, will enable Imalux to accelerate our planned product development activities. Our Niris Imaging System is already being used in a variety of clinical validation studies in over 20 of the world’s most respected medical institutions, principally in the field of urology with emphasis on prostate and bladder procedures. Although our current System has great clinical utility, the image acquisition rate is designed for single point imaging. The objective of the Fast-Track project is to expand the Niris capability to acquire OCT images at a video rate without compromising image quality.”

Dr. Paul Amazeen, Imalux Chief Technology Officer and Fast-Tract Project Principal Investigator, added, “Imalux has made great progress in the development, clinical validation, and commercialization of our proprietary OCT imaging technology. We are excited to be able to accelerate our plan for a video rate OCT imaging system capable of endoscopic applications of uncompromised image quality. We are optimistic that we will achieve our long-term goal of a Video Rate Optical Coherence Tomography System (VR-OCT) for early cancer visualization. This will enable clinicians to scan and survey large organs like the bladder in real time in addition to the Niris current capability to perform point imaging of smaller anatomical areas.”

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Mr. Sanford concluded, “Bladder cancer is the fifth most expensive cancer in the U.S. accounting for over \$5 billion in direct medical costs annually. Because of the prevalence of bladder cancer and its known high rate of recurrence and progression, it is one of our specific target applications that will benefit from the development and commercialization of improved diagnostic and surveillance capabilities.”

About Imalux and the Niris Imaging System

Imalux is a Cleveland-based corporation that is focused on the clinical validation and commercialization of Optical Coherence Tomography technology originally developed at the Institute of Applied Physics of the Russian Academy of Sciences, one of the main progenitors of OCT technology worldwide.

The Company’s Niris Imaging System provides real-time, high spatial resolution, two-dimensional, cross-sectional depth visualization of tissue microstructure. The compact, point-of-care System creates images utilizing harmless near infrared light. The spatial resolution of the System is on the order of 0.01 mm, surpassing conventional ultrasound imaging by an order of magnitude. Niris is currently being used at leading worldwide institutions by clinicians and researchers in numerous clinical validation programs, principally in the field of urology, with emphasis on prostate and bladder procedures.

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