

News From



**IMALUX CORPORATION
PRESS ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

Contact: Thomas F. Barnish, Vice President and Chief Financial Officer
216.502.0755 tbarnish@imalux.com

IMALUX CLOSES SERIES C FUNDING ROUND

Cleveland, OH, September 27, 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 successful closing of its Series C Preferred Shares Offering. Proceeds from the Offering were \$5.1 million, including conversion of \$2.5 million of bridge financing. Lead investors Early Stage Partners, ElectroSonics Medical, Reservoir Venture Partners, and Symark were joined by more than twenty prior and new investors in the financing.

Bill R. Sanford, Chairman of the Board and Chief Executive Officer, commented, “We are pleased with the response from both previous and new investors to the Series C Offering. This financing round came together quickly with a target of \$5 million. The Offering was oversubscribed and closed in August in a little more than sixty days from start to finish. Imalux is now well positioned for the next stage in our business development. Although the Company is not presently seeking additional financing, the Board has authorized the issuance of a further \$2 million under the Series C Offering terms and conditions to qualified strategic and financial investors who can add value to the Company by accelerating the next significant financing or liquidity event.”

Mr. Sanford continued, “The new funding enables the Company to fully implement our well planned clinical validation of the Niris Imaging System. We have successfully placed Niris in over 20 of the world’s most respected medical institutions and have gained the support of leading clinicians and researchers, principally in the field of urology with emphasis on prostate and bladder procedures. We plan to have the System in additional 10-20 significant clinical sites in the U.S. and Europe within the next 12 months. A portion of the new funding will be used to support multi-center studies in bladder cancer that are already being implemented.

“Market awareness and acceptance of OCT technology is expanding rapidly. A number of presentations at clinical conferences and publications in major scientific and medical journals are already scheduled for the next few months. We are also proceeding with Niris product enhancements in cooperation with the prestigious Russian Institute of Applied Physics that will extend the System’s utility and clinical applications.”

Mr. Sanford concluded, “On behalf of the Board of Directors and the Management Team I want to express our appreciation to the prior and new Imalux investors who participated in the Series C Offering. We expect the Company to realize substantial value growth in the next 12-24 months. A number of attractive business expansion and liquidity options have been identified, evaluated, and are being actively addressed.”

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About Imalux & 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. Imalux OCT technology has been under evaluation with physicians in a number of specialty areas and has been evaluated with over 3,000 patients worldwide at leading medical institutions.

Contact information:

Thomas F. Barnish
Vice President and Chief Financial Officer
Imalux Corporation
Phone: 216.502.0755
Email: tbarnish@imalux.com
Website: www.imalux.com