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BÂRRX Medical, Inc. Announces FDA Clearance of the HALO⁹⁰ System for the Treatment of Barrett's Esophagus

Offers Convenient, Out-Patient Treatment for Patients with Precancerous Condition of the Esophagus

DALLAS, TX.—Booth # 425—SAGES Scientific Session and Postgraduate Course—April 26, 2006—BÂRRX Medical, Inc. today announced U.S. Food and Drug Administration (FDA) clearance of the HALO⁹⁰ System for use in the coagulation of sites in the gastrointestinal tract, including the treatment of Barrett's esophagus. Barrett's is a pre-cancerous condition of the esophagus (swallowing tube) often caused by gastroesophageal reflux disease. The HALO⁹⁰ System is designed to be used independently or in conjunction with the commercially available HALO³⁶⁰ System, a balloon-based endoscopic ablation system for treating larger, circumferential areas of Barrett's esophagus. Both products are based on patented technology that carefully controls the amount of energy delivered to the tissue so as to safely and effectively remove the diseased tissue and facilitate the re-growth of new healthy tissue. Together, the products offer physicians a safe and convenient solution for the complete removal of Barrett's esophagus.

Barrett's esophagus affects more than three million Americans. It occurs when chronic exposure to acid from the stomach causes the cells lining the esophagus to break down and undergo genetic changes that can set the stage for cancer. Left untreated, Barrett's can lead to a dangerous type of cancer called esophageal adenocarcinoma, which is currently the fastest rising cancer in the U.S. The most common approach to managing Barrett's today is surveillance, which involves regular endoscopic procedures and tissue sampling, monitoring for disease progression, and drug therapy to control GERD symptoms and prevent acid-related injury to the esophagus. The HALO⁹⁰ and HALO³⁶⁰ Systems enable the physician to remove Barrett's tissue before it has a chance to develop into cancer; akin to the management approach for other pre-malignant conditions, such as colon polyps. The ability to safely and effectively remove Barrett's esophagus may reduce the need for life-long endoscopic surveillance, ease patient anxiety about

living with a precancerous condition, and possibly reduce the number of patients who go on to develop esophageal adenocarcinoma.

More than 80 percent of patients with Barrett's esophagus have short segments of diseased tissue where the esophagus meets the stomach. Featuring a small electrode mounted on the end of an endoscope, the HALO⁹⁰ System is uniquely able to treat these small areas offering a convenient, out-patient option for the complete removal of Barrett's esophagus. Physicians benefit from the flexibility of the HALO⁹⁰ System because its procedural simplicity and lower cost enables its use in the ambulatory surgery center and office-based endoscopy unit, in addition to the hospital-based outpatient endoscopy unit.

At the meeting of the Society of American and Gastrointestinal Endoscopic Surgeons (SAGES) this week in Dallas, Kenneth J. Chang, M.D., Associate Professor of Clinical Medicine, University of California, Irvine, California authored a paper that will present the clinical results of the HALO⁹⁰ System during the Emerging Technology Session. In this presentation entitled, "A Novel Endoscope-Mounted Focal Ablation Device for Barrett's Esophagus," Chang explains that this device is able to ablate to a similar depth as the presently available HALO³⁶⁰ System, yet affords the physician the ability to target smaller and more focused areas of Barrett's tissue. "One immediate need which is met by this device is the treatment of small areas or persistent areas of Barrett's tissue," said Dr. Chang. "This allows physicians the unique opportunity to offer complete removal of diseased tissue to patients suffering from Barrett's esophagus."

"The HALO⁹⁰ System is an exciting development for patients with Barrett's esophagus and for the gastroenterologist and endoscopic surgeon who cares for these patients," stated David S. Utley, M.D., Chief Medical Officer for BÂRRX Medical. "This new device is mounted on the endoscope, allowing a simplified treatment of smaller segments of disease, yet maintaining the ablation depth control demonstrated by the more established HALO³⁶⁰ System."

About BÂRRX Medical, Inc.

BÂRRX Medical, Inc. develops treatment solutions for Barrett's esophagus, a precancerous condition of the lining of the esophagus (swallowing tube) caused by gastroesophageal reflux disease. Its flagship product, the HALO³⁶⁰ System, provides uniform and controlled therapy at a consistent depth, which can remove Barrett's esophagus and allow the regrowth of normal cells. In the largest study conducted, 70 percent of patients were Barrett's-free (at twelve-month follow up). The system used in the clinical trials was cleared by the U.S. Food and Drug Administration in 2001 and has been commercially available since January 2005. Based in Sunnyvale, Calif., BÂRRX Medical, Inc. was founded in 2000 and is privately-held. Additional information about BÂRRX Medical, Inc. and the HALO³⁶⁰ system is available at www.barrx.com.

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