

For Immediate Release

N8 MEDICAL OBTAINS EXCLUSIVE LICENSE FROM BRIGHAM YOUNG UNIVERSITY

Novel technology has potential to provide unprecedented protection against hospital-acquired infections

Columbus, Ohio, October 14, 2010 – N8 Medical LLC, an emerging biomedical technology company, has entered into a license agreement with Brigham Young University for a patented class of compounds known as ceragenins, giving it exclusive worldwide rights to the technology for pharmaceutical and medical device applications excluding ophthalmology applications.

The license forms the basis of N8 Medical's program for the development of ceragenin technology to produce antimicrobial coatings for a wide variety of medical devices including urinary catheters, endotracheal tubes, hemodialysis catheters and orthopedic implants to help prevent hospital acquired infections (HAIs).

Each year, more than 1.7 million Americans acquire infections after being admitted to the hospital, and nearly 100,000 die. In fact, more Americans die from HAIs than from breast and colon cancers combined. Moreover, the Department of Health and Human Services estimates that the direct cost of HAIs to U.S. hospitals annually exceeds \$30 billion. And globally the situation is worse, particularly in the developing world, where rates of HAIs are two to five times higher than in the United States.

"Hospital acquired infections are a leading cause of morbidity and mortality. There is a large unmet need for antimicrobial treated medical devices to help prevent such infections" said David J. Richards, Chief Executive Officer of N8 Medical. "Ceragenin-based coating technology has shown the potential to significantly reduce bacterial contamination of medical devices for clinically relevant timeframes. We believe this will greatly improve patient outcomes and reduce hospital costs. We are excited to have entered into this license agreement with Brigham Young University."

Ceragenins are synthetic small molecule non-peptide compounds that mimic the broad-spectrum antimicrobial activity and other key functions of naturally occurring antimicrobial peptides, which form part of the human body's innate immune system. Bacteria attach to implantable and indwelling devices and form slime-like colonies called biofilms, which are nearly impossible to eradicate with conventional antibiotics. In preclinical testing, ceragenins have been highly effective at preventing bacterial colonization and eradicating pre-existing biofilms. The technology has merited funding from the National Institutes of Health (NIH) for research on the development of ceragenin-based coatings for orthopedic implants.

"We have identified over 30 separate licensing and product development opportunities for the ceragenin technology and we are in active licensing discussions with leading medical device companies for field of use license rights," said Richards. "We also plan to develop several of our own antimicrobial devices with ceragenin-based coatings, as well as ceragenin-based compounds for pharmaceutical applications. This will include the development of an oral drug to treat various gastrointestinal disorders. This is a promising area given the current research efforts funded by a \$2.7 million NIH grant for the development of ceragenins to treat *Clostridium difficile* and *Shigella*."

About N8 Medical

N8 Medical is an emerging biomedical technology company focused on creating innovative medical devices and pharmaceuticals to effectively combat a broad spectrum of infectious diseases and microbes, including those attributable to multidrug resistant bacteria. Our core technology is a new class of patented synthetic antimicrobial compounds that mimic key components of the human innate immune system. These ceragenin compounds exhibit broad activity against harmful microorganisms that lead to infection and, in some cases, death. We are a privately held, private equity-backed entity. For more information about N8 Medical and the ceragenin technology, visit www.n8medical.com.

About Ceragenins

Ceragenins were invented and initially developed in the laboratory of Professor Paul B. Savage, Ph.D. at Brigham Young University. The technology was previously licensed by BYU to Ceragenix Pharmaceuticals. The ceragenin technology has been the subject of more than 30 peer-reviewed journal articles and 26 scientific poster presentations.

To arrange an interview with Carl Genberg, Chief Technology Officer at N8 Medical, please contact him at carlgenberg@n8medical.com.

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