



Healionics Corporation Completes Series B Financing

Redmond, WA, (December 11, 2008)— Healionics Corporation, a provider of tissue regeneration and device bio-integration solutions to healthcare manufacturers, today announced that it has raised \$2.6 million in a Series B financing from private investors. The financing includes funding from several angel networks including Bellingham Angels, Alliance of Angels, Keiretsu, Tacoma Angel Network and Zino Society.

“This financing reflects the great progress Healionics has made over the past year, including doubling the number of research agreements for our STAR® biomaterial and consistently achieving corporate milestones such as scaling up manufacturing processes, accelerating preclinical studies and advancing business development activities,” said Robert Brown, Chief Executive Officer of Healionics. “We are pleased to receive such support in this current economic climate. These funds will enable the company to continue to make significant progress in achieving key milestones, including additional preclinical studies and development of a degradable form of STAR material that will provide further evidence of the efficacy and versatility of STAR biomaterial.”

Healionics closed a Series A financing for \$1.7 million earlier this year. To date, the company has secured 14 commercial research agreements to evaluate STAR biomaterial in multiple market applications including human aesthetics, obesity, diabetes, wound care, and infusion devices. The company recently entered into a multi-million dollar manufacturing, supply and distribution agreement with TR BioSurgical, LLC (TRBIO) for use of STAR biomaterial in a veterinary glaucoma implant, which is planned for limited market launch in Q1 2009.

About Healionics Corporation

Healionics is a privately held biomaterials company whose mission is to be the leading provider of tissue regeneration and device biointegration solutions to healthcare manufacturers. The Company’s flagship STAR - Sphere Templated Angiogenic Regeneration – biomaterial scaffold is a next generation biomaterial scaffold designed to enhance bio-integration and promote healing of implanted medical devices. Healionics Corporation is headquartered in Redmond, Washington. For more information, please visit <http://www.healionics.com>.

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