



FOR IMMEDIATE RELEASE

Healionics Corporation Signs Research Agreements to Advance STAR™ Biomaterial in Diabetes and Wound Care Applications

-- Highlights STAR's potential use in next generation glucose sensors and negative pressure wound therapy --

Redmond, WA, (December 18, 2007)— Healionics Corporation, a provider of tissue regeneration and device biointegration solutions to healthcare manufacturers, today announced the signing of research agreements with two new customers to advance its STAR™ material into market applications in the diabetes and wound care arenas. These agreements leverage the use of Healionics' proprietary STAR Material – Sphere Template Angiogenic Regeneration Material – specifically engineered to enhance biointegration and promote healing.

"We are pleased by the continued recognition of STAR material as a promising new biomaterial meant to improve the performance of current and next generation medical devices. These agreements will help to further prove the technology and provide an opportunity to have STAR used in human clinical trials within a year," said Rob Brown, Chief Executive Officer of Healionics. "We look forward to the continued advancement of STAR, which has been described as the 'Gore-Tex™ of biomaterials' due to its versatility and the number of applications it may improve or enable in the medical arena."

Healionics' agreement with a developer of next generation implantable drug delivery and biosensing devices provides for the evaluation of STAR with a patented, implantable glucose sensor. The goal is to substantially increase the biointegration and functional life of the sensor when used in conjunction with STAR.

Implanted glucose sensors provide the potential to increase therapeutic control, reduce painful interventions and improve health for people with diabetes. According to the World Health Organization at least 170 million people worldwide have diabetes and this figure could more than double by the year 2030.

Healionics' research agreement with a developer in the negative pressure wound therapy (NPWT) market involves the use of STAR material with a novel NPWT device. Healionics will provide STAR material for use as a wound contact material to accelerate the healing process. Following successful preclinical studies, human clinical trials may begin by the end of 2008.

NWPT is used to aid in the healing of chronic wounds including pressure sores, post-operative wounds and diabetic ulcers. NPWT promotes increased healing by applying controlled subatmospheric pressure to the open wound area. The NPWT market is a large and growing market estimated at over \$1 billion worldwide and is reported to be one of the dominant types of adjuvant wound care treatment used in North America with a growing global market.

Healionics' other partners include BioMimetic Tissue Sciences to develop STAR-based ophthalmic devices for the veterinary market, and Strategic Applications Inc. (SAI), to develop STARcuff catheter cuffs designed to reduce the risk of catheter-related infections.

About Healionics Corporation

Healionics is a privately held biomaterials company whose mission is to be the leading partner of tissue regeneration and device biointegration solutions to healthcare manufacturers. Healionics has licensed **STAR Material** – Sphere Templated Angiogenic Regenerative Material – that works with the body to promote healing and enables the biocompatibility of a wide range of medical devices that are implanted into the body. Healionics was voted the Best Technology Investment Opportunity at the Zino Society's 2007 Zillionaire Investment Forum and was recently named "Most Promising New Biotech Firm Startup of 2007" by *Seattle Business Monthly*. Healionics Corporation is headquartered in Redmond, Washington. For more information, please visit <http://www.healionics.com>.

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