

BÂRRX Medical, Inc. Secures \$27.8 Million Series C Venture Funding

Investment to help advance treatment of Barrett's esophagus

Sunnyvale, Calif.—July 20, 2006—BÂRRX Medical, Inc. today announced the close of a \$27.8 million Series C capital investment. Montagu Newhall Associates led the financing, which was joined by existing investors Delphi Ventures, Alloy Ventures, Frazier Healthcare Ventures, Sutter Hill Ventures and others. BÂRRX Medical, Inc. develops treatment solutions for Barrett's esophagus, a precancerous condition of the lining of the esophagus caused by gastroesophageal reflux disease, or GERD.

"We're pleased to receive growth capital from our current active investors and to welcome Montagu Newhall Associates to our team," said Greg Barrett, president and CEO of BÂRRX Medical Inc. "Our technology has the opportunity to alter the manner in which Barrett's esophagus is treated today and in the future. This funding will help BÂRRX Medical respond to increasing demand from physicians and medical centers for the HALO³⁶⁰ and the HALO⁹⁰ Systems. Additionally, it will allow us to establish internal manufacturing operations and facilitate clinical trials investigating expanded use of the HALO System."

The HALO³⁶⁰ System represents a new type of tissue ablation solution. It provides uniform, controlled ablative therapy at a consistent depth to remove diseased esophageal tissue, allowing replacement by normal cells. The HALO⁹⁰ System is uniquely able to treat smaller areas of Barrett's esophagus, offering a convenient, out-patient treatment option. Physicians can use the HALO³⁶⁰ and HALO⁹⁰ Systems, based on the patient needs, to provide a safe, convenient solution for the complete removal of Barrett's esophagus.

Barrett's esophagus occurs when chronic acid reflux disease causes the cells lining the esophagus to transform and undergo genetic changes that can set the stage for cancer development. Barrett's has traditionally been managed with frequent endoscopic biopsy surveillance to detect progression to cancer. However, many physicians have recognized the need to proactively treat Barrett's esophagus, rather than watching and waiting for the potential progression of the disease. Ablation—the use of energy to remove the diseased layer of cells from the esophagus—offers treatment for Barrett's esophagus before it has the opportunity to progress to cancer. New healthy tissue replaces the ablated Barrett's tissue in three to four weeks for most patients.

Ashton Newhall, general partner at Montagu Newhall Associates, said: "We're excited by the opportunity to fund the growth of BÂRRX Medical and believe the company has exceptional potential. Barrett's esophagus is a serious condition and we are eager to be involved in changing the landscape of its treatment."

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, or GERD. 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.