



TORAX MEDICAL, INC. COMPLETES \$10 MILLION SERIES B FINANCING

MINNEAPOLIS - June 28, 2005 - Torax Medical Inc., a clinical stage medical device company, announced today that it has completed a \$10 million Series B round of financing, led by Thomas, McNerney & Partners, Minneapolis, Minn., and Sanderling Ventures, San Mateo, Calif. Mayo Medical Ventures, Rochester, Minn., also participated.

The proceeds will be used to complete pre-clinical testing of Torax Medical's new implant for treating gastroesophageal reflux disease, initiate clinical trials and hire additional personnel.

GERD is commonly known as acid reflux. Chronic acid reflux affects an estimated 20 million people in the U.S. alone. The disease can severely damage the tissue in the esophagus over time leading to esophageal ulcers, a premalignant condition known as Barrett's esophagus, and can potentially lead to cancer. Medical therapy such as antacids and proton pump inhibitors (PPIs) do not stop reflux, they act to reduce the acidity of the reflux, and are a continual and costly treatment. "We believe our proprietary technology has the potential to correct the underlying defect of GERD and help millions of the people who suffer from this disease," said Todd Berg, Torax Medical's co-founder, president and chief executive officer. "Our objective is to provide a measurable cure for this high health-risk condition in a way that is minimally invasive to the patient."

"We believe that Torax Medical has a talented management team, coupled with a promising medical device that has the potential to address a large, unmet healthcare need," said Peter McNerney, managing partner at Thomas, McNerney & Partners. "We look forward to assisting the company through a successful clinical evaluation process in order to bring this new device to market."

In conjunction with the Series B financing round, Torax Medical added Peter McNerney to its board of directors. Existing board members include Timothy Mills, managing director at Sanderling Ventures, and Jeffrey Torborg, investment manager with Mayo Medical Ventures.

Previously, Torax Medical raised a total of \$3.5 million in a Series A financing from Sanderling Ventures and Mayo Medical Ventures.

About Torax Medical, Inc.

Torax Medical Inc., founded in 2002, is a privately owned, clinical stage medical device company headquartered in Maple Grove, Minn. Torax Medical is focused on developing new treatments for digestive diseases, including acid reflux. The company's products are not currently offered for sale in any country.