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News Release

Axya Medical Inc. Announces Completion of \$6.8 Million Financing

Business Editors and Health/Medical Writers

Beverly, MA - February 18, 2005 - Axya Medical, Inc., a privately held medical device firm, announced today that it has completed a \$6.8 million private placement of preferred equity led by The Vertical Group of Summit, New Jersey. The Vertical Group is a venture capital firm that is focused on the fields of medical technology and biotechnology. In addition to the The Vertical Group, other venture capital investors participating in this round are CrossBow Ventures, Sightline Partners, and Prism Venture Partners.

Paul Fenton, President and CEO reported "This financing will support the expansion of our sales and marketing organization, along with signing on of new distributors to fill out territories throughout the US. The funding will also be used for new products being developed for the Axya Shoulder Fixation System for use in arthroscopic shoulder procedures."

Axya has developed an innovative method of utilizing ultrasonic energy to weld polymeric materials used in surgical procedures. Its products have been designed to ultrasonically weld sutures thereby eliminating knot tying by the surgeon, a time consuming and tedious task. These products have received FDA clearance and are applicable in a variety of arthroscopic and laparoscopic surgical procedures including sports medicine, urology, gynecology and general surgery.

Axya's products and technology will be exhibited at the American Academy of Orthopaedic Surgeons Annual Meeting in Washington, DC on February 23 - 25. They will be located in Booth 2761 in Hall A of the Washington Convention Center.