MicroTransponder Closes $2 .2 Million Funding Round to Develop a Wireless Neurostimulation System for Chronic Pain.

Announces hiring of CTO- former Dir. of Engineering at Cyberonics and CSO -former Chief Scientist at Advanced Bionics.

DALLAS, Texas – March 31, 2009 – MicroTransponder Inc., a privately held medical device company, announced today that it has closed a $2.2M Series A round of funding, which brings the total investment to over $4.85M in the last 11 months. MicroTransponder is developing a wireless neurostimulation system for the treatment of chronic pain and several other neurological indications. The minimally invasive system will provide relief from chronic pain without requiring an implanted battery or wires. Patients experiencing chronic pain will have an effective treatment using a significantly smaller and less invasive device. Over 30 Million Americans report severe chronic pain symptoms and the market for neurostimulation is currently $1.4 Billion annually. In addition to private funding, MicroTransponder has received an award from the Texas Emerging Technology Fund and three separate NIH SBIR grants, providing independent scientific validation of the technology.

"The Series A funding will allow us to develop our wireless platform and conduct pilot trials by the end of 2009," stated Will Rosellini, President and Chief Executive Officer. "With the recent addition of Scott Armstrong, former Director of Engineering at Cyberonics, Paul McArthur PhD, former Chief Scientist of Advanced Bionics, and Navzer Engineer, MD, PhD; we now have a world class neurostimulation team." Rosellini added, "Neurostimulation is clearly a core growth platform for the next 5-10 years at larger medical device companies, as indicated by the high level of interest to date." MicroTransponder anticipates raising another financing round in Q4 of 2009 and will evaluate Strategic, VC, and Angel investment options depending on the success of its robust NIH grant program and the additional funding required.

MicroTransponder is developing the wireless stimulation technology at the University of Texas at Dallas, where it was invented by Lawrence Cauller, PhD. MicroTransponder is also developing a pipeline of innovation with Michael Kilgard, PhD, focusing on wireless Vagus Nerve Stimulation to generate targeted neural plasticity in the brain.

Management Team

Will Rosellini, President and CEO, leads a talented team of neuroscientists, engineers, and medical device executives with over 100 years of combined medical device development experience. Rosellini, a former professional baseball player, currently holds an MBA, JD, MS in Computational Biology, MS in Neuroscience, MS in Accounting, MS of Regulatory Science and is finishing a PhD in Neuroscience. Rosellini previously founded and sold a telemedical company, Texas Onsite Dental.

Chief Technology Officer Scott Armstrong spent 6 years as the Director of Electrical Design Engineering at Cyberonics, managing the development of several Class III neurostimulation systems with over 30 new platform features. Armstrong brings over 15 years of medical device experience to MicroTransponder, including time spent as Director of R&D at Dentsply International and engineer at St. Jude Medical. Scott holds a MS & BS in Electrical Engineering and holds 2 medical device patents.

Chief Scientific Officer Paul McArthur, PhD, was the former Chief Scientist for Advanced Bionics and directed the BION 3 project. McArthur has extensive experience with implantable circuit design and holds a PhD in Medical Physics from King's College.

Chief Medical Officer Dr. Richard Weiner is a pioneer in the development of peripheral nerve stimulation techniques. Dr. Weiner has served 2 terms as the Chief of Neurosurgery at Presbyterian Hospital in Dallas and is a clinical associate professor at UT Southwestern.

About MicroTransponder, Inc.

MicroTransponder (www.microtransponder.com) is developing a wireless neurostimulation system for the treatment of chronic pain and several other neurological indications. The minimally invasive device will provide relief from chronic pain without requiring an implanted battery or wires. The Company is finishing R&D on the device and accumulating data toward FDA clearance. MicroTransponder is also adapting our system for Vagus Nerve Stimulation to create a pipeline of innovative treatments for other neurological indications, including stroke rehabilitation, tinnitus, and autism.

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