



Nanospectra Biosciences, Inc.

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For Immediate Release

Nanospectra Commences Its First Human Trial of AuroLase™ Therapy

Particle-Based Ablation Therapy Evaluated in Head and Neck Cancers

Houston, Texas – July 1, 2008 – Nanospectra Biosciences, Inc. today announced that it has commenced a human pilot trial of its AuroLase™ Therapy in refractory and/or recurrent head and neck cancers. The Company's open Investigational Device Exemption allows for the enrollment of up to 15 patients at up to four hospital sites in the United States.

“This is our ‘first-in-human’ study of this novel therapy,” stated J. Donald Payne, President and CEO of Nanospectra. “We believe a principal benefit of this approach may be highly selective and rapid tumor destruction with minimal damage to surrounding tissue and no systemic toxicity. This pilot human trial is designed to establish a safety profile for our therapy and to determine the optimal treatment parameters in humans. The results of this study will allow us to design a subsequent, larger study that would be necessary for FDA approval. In addition, the safety data from this trial can be used to initiate subsequent investigational trials in other types of cancer.”

AuroLase Therapy is designed to thermally destroy solid tumors using particles activated by a near-infrared laser. These AuroShell™ particles are injected into the blood stream of the patient and allowed to accumulate in solid tumors through the leaky blood vessels related to the tumor's rapid growth. Following this accumulation in the tumor, the area is illuminated with a laser that emits near-infrared light, a wavelength that has significant penetration through human tissue. The particles are designed to absorb this wavelength, converting the absorbed light into heat to thermally destroy the solid tumor.

Three sites are currently participating in the trial: The University of Texas Health Science Center at San Antonio; The University of Texas Southwestern Medical Center in Dallas; and Baylor College of Medicine. The study is limited to patients who have recurrent disease or who have failed other therapies for soft-tissue tumors of the head and neck. In addition, there are specific eligibility requirements related to the health and condition of the patient.

About Nanospectra Biosciences:

Nanospectra Biosciences, Inc. is a privately held, emerging life science company engaged in the commercialization of AuroLase™ Therapy, a particle-based therapy for the selective and precise thermal destruction of solid tumors while minimizing damage to healthy adjacent tissue and preserving critical structures. AuroLase Therapy is an investigational medical device currently being evaluated in a clinical study. Based in Houston, Texas, the Company was founded on intellectual property from Rice University and collaborative research with scientists at MD Anderson Cancer Center.

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