



Nanospectra Biosciences, Inc.

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For Immediate Release

**Nanospectra Awarded SAIC Contract for Toxicity Studies of Gold Nanorods
\$247,000 Grant Funds Investigation of Safety of New Class of Materials**

Houston – November 3, 2008 – Nanospectra Biosciences, Inc. today announced that it has received a \$247,000 contract from SAIC, a contractor for the National Cancer Institute, to perform toxicity testing of gold nanorods, a near-infrared absorbing nanoparticle with potential applications in cancer therapy. These particles are distinct from AuroShell™ Particles, which are being investigated in a clinical trial in refractory and recurrent head and neck cancer.

“We have a broad expertise in the manufacturing and commercialization of nanoparticles for cancer therapy,” stated J. Donald Payne, President and CEO of Nanospectra Biosciences. “The expertise we developed in performing the preclinical safety and efficacy testing for the Investigational Device Exemption for AuroLase Therapy provides a model for the evaluation of other materials. As with other types of materials, we previously conducted animal studies using gold nanorods, and the results were very interesting. Under this SAIC contract, we will perform significant safety testing of gold nanorods to complement our other work.”

Gold nanorods are rod-shaped nanoparticles composed of gold. The rod shape provides the ability to interact with certain wavelengths of light that hit the rod in a specific orientation, allowing the absorption of near-infrared light. Human tissue is minimally absorptive in the near infrared, allowing the nanorod to be used to absorb laser energy and heat tissue.

“Gold nanorods have very interesting optical properties, but there is little publicly available safety data,” stated Dr. Glenn Goodrich, Director of Process Development and Chemistry for Nanospectra. “When we evaluate commercial opportunities, we try to answer all the important questions – can we make the material at a commercial scale, is it safe for its intended use, and will it work. This contract from SAIC will help answer the safety question.”

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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