

FOUNTAINHEAD CAPITAL PARTNERS

Providing Advice and Funding Solutions for Growth Companies

FOUNTAINHEAD ADVISEE COMPANY RAISES ADDITIONAL FUNDING

NovaRay Medical, Inc., which Fountainhead advised in a \$10 million fundraising in December 2007, raises an additional \$5 million – September 5, 2008

NovaRay Medical, Inc. (“NovaRay” or “the Company”), a Delaware corporation based in Newark, California is a developer of innovative digital x-ray technology for medical imaging. The Company’s proprietary technology enables real-time, low-dose tomographic imaging for a variety of clinical applications.

On September 5th 2008, the Company raised an additional \$5 million from Vision Capital Advisors, LLC following an earlier December 2007 funding of \$10 million. This brings the total funding to approximately \$90m that has been invested in the development of NovaRay’s technology and product.

NovaRay’s first product, which has received 510(k) marketing clearance from the U.S. Food and Drug Administration (FDA), addresses the cardiac catheterization market. The Company’s proprietary technology provides for enhanced image quality, real-time multi-slice tomography, reduction in radiation exposure for physicians and patients, and open patient access. These advantages especially benefit the image-guided, minimally invasive cardiac procedures that are rapidly growing in number and that are among the most profitable procedures for U.S. hospitals.

Fountainhead is a shareholder in and financial adviser to NovaRay.

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About Fountainhead Capital Partners

Fountainhead Capital Partners Limited is an investment group based in Jersey, Channel Islands with partners based in the US and Europe. We invest in and raise funds for businesses that have a demonstrable growth story or niche market position. In the last two years we have been involved in 13 transactions raising over \$180 million.

Fountainhead generally invests through an Alternative Public Offering structure that combines a reverse merger with an OTCBB Public Vehicle controlled by Fountainhead and a simultaneous PIPE funding. Recent transactions we have been involved in include: China New Energy, a reverse merger and subsequent \$9m funding for a Chinese vertically integrated natural gas company; Arno Therapeutics, a \$20m funding for a clinical stage oncology company; Sino Shipping, a reverse merger to create a Chinese shipping group; Nile Therapeutics, a \$20m funding for a clinical stage biopharmaceutical company developing innovative product for the treatment of cardiovascular disease

Fountainhead’s role has varied from originator of the opportunity, investing in and raising capital (both in partnership with an investment bank and on our own), to purely providing the public vehicle for the transaction.

Actions speak louder than words so please contact us should you have a growth company that needs assistance in achieving its goals.