

Osprey's Limb Recovery System Presented at Major Medical Conference

Minnesota, United States and Melbourne, Australia – April 10, 2014 – Osprey Medical Inc. (ASX: OSP) today announced that results of the Limb Recovery™ System pilot study were presented at the Diabetic Foot Global Conference (DFCON), March 20-22, 2014 in Los Angeles. The study's primary investigator, Associate Professor Paul Wraight, presented a scientific poster that summarized the results of the pilot safety study of percutaneous isolated limb perfusion of the infected diabetic foot. Results showed that targeted delivery of antibiotics to the lower limb is both safe and achievable. Additionally, the therapy was shown to achieve significant reductions in bacterial levels in patients with diabetes suffering from life or limb threatening foot infections. DFCON is the premier international diabetic foot medical conference in North America.

Associate Professor Paul Wraight stated: "Our early clinical results are very encouraging as the system has been shown to significantly reduce bacterial load in patients with advanced foot infections. In fact, one of our study patients had been scheduled for amputation prior to being enrolled in the pilot trial but this was cancelled given the excellent improvement in infection as a result of percutaneous isolated limb perfusion. Obviously, this is anecdotal evidence from a small pilot trial; but it provides optimism for our larger, randomized, efficacy trial." Osprey reported in its March Investor Newsletter that enrolment in the 20-patient randomized efficacy trial was halfway complete. The study will evaluate the effectiveness of the technology compared to standard dose intravenous antibiotic delivery, and is expected to be completed by year end.

About Diabetic Limb Infections

Diabetes is a growing national epidemic in many developed countries. Research shows that approximately 8% of the US and Australian populations have diabetes.^{i,ii} Diabetes related foot pathology is the most frequent cause of hospitalisations, with at least 15% of all hospital admissionsⁱⁱⁱ and includes conditions such as foot ulcers, infections, and gangrene. The combination of difficult to treat infection with poor wound healing and poor blood supply can lead to significant patient complications including lower limb amputations. It is estimated that there are more than 100,000 lower limb amputations annually in the US.^{iv,v}

About the Victorian Government's Market Validation Program (Australia)

Osprey Medical's clinical study for its Limb Recovery System, conducted at The Royal Melbourne Hospital, has received funding through the Victorian Government's Market Validation Program, which seeks to engage with both government and business to promote innovation.

About The Royal Melbourne Hospital

The Royal Melbourne Hospital is one of Australia's pre-eminent hospitals. It provides world-leading clinical care, extensive surgical and medical expertise and outstanding research, built on its foundation as a university teaching hospital. The Royal Melbourne Hospital provides the full range of tertiary/quaternary level medical and surgical services including cardiac, neuroscience, oncology and trauma services as well as sub-acute care, aged care, rehabilitation, ambulatory care, and residential and community services. The Royal Melbourne Hospital is a privileged member of Melbourne's world-leading Parkville Precinct, and enjoys strong relationships with many of the city's major universities and research institutes. Through these partnerships, The Royal Melbourne Hospital is committed to improving patient care through translating research outcomes into clinical practice.

About Osprey Medical

Osprey Medical's core technologies originated from research conducted by Dr David Kaye at Melbourne's Baker IDI Heart and Diabetes Institute. Osprey is focused on improving patients' quality of life by protecting those with chronic kidney disease from contrast induced nephropathy (CIN) and preventing limb amputation in diabetic patients with advanced foot infections. The Company's primary product, the AVERT™ System, is designed to reduce the amount of dye (contrast) injected during commonly performed heart procedures, thus protecting kidneys from damaged known as contrast induced nephropathy (CIN).

Osprey Medical's Board and Management are comprised of experienced and successful personnel with established track records covering medical device development, regulatory approvals, sales and marketing, and mergers-acquisitions. Osprey Medical's advisory board comprises world-recognised experts in heart and kidney diseases.

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ⁱ Centers for Disease Control and Prevention. National diabetes fact sheet: national estimates and general information on diabetes and prediabetes in the United States, 2011. Centers for Disease Control and Prevention.

ⁱⁱ Dunstan DW, et al. The rising prevalence of diabetes and impaired glucose tolerance: The Australian Diabetes, Obesity and Lifestyle Study. *Diabetes Care*. 2002 May;25(5):829-34.

ⁱⁱⁱ Hill SL, et al. The effects of peripheral vascular disease with osteomyelitis in diabetic foot. *American Journal of Surgery*. 1999. 177:282-6.

^{iv} Michael J McCarthy, Lower-Leg Amputations are Increasing. *Wall Street Journal Article*, February 23, 2005.

^v The Australian Orthotic Prosthetic Association Inc. (www.aopa.org.au)