Osprey Medical Enrolls First Patient in the AVERT IDE Clinical Study

Minnesota, United States and Melbourne, Australia – January 7, 2014 – Osprey Medical Inc. (ASX: OSP) today announced enrollment of the first patient in the AVERT IDE Clinical Study. The patient was enrolled at Harbor UCLA Medical Center in Torrance, California by Dr William French. This trial will evaluate the Company's AVERT™ System for a marketing claim expansion to include "*reduction of Contrast Induced Nephropathy (CIN)"* for patients undergoing angiogram or stenting procedures.

The randomized, multi-center, IDE trial will be enrolling approximately 700 patients at up to 45 sites in the U.S., Canada, Europe, Australia, and New Zealand. In addition to evaluating the effectiveness of the AVERT System for CIN reduction, the trial will include a health economics sub-study to evaluate the potential benefits for patients, hospitals, and payers.

Study Investigator at Harbor UCLA, Dr William French, stated: "We are excited to be involved in the AVERT Study to evaluate the reduction of contrast used in our interventional cardiology procedures and to protect the kidneys of patients at risk for CIN". Mike McCormick, President and CEO of Osprey Medical, commented: "The enrollment of our first patient into the AVERT Trial is a significant corporate milestone for us. We anticipate the pace of site activation and patient enrollment will accelerate throughout 2014."

Further information is available at www.ospreymed.com on the "Clinical" page.

Further information:

About the AVERT™ System

The Avert System consists of a re-usable contrast modulator with easy to adjust settings. A disposable modulation reservoir easily loads into the contrast modulator unit and attaches to commonly used manual injection systems used by interventional cardiologists during heart procedures.

About the AVERT Trial

The aim of the trial is to support expansion of the AVERT System's marketing claim to include "*reduction of contrast induced nephropathy (CIN)*". Patients who are at-risk for CIN with pre-existing stage 3-4 chronic kidney disease undergoing a heart procedure such as angioplasty and stenting may be eligible to participate in the trial. The trial will enroll approximately 700 patients at up to 45 sites in the U.S., Europe, Canada, Australia, and New Zealand. The Company is aiming to complete enrollment, submit for and obtain FDA clearance for the expanded claim in the first half of 2015.

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 Limb Recovery™ System is a percutaneous technology that allows physicians to deliver targeted doses of antibiotics to the lower limb in patients with diabetes suffering from advanced foot infections.

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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