



NEWS RELEASE

For Immediate Release

KAI MEDICAL WINS CONTRACT TO DEVELOP SLEEP DISORDER MONITOR

HONOLULU, HAWAII, May 20, 2010 -- Kai Medical, an award-winning developer of wireless, non-contact vital signs measurement and monitoring products, today announced that it has won a U.S. Army SBIR Phase I contract to leverage its ground-breaking technology to develop an innovative wireless sleep monitor. This new product would leverage and build upon the Kai Spot, which last year received U.S. Food and Drug Administration (FDA) 510(k) clearance. The SBIR could lead to a product that would aid in the assessment of sleep disorders, including those associated with post traumatic stress disorder (PTSD) and traumatic brain injury (TBI).

A significant percentage of warfighters returning from combat zones suffer from severe psychological disorders and sleep disturbances. These disorders have some of the most treatment-resistant symptoms and can lead to drug and alcohol abuse, and even suicide. Identification of affected or at-risk warfighters is key to successful early intervention and treatment.

Kai Medical will use the \$100,000 U.S. Army contract to develop a new product, based upon the Company's proven technology. This new product would provide sleep quality data that could be used to identify affected or at-risk subjects, and to monitor changes during treatment.

"Accurate detection of sleep disorders is critical to an individual's physical and mental health," said Kai Medical CEO Dustin Shindo. "Our proprietary approach and proven product platform should enable Kai Medical to deliver a solution to the U.S. Army that helps to detect the presence of sleep disorders or PTSD."

Kai Medical will own all intellectual property generated from the U.S. Army project and potentially add the new product to its future line of Kai Medical wireless, non-contact respiration products.

About Kai Medical, Inc.

Headquartered in Honolulu, Hawaii, Kai Medical develops medical devices designed to measure and monitor vital signs wirelessly, with no contact, and from a distance. Kai Medical's first product, the Kai Medical Non-Contact Respiratory Rate Spot Check, also called the Kai Spot, is the first and only non-contact respiratory measurement device to receive U.S. Food and Drug Administration (FDA) 510(k) clearance.

For more information, see www.KaiMedical.com.

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