

Velico Medical, Inc.

News Release

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Velico Medical Completes OrbiMed Financing

Sells Rights to Receive Royalties to Major Institutional Investor

Beverly, Massachusetts, September 14, 2010 – Velico Medical, Inc. announced that it has sold to OrbiMed Advisors, LLC certain royalty rights Velico Medical has under an exclusive license agreement with a large biosurgical products company. Velico Medical retains all rights to use its technologies in its own business, the development of products for transfusion medicine.

Douglas L. Clibourn, President and Chief Executive Officer of Velico Medical, said “We are pleased to have established a relationship with an investor of OrbiMed’s caliber. This transaction validates the strategic value of our technology in the marketplace.” Velico Medical’s Chief Financial Officer, Tom Fitzgerald, added, “The funding obtained through the OrbiMed transaction enables us to continue to advance our product-candidates toward commercialization.”

Legend Merchant Group, LLC served as financial advisor to Velico on the transaction.

About Velico Medical, Inc.

Velico Medical, Inc. is a clinical-stage company developing proprietary technologies intended to make blood transfusions safer, more effective and less costly. The Company’s leading product-candidate is a technology to enable the spray drying of plasma to improve its availability and eliminate costs related to frozen plasma, the current standard of care. Unlike frozen plasma, spray dried plasma may be stored in a wide range of environments without freezers or refrigerators, will be available for use by first responders at the initial point of care, and may be transfused in minutes without the 30-45 minute delay associated with thawing frozen plasma.

Separately, Velico Medical is developing a technology based on a joint invention with Boston’s Brigham and Women’s Hospital that allows platelets to be stored under refrigeration rather than at room temperature, the current practice. Platelets stored at room temperature carry a high risk of bacterial contamination, and thus may be stored generally for no more than five days. Refrigerated platelets will have a longer shelf life and little risk of bacterial contamination.

Velico Medical has built an international patent portfolio comprising 41 patents and patent applications.

About OrbiMed Advisors, LLC

OrbiMed is the largest investment firm dedicated exclusively to the life sciences sector, with approximately \$5 billion in assets under management. OrbiMed invests across the entire spectrum of pharmaceutical, biotechnology and medical device companies on a worldwide basis. Investments are made through venture capital funds, hedge funds, and other investment vehicles.

Since inception of its venture capital activities in 1993, OrbiMed has partnered with over 100 companies across a wide range of therapeutic categories and stages of development. OrbiMed's global investment team includes 40 experienced professionals with offices in New York City, San Francisco, Shanghai and Mumbai. OrbiMed is a capital provider of choice, bringing the global resources required to be an exceptional long term partner for building world-class biopharmaceutical and medical technology companies. For more information, please visit www.OrbiMed.com.

About Legend Merchant Group, Inc.

Legend Merchant Group, Inc. is a diversified financial services firm headquartered in New York, NY, with offices in San Francisco, CA. The firm provides institutional, corporate and high net worth clients a wide range of advisory services, including investment banking, merchant banking, brokerage and asset management. Legend focuses on businesses and industries where its professionals bring together their capital markets expertise, investment banking backgrounds and substantial operating experience. Legend's team combines these elements into relationships geared toward long-term growth and capital appreciation. Legend Merchant Group is an NASD Broker-Dealer, SEC-Registered Investment Advisor, and a member of the National Futures Association, the NYSE Arca and SIPC.

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