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**HemCon Medical Technologies, Inc. Announces Promising Results from Nail
Anti-Fungal Study**

Wound Care Innovator Enters Robust Fungal Care Market

PORTLAND, Ore. – Oct. 14, 2008 – HemCon Medical Technologies today announced the completion of two independent studies on its topical treatment of Onychomycosis, a common fungal nail infection. The studies were conducted with a formulation based on HemCon’s newest proprietary platform technology that provides a controlled release broad spectrum antifungal and antibacterial agent to fight infection.

Independent testing of HemCon’s topical formulation for the treatment of Onychomycosis was analyzed by MedPharm Ltd. using their industry-leading TurChub® test system. This system tests the penetration of human nails by the test substance and subsequent killing of the fungal infection underneath.

HemCon’s formulation was evaluated against two market leading Onychomycosis treatments. The HemCon formulation successfully penetrated the nail and killed the infection to a significantly greater extent than the other treatments. In a second, human-based study, safety results indicated that no skin irritation was seen from the topical formulations of HemCon’s Onychomycosis treatment.

Fungal nail infections affect tens of millions of people in the U.S. and the global market size for its treatment products is estimated at approximately US\$4 billion. It is believed that 6-8 percent of all adults will acquire a fungal nail infection, and Onychomycosis is responsible for nearly 50 percent of reported cases.

“These studies confirm the exceptional promise of our new treatment, which has the potential to offer effective relief for the 40 million Americans afflicted with fungal nail infections,” said John W. Morgan, CEO of HemCon. “As HemCon continues to pioneer new products that promote safe, effective healing, our solutions will also positively impact high demand markets like fungal treatment. These impressive test results will allow us to further develop products based on this new platform and offer them on a global scale.”

About HemCon Medical Technologies Inc.

HemCon Medical Technologies Inc., is a leading global developer of advanced medical products designed to improve the standard of patient care. The company is responsible for developing the chitosan-based HemCon dressing used by thousands of military and civilian first responders and is changing wound care best practices in hospital, dental and clinical settings. In addition, HemCon is leading the charge to develop and license unique, life-saving medical advances including Lyophilized Human Plasma and Nanospider™ technologies. HemCon is headquartered in Portland, Ore., with additional commercial operations in Ireland; England; Germany and the Czech Republic. For more information, please visit www.hemcon.com.

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