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FOR IMMEDIATE RELEASE

THERANOX RAISES \$14M TO DEVELOP GASEOUS NITRIC OXIDE FOR THE TREATMENT OF CHRONIC WOUNDS

Venture Funds lead investment in new Pennsylvania biopharmaceutical company to leverage seminal patent estate

Philadelphia, Pa., April 10, 2006 - Theranox, Inc., a Philadelphia area company dedicated to exploring medical applications of topically applied gaseous Nitric Oxide (gNO), today announced that it has raised over \$14 million in Series A financing. The financing was led by Quaker BioVentures and NewSpring Capital, both Philadelphia-area venture capital firms with significant health care investment experience.

Theranox plans to use the financing to fund clinical trials and commercialize the use of gaseous Nitric Oxide for the treatment of chronic wounds such as Diabetic Ulcers and Venous Stasis Ulcers, as well as for other topical applications such as the treatment of post-surgical infections. The key patent portfolio for the topical use of gaseous Nitric Oxide was licensed from VIASYS Healthcare Inc. (NYSE:VAS) of Conshohocken, PA. VIASYS determined that the optimal path for exploring the full potential of the patent estate was a new, focused, externally funded enterprise.

“Nitric Oxide has well-known anti-infective and anti-inflammatory properties as well as effects on cell populations naturally important in the wound healing process,” says Frank J. McCaney, President and CEO of Theranox. “We believe gNO will be of great assistance to those who suffer from chronic non-healing wounds.”

Pulmonox Medical Inc., a Canadian company that has completed considerable scientific and clinical work on the effects of gNO, will perform pre-clinical work, design the gas delivery devices, and assist in clinical trials. Both VIASYS and Virtucon Inc., a company owned by investors in Pulmonox, participated in the financing.

“Nitric Oxide is one of the most exciting molecular entities in medicine today,” stated Dr. Matt Rieke, Partner at Quaker BioVentures. “Several reports have stated that drugs containing Nitric Oxide, or that have NO as an active metabolite, were responsible for billions of dollars in sales in 2005. Gaseous NO has a number of potentially interesting applications, although our primary initial interest is in chronic wounds.”

“The exclusive world-wide licensing of these seminal patents for the use of topically applied gNO gives Theranox the potential to develop into a market leader that can serve the four million Americans affected with these wounds and bring relief to millions more throughout the world,” added Zev Scherl, Partner at NewSpring Capital.

About Theranox

Theranox, Inc. is a venture-backed biopharmaceutical company dedicated to exploring medical applications of topically applied gaseous Nitric Oxide (gNO). Theranox will conduct clinical trials and commercialize gNO for the treatment of non-healing chronic wounds and for the treatment of other topical medical problems such as post-surgical infections.

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