



Contacts: Don Stull, CEO
806-722-2027
dstull@cardiarc.com
Kerry Dustin
Falls River Group
239-649-4222
kcd@fallsrivergroup.com

CardiArc, Ltd. Opens \$4 Million Round of Financing FDA-approved heart scanner headed to manufacturing

LUBBOCK, Texas – July 31, 2006 – CardiArc, Inc. today announced it has opened a final round of financing which will raise \$4 million to expand company operations and begin manufacturing its FDA-approved heart imaging system this fall. The company is currently in discussion with several potential manufacturers and will award a contract soon.

The CardiArc[®] SPECT Imaging System provides images of heart blood flow with up to 3 times the sharpness of other SPECT systems and up to 20 times more quickly. It is as small as an executive chair. The device has no visible moving parts. To maximize comfort, patients sit upright, without rotating or holding arms over their heads. Scan times are very fast, in as little as 2 minutes or less, at physician discretion.

The CardiArc SPECT device has been specifically designed for use in outpatient settings and emergency rooms. It can pass through a standard 30-inch wide doorway, can be used in a 6- by 7-foot exam room, requires no room modifications for installation or operation and uses U.S. or European standard voltage. Power consumption is less than 350 watts. CardiArc is currently taking orders for the new camera.

SPECT is a standard, noninvasive diagnostic imaging procedure performed and widely available in most hospitals and some outpatient clinics. It creates very accurate, three-dimensional images of blood flow and function of a major organ, such as the heart or brain. Radiation from a short-lived radionuclide (tracer) which has been injected into the body is detected by a scanner, which takes a number of images from different angles, similar to a CAT scan but with much less radiation exposure to the patient. SPECT is highly accurate in detecting coronary artery disease. It is the fastest growing segment in nuclear medicine, with more than 19.7 million procedures performed last year.

About CardiArc, Ltd.

CardiArc (www.cardiarc.com) is a medical device company founded in 2000 by internationally recognized nuclear physician and inventor Jack Juni, MD, FACNP, to develop and bring to market superior SPECT imaging systems. The company has 30 patents issued or pending. Its highly accomplished management team includes Don Stull, PE, MBA, CEO; John P. Heinrich, Ph.D., COO; David M. Joseph, MD, president & chief medical officer, and a world-class medical advisory board. CardiArc, with offices in Texas and Michigan, fields a 7-person, highly experienced sales team.

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