



Rheonix Receives Additional Funding from U.S. National Science Foundation and NYSERDA to Develop a Recreational Water Test

Ithaca, N.Y. — Tuesday, January 19, 2010 — Rheonix, Inc. today announced the receipt of a National Science Foundation (NSF) Small Business Innovation Research Phase IB grant. The award decision recognizes the substantial progress made by Rheonix during the NSF-funded Phase I program to develop a rapid biosensor to monitor recreational water safety and the Company's ability to attract significant funding from the New York State Energy Research and Development Authority (NYSERDA) to continue its work.

Richard Montagna, Ph.D., Senior Vice President for Scientific Affairs and the project's Principal Investigator, stated that "although one of our original goals was to develop a rapid biosensor that would permit the U.S. EPA to fulfill a court order to achieve same-day results in the evaluation of recreational water safety, we are extremely pleased that we have also successfully developed a powerful PCR-based method to distinguish viable from nonviable organisms. Not only will this capability provide valuable information about microbes found in recreational water but, in a broader sense, it will also have important implications for the diagnosis of human infectious diseases."

Tony Eisenhut, Rheonix President and CEO, added that the Company intends to pursue the NSF Phase II program and its follow-on Phase IIB, which will require establishing a strategic, corporate partnership to market the biosensor to the recreational water industry. "The NSF is focused heavily on the commercialization of innovative ideas emerging from their SBIR program," said Eisenhut. "Rheonix is currently seeking the appropriate partner to successfully position our biosensor product in the commercial marketplace."

The Company's fully automated CARD™ diagnostic platform serves as the basis for the recreational water sensor and has applications in a broad spectrum of markets including human and veterinary *in vitro* diagnostics, biopharmaceutical manufacturing, food and beverage manufacturing, food/water safety testing, and homeland security/defense applications.

The National Science Foundation (NSF) is an independent Federal agency created by the National Science Foundation Act of 1950. The Act states the purpose of the NSF is "to promote the progress of science; [and] to advance the national health, prosperity, and welfare by supporting research and education in all fields of science and engineering."

The New York State Energy Research and Development Authority (NYSERDA) was established by law in 1975 as a public benefit corporation. NYSERDA provides energy-related technical and financial packaging assistance to businesses and institutions to promote energy efficiency and economic development, as well as providing energy research and development programs that promote safe and economical energy production efficiency technologies in New York State. NYSERDA also analyzes

the effect of New York's energy, regulatory, and environmental policies on the State's business, institutional, and residential energy consumers.

About Rheonix, Inc.

Rheonix, Inc. pioneers the commercial production of integrated microfluidic systems. Its unique polymer chip microfluidic technology has produced a wide variety of fluid-handling devices that include channels, pumps, reaction vessels, analytical chambers, and combinations thereof. These devices enable the manipulation of chemical and biological fluids, and, for the first time, the manufacture of low-cost, high-volume, widely-adoptable microfluidic products.

The versatility and scope of Rheonix's technology is well demonstrated in the field of molecular diagnostics. Rheonix has designed and fabricated on a single polymer CARD™ all of the steps required to take a raw biological sample through cell lysis, nucleic acid extraction and purification, molecular amplification, and endpoint analysis.

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