Press Release

For Immediate Release

Contact:
info@siestamedical.com
(408) 320-9424

Siesta Medical Receives 510(k) Clearance for Encore™ System to treat Obstructive Sleep Apnea

Los Gatos, CA (September 12, 2011) – Siesta Medical, Inc. (Private), a developer of minimally invasive surgical solutions for obstructive sleep apnea (OSA), announced today that it has received FDA 510(k) clearance for its Encore™ Tongue Suspension System for the treatment of obstructive sleep apnea.

Obstructive Sleep Apnea

Obstructive sleep apnea (OSA) is a major heath problem in the United States. An estimated 15 million people in United States have moderate to severe OSA (Canaccord Adams, *Daily* Letter, June 21, 2007), which is characterized by frequent awakening during sleep, heavy snoring and daytime sleepiness. If left untreated, OSA has been implicated in the increased risk for cardiovascular disease, including hypertension and heart failure. Despite its prevalence and role as a cardiovascular risk factor, OSA remains largely under diagnosed.

The first line and most common treatment for OSA is continuous positive airway pressure (CPAP) treatment, utilized by an estimated 3 million Americans. While effective, CPAP is difficult for patients to use.

Surgical therapy for OSA is less common than CPAP therapy. Although there are approximately 1 million new diagnoses of OSA in the U.S. each year, there are only approximately 100,000 surgical treatments for OSA performed annually. Surgery is less prevalent as most current procedures are not highly effective, are painful to the patient and do not address tongue based obstructions. The tongue is implicated in approximately 80% of OSA.

The Encore™ Tongue Suspension System

The Encore™ System is used in a minimally invasive surgical procedure where the tongue is suspended forward with the intent of preventing collapse of the airway during sleep. The procedure is performed under local or general anesthesia by Ear, Nose and Throat Specialists, also known as

Otolaryngologists. During the procedure, an intra-tissue suture passer is used to place a suspension loop in the tongue which is then attached to the base of the chin with a knotless bone anchor. The Encore™ System greatly simplifies tongue suspension, which has been shown to be an effective treatment for OSA, and provides the surgeon excellent control of positioning and tensioning of the suspension loop.

Siesta Medical is currently planning a multi-center U.S. post-marketing study.

“Treatment of obstructive sleep apnea is a significant and growing unmet clinical need. Achieving 510(k) clearance for the Encore™ System is an important milestone as we develop and commercialize minimally invasive, effective solutions for OSA. We believe that the Encore™ System provides a significant new option to physicians for treating OSA in patients who may find compliance with CPAP difficult,” said Peter Martin, President and Chief Executive Officer of Siesta Medical, Inc.

About Siesta Medical
Siesta Medical was co-founded in 2009 by Peter Martin, CEO, Erik van der Burg, CTO, Chris Feezor, VP of R&D and Michael Kolber, VP of Regulatory Affairs and is a privately held, medical device company focused on developing minimally invasive treatments for obstructive sleep apnea (OSA).

For more information about Siesta Medical please visit our website at www.siestamedical.com

This press release contains forward-looking statements that are based upon management’s current expectations and are inherently uncertain. Forward-looking statements are based upon information available to us as of the date of this press release and we assume no obligation to revise or update any such forward-looking statement to reflect any event or circumstance after the date of this release. Actual results and the timing of events could differ materially from current expectations and from any forward-looking statements made by the company.