



Press Release

For Immediate Release

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Siesta Medical Obtains CE Mark for Encore™ System to treat Obstructive Sleep Apnea and Begins First U.S. Clinical Study

Los Gatos, CA (June 4, 2012) – Siesta Medical, Inc. (Private), a provider of minimally invasive surgical solutions for obstructive sleep apnea (OSA), announced today the initiation of the Functional Advancement and Ssuspension of the Tongue (FAST) clinical trial and CE Mark approval for its Encore™ Tongue Suspension System for the treatment of OSA. The Encore™ System simplifies and improves the control of tongue suspension, a procedure shown to be an effective treatment for OSA.

The FAST clinical study of the Encore™ System will enroll up to 20 patients and collect key follow up data 3 and 12 months after implantation. Patients interested in this study can contact Siesta Medical directly for more information on study sites.

The CE Mark approval for the Encore™ System allows Siesta Medical to begin distribution in the EU. The market opportunity for the Encore™ System in the E.U. is similar in size to that of the US. Siesta plans to begin marketing activities in the E.U. later this year.

Siesta Medical has been encouraged by the positive feedback from physicians in their initial clinical experiences with the Encore™ System. Dr. Jason van Tassel at Washington Hospital in Fremont, CA has performed several successful Encore procedures.

“In this quick and minimally-invasive procedure, I have been impressed with the Encore system’s ability to control and manipulate the tongue base. My patients are feeling better, their bed partners report large reductions in snoring, and the demonstrated drop in OSA severity for my patients has been impressive.” said Dr. van Tassel.

“We are thrilled to have another large market available for use of the Encore™ System and to be beginning our first clinical study of the therapy. Based on our initial clinical experience in the U.S., we continue to believe the Encore™ System

is a clinically effective and cost effective surgical option for treating OSA patients who are unable to comply with CPAP use,” said Peter Martin, President and Chief Executive Officer of Siesta Medical, Inc.

Obstructive Sleep Apnea

Obstructive sleep apnea (OSA) is a major health 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 less than 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 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 its collapse into the airway during sleep. The procedure is performed under local or general anesthesia by Ear, Nose and Throat Specialists, also known as Otolaryngologists and takes typically less than 40 minutes to perform.

About Siesta Medical

Siesta Medical was founded in 2009 and is a privately held, medical device company providing 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.