



Press Release

For Immediate Release

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Siesta Medical Launches Encore™ System to treat Obstructive Sleep Apnea

Los Gatos, CA (February 17, 2012) – Siesta Medical, Inc. (Private), a developer of minimally invasive surgical solutions for obstructive sleep apnea (OSA), announced today the U.S. launch of 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.

Dr. Jason van Tassel at Washington Hospital in Fremont, CA performed one of the first patient implants.

“Through a small incision, the Encore System allowed me to navigate the tongue base and easily place suspension loops. Controlling the final tension and advancement of the tongue base was easy and much simpler than with previous tongue suspension devices. This was a quick and minimally invasive surgery and is a potentially attractive surgical option for OSA patients with tongue base obstructions” said Dr. van Tassel.

“We are excited to have the Encore™ System available for treatment of obstructive sleep apnea in the U.S. We believe the Encore™ System offers a significant, simple and economical surgical option for treating OSA for those 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 usually takes less than 30 minutes to perform.

About Siesta Medical

Siesta Medical was founded in 2009 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.