



Press Release

For Immediate Release

Contact:

info@siestamedical.com
(408) 320-9424

Siesta Medical's Encore™ System Cleared for Multiple Suspension Loop Use and Post-operative Adjustability in the Treatment of Obstructive Sleep Apnea

Los Gatos, CA (January 7, 2013) – Siesta Medical, Inc. (Private), a provider of minimally invasive surgical implants and tools for obstructive sleep apnea (OSA), announced today additional FDA clearances for its Encore™ Tongue Suspension System.

Siesta's Encore System simplifies and improves the control of tongue suspension, a minimally invasive treatment for OSA recently endorsed by the American Academy of Otolaryngology–Head and Neck Surgery (AAO-HNS) as an effective treatment used to manage patients suffering from OSA. The Encore's latest FDA clearances make it the only multiple suspension loop and fully adjustable tongue suspension system on the market.

Traditional tongue suspension has been limited to the placement of a single suspension loop with a fixed amount of tension. This may result in residual airway obstruction behind the tongue base or a sub-optimal amount of suture tension. Siesta's Encore System overcomes this limitation with unique suture passer and bone anchor technology, giving the physician the freedom to place multiple suspension loops that can have their tension easily adjusted during and after the procedure.

Dr. Jeffrey Kirsch at Conway Regional Hospital in Conway, AR commented, "The multi-level approach with Encore system allows me to readily control the airway space behind the tongue base. It's a quick and minimally-invasive procedure. The patients I have treated are feeling better, snoring less, and their follow up sleep studies show impressive drops in OSA severity."

Experienced Encore physicians also expressed their support for the recently adopted AAO-HNS tongue suspension policy. Dr. Jason van Tassel at Washington Hospital in Fremont, CA stated, "I am pleased to see the academy coming out in support of tongue suspension. I have performed hundreds of

tongue suspensions with a very high success rate even for my high BMI patients. Multi-level sleep surgery has freed my patients from CPAP devices and for the tongue base, Encore is my intervention of choice.”

“Siesta believes the Encore System is a clinically and cost effective surgical option for treating OSA patients unable to comply with CPAP use. We are gratified that our users have consistently endorsed the clear product and procedural advantages the system delivers,” 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.

Although surgical therapy for OSA is currently less common than CPAP therapy it provides an important and effective alternative for those patients who are not compliant or have difficulty with CPAP therapy. There are over 1 million new diagnoses of OSA in the U.S. each year and nearly 100,000 surgical procedures for OSA performed annually.

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 is a privately held, medical device company providing minimally invasive implants and tools 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.