FOR IMMEDIATE RELEASE

ALUNG SECURES $2.5 MILLION
Respiratory Support Company Announces Financing from Angels to Drive Clinical Trials in India and Germany

Pittsburgh, PA, October 6, 2009 – ALung Technologies, Inc. today announced that the company has raised $2.5 million from a group of current ALung investors. The investment will allow the company to fund its Indian and German clinical trials as well as support working capital needs. ALung is the leading developer of a device designed to replace or supplement ventilators in hospitals. The company's Hemolung device is expected to positively impact clinical outcomes and reduce the length of hospital stays by several days, resulting in a significant reduction of total medical costs for providers and insurers.

The Hemolung System is designed to remove carbon dioxide and deliver oxygen directly to the patient's blood via a small catheter, inserted into the jugular or femoral vein, similar to acute kidney dialysis. This treatment is expected to provide a significant benefit over intubation and mechanical ventilation, in that it will allow the patient to talk and eat, and avoid sedation, while giving the lungs the opportunity to heal.

"ALung has the potential to improve care greatly for the target patient group over the current methods used in Intensive Care Units (ICUs), achieving both improvements in clinical outcomes and major savings in cost of care," said Peter M. DeComo, ALung's Chairman and CEO and an investor in the company. "Today's health care community is focused on the principal goals of reducing health care costs and improving patient care. Our device – which can eliminate a very large expenditure of money and human resources while improving outcomes for patients – will therefore be extremely relevant."

Currently 450,000 patients in the U.S. are ventilated each year for temporary, acute or acute-on-chronic respiratory failure. It is anticipated that the clinical trials will demonstrate that the Hemolung System can replace or supplement this form of ventilation. With intensive care unit (ICU) care estimated at $5-7,000 per day, Hemolung is expected to reduce hospital costs through its ability to reduce ICU length of stay. Further cost savings are expected to be realized through the elimination of sedation costs and a reduction in adverse outcomes such as ventilator acquired pneumonia (VAP) – estimated at greater than $125,000 per incident. VAP represents the most common and deadly hospital acquired condition (HAC) with approximately 25 percent of all ventilator patients developing the condition. (ref: Society of Critical Care Medicine).

"We are very enthusiastic regarding the positive outcome of our near-term clinical trials," said Mr. Nick Kuhn, Chief Operating Officer of ALung, "The completion of our eight animal studies, as well as our in vitro testing, have resulted in excellent results, indicating that the upcoming Hemolung human clinical trials should yield very positive results."

ALung is moving forward with a five patient "First in Man" trial in India on the Hemolung System, and a 20 patient pilot trial in Germany. Both trials are expected to begin in the fourth quarter of 2009.

About ALung Technologies
ALung Technologies, Inc. is commercializing artificial lung devices for the treatment of acute and chronic respiratory disorders. The company's Hemolung System, designed to replace or supplement the use of ventilators for patients with acute respiratory failure, is scheduled to begin clinical trials in the fall of 2009. Learn more about ALung and Hemolung at www.alung.com

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