

AOI MEDICAL, INC.
Proposed Cancellation of Admission to AIM and
Notice of Special Meeting

LONDON, ENGLAND, September 23, 2009. AOI Medical, Inc. (“**AOI Medical**” or the “**Company**”) (**AIM:AOI**) today announced that the Company is seeking Shareholder approval to cancel the admission of its common shares of US\$0.0001 per value per share (“**Common Shares**”) to trading on AIM.

Introduction

The Company is seeking Shareholder approval to cancel the admission of its Common Shares to trading on AIM at a Special Meeting which will be held on October 9, 2009. A circular, together with a notice of the Special Meeting, have today been posted to Shareholders. A copy of the circular will shortly be available on the Company’s website at www.aoimedical.net.

Reasons for De-Listing the Common Shares

Notwithstanding the continuing progress in the Company’s business, for some time there has been very little liquidity in the Common Shares and, as a result, when even very small numbers of shares have been sold, the Company’s share price has declined significantly. As a result, it is difficult for shareholders to sell shares at a reasonable price and in reasonable volumes. The current economic turmoil has led to significant falls in the values of global stock markets, from which the Company is not immune. The susceptibility of the share price to the wider general equity market conditions is not to the benefit of the business and in particular hampers the Company’s ability to raise funds. These problems are not confined to AOI Medical. Many other small companies suffer from a lack of liquidity in their shares and a consequential adverse impact on their share prices.

The Company calculates the direct and indirect costs of staying on AIM to be in excess of £200,000 per annum. This estimate takes no account of the considerable senior executive time which is spent dealing with issues related to its listing on AIM. In the current financial climate the Company’s strategy is to continue to prepare for the commercial launch of its products. In order to achieve this objective, the Company is determined to conserve its existing cash resources and has concluded that the benefits of maintaining the listing on AIM do not justify the costs.

As a result, the Board have concluded that the benefits of maintaining a listing on AIM are out-weighted by the costs incurred in maintaining such a listing and that the Company derives little benefit in terms of the liquidity in its shares or in the ability to raise new capital.

In addition, the Board does not believe that the market places an appropriate valuation on the Company or the Common Shares.

Special Meeting

Under the AIM Rules for Companies, it is a requirement that any cancellation of admission to trading must be approved by not less than 75 per cent. of votes cast by Shareholders in general meeting. Accordingly a Notice of Special Meeting has today been posted to Shareholders which contains a resolution to approve the application to London Stock Exchange for cancellation of admission of the Common Shares on AIM. The Special Meeting will be held at The Capital City Club, 7 Harris Street NW, Atlanta, Georgia 30303 USA, commencing at 10:00 a.m. (Atlanta time) on October 9, 2009. If approved it is expected that cancellation of admission of the Common Shares will take effect from 7.00 a.m. BST on October 21, 2009.

Directors’ recommendation

The Directors consider that the proposals are in the best interests of the Company and the Shareholders as a whole and are most likely to promote the long-term success of the Company for the benefit of the Shareholders as a whole.

The Directors unanimously recommend that the Shareholders vote in favour of cancellation of admission of the Common Shares on AIM as they intend to do in respect of their aggregate shareholdings of 164,555 Common Shares, equivalent to approximately 1.9 per cent. of the issued ordinary share capital of the Company. The Directors have been informed that Shareholders with aggregate shareholdings of 4,474,952 Common Shares, equivalent to approximately 52.4 per cent. of the issued ordinary share capital of the Company, also intend to vote in favour of cancellation of admission.

Timetable

The expected timetable of principal events is shown below:

Latest time and date for receipt of proxies for Special Meeting	5.00 p.m. London time, October 7, 2009
Special Meeting	10.00 a.m. Atlanta time, October 9, 2009
Expected date of cancellation of admission of Common Shares on AIM if the resolution at the Special Meeting is passed	7.00 a.m. London time, October 21, 2009

Background to AOI Medical, Inc.

AOI Medical is a medical device company focusing on the development and commercialisation of innovative orthopaedic medical devices for the spine and trauma markets. It is progressing the development of three separate technology platforms: Ascendx™ VCF Reduction System, BAMF Trauma and Cervical Plate. Further information can be found at www.aoimedical.net.

Enquiries:

Numis Securities Limited

Nominated Adviser: Michael Meade / Brent Nabbs

Tel: +44 (0)20 7268 1000

Corporate Broking: David Poutney