

Press Information

AOI Medical, Inc.

("AOI Medical" or "the Company")

Approval to Commence Clinical Trial for Ascendx™ VCF Reduction System

London, UK, 23 April 2008 - AOI Medical Inc. (the "Company" or "AOI") (AIM: AOI), the medical device company focusing on innovative orthopaedic medical devices for the spine and trauma markets, announces that it has received final approval from the US Food and Drug Administration ("FDA") to commence a clinical trial for its Ascendx™ VCF Reduction System ("Ascendx").

The single arm study of Ascendx™ is expected to start by mid-May 2008 and will involve sixty subjects in eight centres. The primary end point will be acute procedure success defined as successful device deployment, cement delivery, device withdrawal and no serious device-related adverse events.

The clinical trial is expected to complete its last patient enrolment within approximately two months and will be used as clinical support for the Company's 510(k) submission to the FDA. Whilst the Company remains hopeful of obtaining FDA regulatory approval in time to launch Ascendx™ commercially before the end of Q4 2008 it is possible that commercial launch might be delayed into early 2009 based on response time from the FDA.

The Company will be announcing its preliminary results for the year ended 31 December 2007 on 30 April 2008. An analysts meeting will be held at 9.30am at the offices of Financial Dynamics.

Bill Christy, CEO of AOI, said:

"With the start of the clinical trial of Ascendx™ next month, we are a step closer towards obtaining approval for this important product. We expect to be able to launch the product in either late 2008 or early 2009 and are confident that the success of the clinical data for the Ascendx™ VCF Reduction System will enable us to begin to significantly penetrate a global market worth over \$500 million per annum and growing."

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Background to AOI Medical Inc.

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

Ascendx™

Ascendx™ is an investigational device which comprises a set of tools specifically designed for use in the treatment of painful pathological fractures of the vertebral body that may result from osteoporosis, benign lesions and/or malignant lesions such as metastatic cancers and myeloma. Ascendx™ will comprise two main instruments: a cutting device that creates a cavity in cancellous bone, and a reduction device which is used to restore the height of the fractured vertebra and to deliver the cement in the cavity. The set of tools is designed to offer a potential enhancement over current techniques.

In 2004, the worldwide market for devices targeted towards spinal conditions had a value of around \$3.5 billion and more recent estimates indicate that the spinal products market will approach \$10 billion by 2010. The growth is being driven by increasing incidences of osteoporosis in an ageing population and a growing number of sports related injuries as people become more active. In 2009, the Ascendx™ global market size is estimated to be over \$500 million.