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FOR IMMEDIATE RELEASE

NXThERA COMPLETES \$21.6 MILLION SERIES B FINANCING

American Medical Systems and four new investor groups join Arboretum Ventures, Aberdare Ventures and GDN Holdings to complete Series B round of financing

St. Paul, MN, USA (October 4, 2011) – NxThera, Inc., a St. Paul-based, privately held medical device company developing its innovative and proprietary Rezūm™ vapor ablation system to treat a variety of endourology conditions, beginning with benign prostatic hyperplasia (BPH), today announced the recent completion of a \$21.6 million round of Series B equity financing (a portion of which investment will be funded upon the achievement of certain development milestones). The company plans to use this capital to seek the necessary regulatory approvals to undertake its pivotal Rezūm™ BPH clinical study internationally and in the U.S., and begin development of additional endourology applications.

The company's original investors, Arboretum Ventures, Aberdare Ventures and GDN Holdings, together with American Medical Systems, Inc. (AMS), a wholly-owned subsidiary of Endo Pharmaceuticals, closed the initial round of NxThera's Series B financing on March 7, 2011. AMS also participated in this second Series B closing, and was joined by a group of investors from Chattanooga, Tennessee led by Dr. David Adair, Mitsui & Co. Global Investment, Premier Asia Capital together with Lance Wallin and Brooks Wallin, and Prolog Ventures together with one of its limited partners, Alafi Capital.

"We are very pleased to have this outstanding group of venture capital investors, together with AMS, the global leader in medical devices and therapies for male and female pelvic health, invest in NxThera's endourology vapor ablation platform and team," commented Bob Paulson, president and chief executive officer of NxThera. "We look forward to obtaining CE mark approval and FDA clearance to undertake our pivotal Rezūm™ BPH clinical study in Europe, Canada and the U.S., and to initiate a targeted clinical research and development program to expand our novel vapor ablation technology platform to other compelling endourology indications."

In men, restrictions on the normal flow of urine from the bladder are caused by bladder obstructions, generally the result of BPH or bulbar urethral strictures. Symptoms of BPH include increased urination frequency, sudden urges to urinate, and weak urine flow. More than 70 percent of men over age 60 have some symptoms of BPH. NxThera is developing a novel therapy that delivers vapor directly to the prostate to reduce the tissue volume that causes these obstructions in a simple, office-based procedure designed to take only minutes, with minimal discomfort, and resulting in rapid and significant improvements in urine flow.

About NxThera:

NxThera develops medical technologies to treat a variety of endourology conditions, including BPH. The company's technology platform utilizes a simple, minimally invasive, vapor thermal therapy designed to measurably improve urinary flow and patient quality of life. BPH afflicts more than 32 million men in the United States. For more information on NxThera, visit www.nxthera.com or call (651) 484-0219.