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ALPINE BIOMED ACQUIRES STELLATE TO CREATE NEW LEADER IN NEUROLOGY DIAGNOSTICS MARKET

Company Completes Second Acquisition to Expand Neurodiagnostics Business Following Water Street Healthcare Partners' Investment

Fountain Valley, CA – January 15, 2009 – Alpine Biomed Corporation, a global leader in specialty diagnostic devices, announced today that it has acquired Stellate Systems Inc. Headquartered in Montreal, Quebec, Stellate specializes in the development and production of advanced neurodiagnostic systems. The acquisition is the second that Alpine Biomed has completed since Water Street Healthcare Partners, a leading private equity firm focused exclusively on health care, invested in the company in 2007.

The combination significantly increases the size of Alpine Biomed's neurology business and gives the company a strong foothold in the rapidly growing sleep diagnostics market. Estimated to affect as many as 40 million Americans, sleep disorders have become one of the nation's top health conditions requiring diagnosis and treatment. Alpine Biomed will also offer products and software that detect and monitor a range of conditions including epilepsy and muscular disorders such as carpal tunnel syndrome. Additionally, Stellate's strength in research and development will enhance Alpine's product development capabilities.

“Acquiring Stellate marks an important step toward achieving our goal of becoming one of the world’s leading specialty diagnostic device companies,” said Alpine Biomed President and CEO John Arnott. “In addition to being a leader in the gastroenterology diagnostic market, Alpine Biomed is now a significant player in the neurodiagnostics market. We will offer our customers a comprehensive range of innovative products and software analytics that can diagnose and monitor a multitude of disorders with particular strength in the fast-growing area of sleep disorders.”

Founded in 1986, Stellate designs, manufactures and distributes neurodiagnostic systems to hospitals, clinics and universities in more than 30 countries. It has pioneered many products, including the industry’s first commercially available spike and seizure detectors for long-term EEG monitoring of epileptic patients.

“We are very excited to come together with Alpine,” said founding President and CEO Jean Gotman, Ph.D. “Our company’s foundation of research and development has helped us grow and become recognized as a leading provider of innovative neurodiagnostic systems. We now have an opportunity to make an even greater impact by joining forces with Alpine to provide our customers with a much wider range of specialty diagnostic products and solutions.”

Ned Villers, a partner with Water Street and a member of Alpine’s board of directors, said: “This acquisition is another example of Water Street’s focus on business development to create lasting value for our portfolio companies. When we invested in Alpine, we worked with the management team to build a strategic roadmap focused on growth through a number of channels including acquisitions. Stellate represents the next step in positioning Alpine Biomed as a market-leadership company in the diagnostic device industry. We will continue to strategically grow the business, and further expand Alpine’s products and capabilities through more acquisitions in the future.”

Financial terms of the transaction were not disclosed.

About Alpine Biomed

Alpine Biomed is a global leader in specialty diagnostic devices for the gastroenterology and neurology clinical markets. The company produces diagnostic tools used for gastroesophageal reflux disease (GERD), commonly referred to as acid reflux disease, as well as for neurological conditions such as sleep disorders. Founded in 1994, Alpine Biomed is headquartered in Fountain Valley, California with manufacturing facilities in Denmark, the United States and Vietnam. For more information about Alpine Biomed, visit www.alpinebiomed.com.

About Water Street Healthcare Partners

Water Street Healthcare Partners is a leading private equity firm focused exclusively on health care. With more than \$1 billion of capital under management, Water Street is one of the most active investors in the health care industry. The firm has a strong record of building market-leadership companies across key growth sectors in health care. It has partnered with some of the world's leading health care companies on its investments including: Johnson & Johnson, Medtronic and Smith & Nephew. Water Street's team is comprised of industry executives and private equity professionals with decades of experience investing in and operating global health care businesses. The firm is headquartered in Chicago. For more information about Water Street, visit www.wshp.com.

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