



CORRECTIVE NEWS RELEASE for February 18, 2010 at 7:30AM EST

Contact: Dwight Babcock, CEO  
520 240 4840  
[dbabcock@isoray.com](mailto:dbabcock@isoray.com)

## IsoRay, Inc. Corrects Heading On Second Quarter Results Release

RICHLAND, Washington – IsoRay Inc. (AMEX: ISR) a medical isotope company focusing on the treatment of prostate, lung, head and neck and other malignant disease through the use of its proprietary radioisotope technology, on February 16, 2010 announced its financial results for the second quarter of fiscal year 2010, ended December 31, 2009.

The financial results contained in the Consolidated Statements of Operations (Unaudited) included in the release were entitled "Six months ended December 31" and instead should have been entitled "Three months ended December 31." This revised title including the previously released financial results is set forth below.

### About IsoRay

IsoRay, Inc., through its subsidiary, IsoRay Medical, Inc., is the sole producer of the Cesium-131 brachytherapy seed, used to treat prostate and other cancers. The Cesium-131 seed offers a significantly shorter half-life than the two other isotopes commonly used for brachytherapy, which results in a substantially faster delivery of therapeutic radiation, lower probability of cancer cell survival and reduction of the longevity of common brachytherapy side effects(a)(b). IsoRay is based in Richland, Washington. More information is available about IsoRay at [www.isoray.com](http://www.isoray.com).

(a) Armpilia CI, Dale RG, Coles IP, et al. The Determination of Radiobiologically Optimized Half-lives for Radionuclides Used in Permanent Brachytherapy Implants. *Int. J. Radiation Oncology Biol. Phys.* 2003; 55 (2): 378-385.

(b) Prestidge B.R., Bice W.S., Jurkovic I., et al. Cesium-131 Permanent Prostate Brachytherapy: An Initial Report. *Int. J. Radiation Oncology Biol. Phys.* 2005; 63 (1): 5336-5337.

**IsoRay, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
**(Unaudited)**

**Three months ended**  
**December 31,**

	<u>2009</u>	<u>2008</u>
Product sales	\$ 1,368,347	\$ 1,326,703
Cost of product sales	<u>1,100,193</u>	<u>1,724,229</u>
Gross margin (loss)	<u>268,158</u>	<u>(397,522)</u>
Operating expenses:		
Research and development expenses	59,078	306,056
Sales and marketing expenses	603,980	620,700
General and administrative expenses	<u>550,009</u>	<u>758,822</u>
Total operating expenses	<u>1,213,067</u>	<u>1,685,578</u>
Operating loss	<u>(944,913)</u>	<u>(2,083,100)</u>
Non-operating income (expense):		
Interest income	2,944	37,562
Gain (loss) on fair value of short-term investments	–	433,200
Financing and interest expense	<u>(7,898)</u>	<u>(20,769)</u>
Non-operating income (expense), net	<u>(4,954)</u>	<u>449,993</u>
Net loss	<u>(949,867)</u>	<u>(1,633,107)</u>
Preferred stock dividends	(36,679)	–
Net loss applicable to common shareholders	<u>\$ (986,546)</u>	<u>\$ (1,633,107)</u>
Basic and diluted loss per share	<u>\$ (0.04)</u>	<u>\$ (0.07)</u>
Weighted average shares used in computing net loss per share:		
Basic and diluted	<u>22,942,088</u>	<u>22,942,088</u>