



FOR IMMEDIATE RELEASE

Contact: Sharon Schultz
Tel: (301) 351-0109
Email: schultzpr@mchsi.com

**ISORAY'S REVOLUTIONARY INTERNAL RADIATION THERAPY FOR
LUNG CANCERS IS FOCUS OF NATIONAL STUDY**

FDA-Cleared Cesium-131 Therapy is Creating New Paradigm for Cancer Treatment

Richland, WA (October 13, 2010) ... IsoRay, Inc. (Amex: ISR) announced today the initiation of a multi-institutional study of Cesium-131 brachytherapy seeds (internal radiation therapy) for use in **Non Small Cell Lung Cancers (NSCLC)**. A number of institutions and physicians will be working to collect scientific data to further the use of Cesium-131 internal radiation therapy in conjunction with surgery for NSCLC. **The study expands participation in the application of the breakthrough internal radiation treatment. It allows doctors to aggressively treat lung cancer using a single procedure upon tumor removal that is demonstrating its impact as a new vital weapon in the war on cancer.**

Lung cancer continues to be the leading cause of cancer deaths worldwide. There are two main types of lung cancer - Small Cell Lung Cancer and Non Small Cell Lung Cancer. Non Small Cell Lung Cancer is the most common type of lung cancer. Some 8 to 9 out of 10 cases of all lung cancer cases are non small cell type. **This year alone, an estimated 225,000 cases of lung cancer will be diagnosed of which some 80% will be Non Small Cell Lung Cancer.**

Radiation Oncologist **Dr. John Pablo** of the Radiation Oncology Center of the Lewis Cancer and Research Pavilion in Savannah, Georgia is one of the study participants. Explains Dr. Pablo, "I have seen the efficacy of Cesium-131 having switched over to using it exclusively for all of my prostate cancer patients and I am already seeing its impact on my Non Small Cell Lung Cancer patients. It enables the delivery of the needed dose of radiation in a shorter time and directly to the site of aggressive cancers like NSCLC. **We have been very pleased in how our patients have responded to this treatment for both prostate and NSCLC.**"

IsoRay's pioneering treatment represents one of the most important advancements in internal radiation therapy in 20 years. It offers an alternative therapy that is clinically proven and is now being used successfully to treat lung cancer at 5 major centers across the country. The therapy is also proving to be an important new alternative for lung cancer patients who do not have the lung capacity to undergo the typical surgical procedure to remove a cancerous lobe of the lung (lobectomy).

IsoRay CEO Dwight Babcock says the multi-institutional study is a significant step forward in accelerating the treatment's adoption, "This study has enormous implications for Non Small Cell Lung Cancer patients worldwide. This research will give us important information that can be shared with the growing number of physicians who have been contacting us because **Cesium-131 internal radiation therapy's reported rates of success in treating lung cancers are very high.**"

Using IsoRay's groundbreaking therapy, doctors can vigorously treat a variety of cancers while limiting side effects compared to other internal radiation therapies. Unlike external radiation therapy, it limits damage to healthy surrounding tissues and organs. Cesium-131 allows for the internal radiation treatment of many different cancers because of its unique combination of high energy (its distinctive tissue penetrating capability reaching just far enough to treat the cancer) and its 9.7 day half-life (its matchless speed in giving off therapeutic radiation). The treatment can be deployed using several delivery methods including single seed applicators, implantable strands and mesh, and several new implantable devices. As a result, IsoRay's innovative approach to cancer treatment is significantly raising interest levels in the field of oncology with its application for cancers throughout the body.

Prior to the initiation of the study, **IsoRay has already seen an increase in the adoption of its powerful therapy for the treatment of lung cancers. With its FDA clearance and CMS codes, non-prostate cancer cases amounted to over 7% of IsoRay's revenues in the quarter ending September 30, 2010.** IsoRay CEO Babcock says the latest developments demonstrate further progress in reaching the company's strategic goals. **"Our plan to see the adoption of Cesium-131 internal radiation therapy for the treatment of cancers throughout the body is on target with the growing number of physicians and institutions who are excited about its ability to quickly and forcefully treat cancers and its impact on survival rates. We expect to make further announcements regarding advancements in the usage of this innovative therapy in the near future,"** he explained.

In addition to lung cancers, more than 100 centers across the country are using Cesium-131 internal radiation therapy to treat brain, colon, head and neck, ocular melanoma, and prostate cancers.

###

About IsoRay

IsoRay, Inc., through its subsidiary, IsoRay Medical, Inc., is the sole producer of Cesium-131 Brachytherapy seeds, which are expanding Brachytherapy options throughout the body. Learn more about this innovative Richland, Washington company and explore the many benefits and uses of Cesium-131 by visiting www.isoray.com.

Safe Harbor Statement

Statements in this news release about IsoRay's future expectations, including: the advantages of our Proxcelan Cesium-131 seed, whether IsoRay will be able to continue to expand its base beyond prostate cancer, whether IsoRay's Cesium-131 seed will be used to treat additional cancers and malignant disease, whether the use of Cesium-131 to treat lung or other cancers will be successful in the initial and any future implants, and all other statements in this release, other than historical facts, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). This statement is included for the express purpose of availing IsoRay, Inc. of the protections of the safe harbor provisions of the PSLRA. It is important to note that actual results and ultimate corporate actions could differ materially from those in such forward-looking statements based on such factors as physician acceptance, training and use of our products, our ability to successfully manufacture, market and sell our products, our ability to manufacture our products in sufficient quantities to meet demand within required delivery time periods while meeting our quality control standards, our ability to enforce our intellectual property rights, whether additional studies are released and support the conclusions of early clinical studies, whether initial implants of Cesium-131 to treat lung or other cancers result in favorable patient outcomes, patient results achieved when Cesium-131 is used for the treatment of cancers and malignant diseases beyond prostate cancer, successful completion of future research and development activities, and other risks detailed from time to time in IsoRay's reports filed with the SEC.