FOR IMMEDIATE RELEASE

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MD ANDERSON CANCER CENTER INITIATES ORDERS OF ISORAY'S CESIUM-131 FOR INTERMEDIATE RISK PROSTATE CANCER STUDY

Brachytherapy Study Focuses on Cesium-131 Compared to Previously Used Isotopes

Richland, WA (October 10, 2011) **…** – IsoRay Inc. (AMEX: ISR), a medical technology company and innovator in seed brachytherapy and medical radioisotope applications, announced today that MD Anderson Cancer Center has initiated orders of **Cesium-131** **brachytherapy** (internal radiation therapy) seeds as it continues its clinical research study investigating brachytherapy's ability to help control intermediate risk prostate cancer. "Intermediate risk" is a classification of early stage prostate cancer that has shown a tendency to recur following standard treatments including surgery and radiation therapy.

The current phase of the study will compare Cesium-131 to other, previously used isotopes. With other centers' prior successes using Cesium-131 in treating prostate cancer, principal investigator Dr. Steven J. Frank hopes to evaluate Cesium-131's effectiveness in addressing intermediate risk prostate cancer and its quality of life benefits. The study will also evaluate PSA response and the patient's return to urinary function baseline as well as normal lifestyle activities. High levels of PSA typically indicate the presence of prostate cancer.

Cesium-131 has a higher average energy than any other commonly used brachytherapy isotope and results in a more homogeneous dose. Other cancer centers' studies have demonstrated Cesium-131's ability to deliver the required radiation dose with excellent homogeneity across the entire prostate gland, while limiting damage to other tissue and body structures including the urethra and rectum.

IsoRay CEO Dwight Babcock says he believes this study will add to the growing recognition of Cesium-131's significant role as a powerful weapon in the fight against cancer. "Cesium-131 is already proving its essential value in fighting prostate cancers. My expectation is that this research study will be significant in identifying Cesium-131's improved cancer control for intermediate risk prostate cancer. I feel strongly that it will demonstrate Cesium-131's superiority over other isotopes and its ability to provide a faster return to urinary function baseline and normal daily activities." Babcock says that Cesium-131's full potential is just beginning to be realized as thought leaders seek solutions for treating cancers in other body sites. He pointed to its growing adoption in treating cancers throughout the body including recent exciting applications in treating Glioblastomas and metastasized brain cancer as well as lung cancers.

The MD Anderson Cancer Center is one of the nation's original three comprehensive cancer centers established by the National Cancer Act of 1971. The prestigious degree-granting academic institution and cancer treatment and research center has ranked No.1 for eight of the past 10 years (including 2011) in cancer care in the "America's Best Hospitals" survey published by *U.S. News & World Report.*

IsoRay is the exclusive manufacturer of Cesium-131 which represents one of the most important isotope advancements in internal radiation therapy in the last 20 years. 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. In addition to its CMS codes, Cesium-131 is FDA-cleared for the treatment of prostate cancer, lung cancer, ocular melanoma cancer, brain cancer, colorectal cancer, and head and neck cancer as well as other cancers throughout the body.

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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 Cesium-131 seed, whether Cesium-131 will prove effective in this and any other studies, the expected outcomes, including lessened side effects, from this study, whether IsoRay will be able to continue to expand its base beyond prostate cancer, 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 this and other studies with Cesium-131 result in favorable patient outcomes, successful completion of future research and development activities, and other risks detailed from time to time in IsoRay's reports filed with the SEC.