



FOR IMMEDIATE RELEASE

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ISORAY, INC. RECEIVES \$500,000 IN ADDITIONAL FINANCING

*Funding to Advance Key Programs In Brain, Breast, Gynecologic and Pancreatic Cancers
As New Studies Tout Advantages of Brachytherapy Treatment*

RICHLAND, Washington (April 12, 2011) – [IsoRay](#) Inc. (AMEX: ISR) has received an additional \$500,000 in institutional financing. **Together with the financing closed in November 2010 and the Company's improved operations, it continues to add to its cash reserves as it aggressively pursues further development of programs expanding the use of its ground-breaking [Cesium-131 brachytherapy seeds](#) (internal radiation therapy). Cesium-131 has already shown exciting results in treating [prostate](#), [lung](#), [ocular](#), [brain](#), [colorectal](#), and [head and neck cancer](#).**

IsoRay CEO Dwight Babcock said, "We are pleased that this unique technology is generating new sources of revenue as physicians find new uses for Cesium-131 to attack cancers throughout the body. We expect these new sources of revenues will substantially contribute to our financial results as we move forward."

Some of the funds from the financing will be used to continue development of our innovative breast cancer application. Previously, IsoRay announced completion of an initial feasibility study, which demonstrated the ability to use its patented Cesium-131 brachytherapy seeds in accelerated partial breast irradiation (APBI) for breast cancer treatment. APBI is one of the most innovative, emerging treatments available today for early stage, localized breast cancer. The funding will also allow IsoRay to explore opportunities in pancreatic and gynecologic cancers.

IsoRay plans to begin selling the [GliaSite®](#) radiation therapy system, the world's only balloon catheter device used in the treatment of brain [cancer](#), in August. The GliaSite system offers a number of advantages over other brain cancer treatments. It places a specified high dose of a liquid radiation source in the areas most likely to contain cancer after a brain tumor's removal and is less likely to damage healthy brain tissue. It helps eliminate the ability for the tumor to reoccur, which in turn impacts patient longevity and quality of life.

IsoRay's funding announcement comes as two recent studies have found significant advantages in the use of brachytherapy in treating prostate cancer. According to a study by Memorial Sloan-Kettering Cancer Center in New York, brachytherapy treatment for prostate cancer appears to be a better treatment option compared to IMRT (intensity-modulated electron beam radiation therapy) for a majority of men diagnosed with low-risk prostate cancer.

A recent online publication of AuntMinnie.com reported on the study saying, "**These are practice-changing findings for physicians at Memorial Sloan-Kettering Cancer Center in New York City, who now favor brachytherapy as the treatment of choice for patients who have the option of either therapy, according to lead author Michael Zelefsky, MD, radiation oncologist and chief of brachytherapy service, and colleagues.**"

In other developments, **Reuters Health reported on the findings of Dr. Nelson Stone and his colleagues from Mount Sinai School of Medicine in New York.** Their study investigated freedom from

metastases, long-term biochemical and local control, and cause-specific survival in more than 2,000 men with prostate cancer. The men received brachytherapy treatment between 1990 and 2006. The findings were published in the February issue of the *Journal of Urology* which appeared online December 17, 2010.

In an email, Dr. Stone told Reuters Health, "Prostate brachytherapy is a safe and effective treatment for prostate cancer, as long as it is performed by an experienced team." He added, **"It has the lowest side effect profile of all the treatments."** Further, Dr. Stone said, **"Prostate brachytherapy is far less expensive than IMRT or robotic prostatectomy and can be done as an outpatient procedure, with the patient returning to work or resuming their normal life style within one to two days following the procedure."**

"When properly performed, where the delivered dose is high enough, brachytherapy compares favorably to all other prostate cancer treatments, including robotic prostatectomy, external beam irradiation (IMRT), and cryotherapy," Dr. Stone noted in his e-mail to Reuters Health. **"The likelihood of a patient suffering a local recurrence is the lowest after brachytherapy, especially in more aggressive prostate cancers (Gleason score 8 or above)," he said.**

Pointing to the import of these studies, Babcock says, "These studies accentuate an ever-growing body of evidence regarding the efficacy of brachytherapy and its positive impact on patient outcomes. They make an important contribution at a time when we look forward to the release of IsoRay's 5-year patient data on the use of Cesium-131 to treat prostate cancer. While Cesium-131 was not available when these studies began, we now know its unique characteristics distinguish Cesium-131 from other brachytherapy options. We believe our Cesium-131 isotope is superior in brachytherapy to the alternative isotopes utilized in these studies," he said.

IsoRay, Inc. is the exclusive manufacturer and distributor of Cesium-131 brachytherapy (internal radiation therapy) seeds. Cesium-131 represents one of the most important advancements in internal radiation therapy in 20 years expanding brachytherapy options for treatment of cancers throughout the body due to its exclusive combination of higher energy (its ability to penetrate tissue just far enough to treat the cancer) and its 9.7 day half-life (how fast it gives off its therapeutic radiation). **With established CMS codes, Cesium-131 is FDA-cleared for use in the treatment of cancers throughout the body.**

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About IsoRay, Inc.

Learn more about this innovative Richland, Washington company by visiting www.isoray.com.

Safe Harbor Statement

Statements in this news release about IsoRay's future expectations, including: the advantages of our 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 IsoRay will generate additional revenues from the sale of Cesium-131 and other products outside of the prostate cancer treatment area, the timing of commencement of sales of the GliaSite radiation therapy system, the advantages of the GliaSite radiation therapy system, whether future studies and clinical results will show benefits from the use of Cesium-131 to treat cancers other than prostate cancer, the advantages of APBI, 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 IsoRay's ability to obtain additional funding, 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, patient results achieved when Cesium-131 is used for the treatment of cancers and malignant diseases beyond prostate cancer, whether sufficient resources are available when needed to continue development of new products and applications and whether such new products and applications receive all required regulatory approvals, successful completion of future research and development activities, and other risks detailed from time to time in IsoRay's reports filed with the SEC. Additional factors that could cause actual results to differ materially from those projected or suggested in any forward-looking statements are contained in IsoRay's most recent periodic reports on Form 10-K and Form 10-Q that are filed with the Securities and Exchange Commission. IsoRay assumes no obligation to update and supplement forward-looking statements because of subsequent events.