

14th September 2009

Virtual Ports Completed a \$2.6 Million Raise

Lead investors are VLSI (U.S.) and Skywalker Ventures (Israel)

Virtual Ports is pleased to announce the completion of a \$2.6 million raise. This raise is in addition to the NIS 1 million (\$260,000) R&D grant received from the Office of the Israeli Chief Scientist.

Sales have begun for its first product, EndoGrab™, an internal retractor for laparoscopic surgical procedures. The money raised will be used for sales and marketing in addition to development of new products in the field of surgical tools.

In addition to the two main investors – Virginia Life Science Investments (VLSI) in the US and Skywalker Ventures in Israel – a number of private American and Israeli investors took part in the round.

VLSI is a new fund which focuses on life science investments. The fund's managing director, Paul Rocheleau, has managed a number of publicly traded companies in the chemical sector, including Albermale Chemicals, a company with annual revenues of more than \$1 billion.

Skywalker Ventures is a private investment fund which focuses on the software, new-media and medical devices arena.

Paul Rocheleau, Managing Partner of VLSI commented: *"It was an easy decision to provide financial support as the Company scales-up operations for their initial product launch in the U.S.. We are encouraged by the clear interest demonstrated by key physician groups in the United States, and we have strong confidence that the Company's skilled management team, validated technology and well-positioned commercialization strategy will generate attractive returns for all Virtual Ports investors"*.

Skywalker Ventures commented: *"Virtual Ports is one of the most original and promising Israeli life science companies. We believe that Virtual Ports will continue to achieve impressive milestones in the coming years"*.

Udi Gordin, CEO of Virtual Ports adds: *"We are in a very exciting period, as we are unveiling the company's first products. The surgeons' response from across the globe, stresses the true need for our products. We are pleased to have VLSI and Skywalker Ventures joining us, and are especially grateful for the deep business experience that the new investors are bringing along, which will help the company during the transition from development to sales"*.

About Virtual Ports:

Virtual Ports specializes in the development of Endoscopic surgery tools for use in surgical procedures.

The company's first two products, the EndoGrab™ and the EndoClear™, are FDA approved, while the EndoGrab is also cleared for sale in Europe (CE mark) and in Israel. The EndoGrab is an anchoring device which allows the surgeon to retract internal organs during surgery, without the need for an additional port (small incision) in the abdominal wall. The EndoClear allows the surgeon to clean the laparoscopic lens without having to remove the laparoscopic camera from the abdominal cavity.