



FOR IMMEDIATE RELEASE

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Health Canada Issues Medical Device License to Baxano for iO-Flex® System

--Innovative Treatment for Lumbar Spinal Stenosis Now Available in Canadian Market--

San Jose, CA – February 7, 2012 – Baxano, Inc., a Silicon Valley based medical device company and manufacturer of the iO-Flex® System for spinal decompression surgery, announced today that it has received a medical device license (license # 88060) from Health Canada permitting the company to promote its iO-Flex technology throughout Canada.

Baxano's flagship iO-Flex System is the first minimally invasive set of flexible instruments designed to target lumbar stenosis in the central canal, lateral recess, and neural foramen with minimal disruption to the patient's healthy anatomy critical for maintaining spinal stability. It is the only treatment alternative that is able to reach and remove tissue that creates pressure on multiple nerve roots through a single laminotomy.

"The Canadian marketplace offers Baxano an excellent opportunity to expand the presence of our iO-Flex System to patients suffering from the painful effects of lumbar spinal stenosis," said Tony Recupero, President & CEO of Baxano. "We believe that the iO-Flex technology has the potential to revolutionize the care of patients with stenosis. Preliminary data from our post market studies, suggest that the iO-Flex System may help reduce the overall health costs associated with the treatment of patients with lumbar spinal stenosis. It's gratifying to now be able to offer this less-invasive solution for lumbar stenosis to spine surgeons and their patients in Canada."

The complete iO-Flex system is on display this week at the 2012 Annual Meeting of the American Academy of Orthopaedic Surgeons (AAOS) in Baxano's booth # 511.

Lumbar Spinal Stenosis is a degenerative medical condition in which the spinal canal narrows and compresses the spinal cord and nerves in the lumbar area of the spine. Symptoms include pain, weakness, numbness, and tingling in the lower back and legs.

Decompression surgery is a common procedure used to treat lumbar spinal stenosis by cutting away overgrown bone and tissue causing pressure on the spinal nerves. Approximately 325,000 surgical procedures involving decompression to treat lumbar stenosis are performed each year in the U.S. The arrival of the iO-Flex System introduces a less-invasive, surgeon- and patient-friendly alternative.

For more information about Baxano, the iO-Flex System or the company's post-market clinical trials, please visit: www.baxano.com or contact media relations representative Paul Williams at 310/569-0023 or paul@medialinecommunications.com.

About Baxano, Inc.

Baxano, Inc., based in San Jose, California, is a privately held company, which was founded in 2005 with the vision to create flexible tools to provide precision lumbar decompression from the "inside out." These platform technologies will form the basis for future product offerings. Baxano's mission is to develop innovative tools that restore spine function, preserve healthy tissue, and enable a better quality of life for patients. Along with its dedication to advanced technology development, Baxano is focused on providing exceptional value to patients, customers, investors, and employees.

Caution: Federal law restricts this device to sale by or on the order of a physician. For complete information regarding Intended/Indications for Use, Precautions, Warnings, and potential adverse events, please refer to respective Instructions for Use.

For more information about Baxano and its products, please visit: www.baxano.com