

FROM:

VÄSAMED
7615 Golden Triangle Drive
Minneapolis, MN 55344
Contact: Wes Peterson, CFO
(952) 944-5857 ext. 542

OPTICAL SENSORS TO DO BUSINESS AS VÄSAMED

New Company Identity Better Reflects

Hemodynamic Monitoring Suite of Product Solutions

MINNEAPOLIS, May 17 – Optical Sensors Inc. (“OSI”), developer and supplier of hemodynamic monitoring solutions, today announced that it would begin doing business as VÄSAMED.

“The name ‘VÄSAMED’ underscores our express mission to provide non-invasive diagnostic tools for a variety of conditions, all of which involve blood flow and perfusion”, stated Paulita LaPlante, president and chief executive officer. “It better reflects the suite of products that we currently have and will be introducing for hemodynamic monitoring. Five years ago, we embarked on a deliberate process of re-defining our corporate mission and strategic direction. Secondary to re-capitalizing our company, we executed a key license and royalty agreement with Nellcor, acquired two product lines and key technology and added ten U.S. patents to our growing intellectual property portfolio which now stands at forty issued U.S. patents. The use of the name VÄSAMED completes this process and allows our company to go into the next five years with a coherent strategy that focuses us on sales into the burgeoning office-based diagnostic business with an array of vascular product solutions.”

VÄSAMED is a technology development company specializing in low-cost, non-invasive vascular diagnostic systems for non-invasive hemodynamic monitoring. Products developed by VÄSAMED include the *CapnoProbe*[™] sensor system for the measurement of sublingual CO₂. VÄSAMED licensed an application of CapnoProbe technology to Nellcor in 2001 which has positioned the product as an early warning signal of tissue hypoperfusion and possible organ failure. VÄSAMED manufactures and supplies LASERDOPP PV2000, a skin perfusion pressure and pulse volume waveform diagnostic for quantitative evaluation of small vessel disease in patients with chronic foot ulcers, diabetes and other peripheral arterial disease. Skin perfusion pressures are not affected by edema, anemia, medial calcification or certain other conditions that limit the usefulness of other measurement technologies.

For more information about VÄSAMED technology and services, see the company's web sites at www.vasamed.com. For more information about Nellcor® *CapnoProbe*[™] Sublingual (SL) System, see www.nellcor.com.

####

5/17/04