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SpectRx, Inc. Begins Initial Phase of FDA Pivotal Clinical Trial for Non-invasive Cervical Cancer Detection Test

Clinical trials supported by the National Cancer Institute

NORCROSS, GA (February 25, 2004) -- SpectRx, Inc. (OTCBB: SPRX) today announced that it is initiating U.S. Food and Drug Administration (FDA) pivotal clinical trials of its non-invasive cervical test by submitting final protocols to hospitals participating in the multi-site study.

The protocols, under review by each site's Institutional Review Board (IRB), were developed in consultation with the FDA and leading physicians from around the nation. After the review process is completed, formal testing of patients begins.

“Submission of these protocols is a milestone event in the development of this non-invasive test,” said Keith D. Ignatz, chief executive officer of Guided Therapeutics, Inc., the SpectRx subsidiary company commercializing the non-invasive cervical cancer device. “We believe that this fast, point-of-care technology has the potential to detect disease earlier, thereby reducing unnecessary and painful procedures and decreasing the cost of cervical disease management.”

Development of the non-invasive cervical cancer test is supported by a \$1.4 million grant from the National Cancer Institute (NCI), \$767,000 of which will go toward completing the clinical trial this year. A recently completed NCI-supported pre-pivotal clinical study indicated that the non-invasive test could reduce by 55% the number of unnecessary follow-up procedures as a result of false positive Pap test results. The potential savings to the U.S. healthcare system could be as high as \$181 million annually if the technology is widely adopted.

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The non-invasive cervical cancer detection device (test) uses proprietary technology to identify cancers and precancers painlessly and non-invasively by analyzing light reflected from the cervix. The device creates an image of the cervix that highlights the location and severity of disease. The technology distinguishes between normal and diseased tissue by detecting biochemical and morphological changes at the cellular level. Unlike Pap or HPV tests, the non-invasive test does not require a tissue sample or laboratory analysis, and results are available immediately. To date, more than 1,000 women have been tested with prototypes of the non-invasive cervical cancer detection devices.

Guided Therapeutics, Inc., which is focused on commercializing non-invasive cancer detection technology, is a wholly owned subsidiary company of SpectRx, Inc. As part of its strategy to separate its diabetes and cancer opportunities, SpectRx intends to separately finance Guided Therapeutics with private funds.

According to published reports, cervical cancer is the third most common cancer among women worldwide. Globally, there are approximately 471,000 cases of cervical cancer diagnosed annually and approximately 233,000 deaths per year. Approximately 60 million Pap tests are performed annually in the United States. The company estimates the annual global market potential for a non-invasive cervical cancer test to be over \$1.0 billion.

About SpectRx --

SpectRx, Inc. (OTCBB: SPRX) is a diabetes management company developing and providing innovative solutions for insulin delivery and glucose monitoring. SpectRx markets the SimpleChoice® line of innovative diabetes management products, which include insulin pump disposable supplies. These FDA-cleared products complement its developmental consumer device for continuous glucose monitoring. SpectRx also plans to commercialize its non-invasive cancer detection technology through direct funding of its Guided Therapeutics subsidiary. For more information, visit SpectRx's web sites at www.spectrx.com, www.guidedtherapeutics.com and www.mysimplechoice.com.

The Guided Therapeutics test is an investigational device and limited by federal law to investigational use.

“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995. A number of the matters and subject areas discussed in this report that are not historical or current facts deal with potential future circumstances and developments. The discussion of such matters and subject areas is qualified by the inherent risks and uncertainties surrounding future expectations generally and also may materially differ from SpectRx's actual future experience involving any of or more of such matters and subject areas. SpectRx has attempted to identify, in context, certain of the factors that it currently believes may cause actual future experience and results to differ from SpectRx's current expectations regarding the relevant matter or subject area. Such risks and uncertainties include: the ability of SpectRx to continue as a going concern, the early stage of products in development, the uncertainty of market acceptance of products, the uncertainty of development or effectiveness of distribution channels, the intense competition in the medical device industry, the uncertainty of capital to develop products, the uncertainty of regulatory approval of products, dependence on licensed intellectual property, as well as those that are more fully described from time to time in SpectRx's reports under the heading “Risk Factors” filed with the SEC, including SpectRx's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and subsequent quarterly reports.

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