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## **SpectRx, Inc. Selected for an Additional \$1.1 Million Grant by National Cancer Institute for Non-invasive Cervical Cancer Detection Technology**

*Grants used to defray the costs of clinical trials and product development*

NORCROSS, GA (June 15, 2004) -- SpectRx, Inc. (OTCBB: SPRX) today announced it has been selected by the National Cancer Institute (NCI) to receive funding for an additional grant of an estimated \$1.1 million to support development of the company's non-invasive cervical cancer detection technology. To date, SpectRx has been selected for a total of \$2.5 million in NCI grant funding for the program.

"We continue to be very encouraged by the confidence and support of the nation's top cancer experts in our technology for the early detection of cervical disease," said Keith D. Ignatz, chief executive officer of Guided Therapeutics, Inc., the SpectRx subsidiary company commercializing the non-invasive cervical cancer technology. "This latest grant, and its expected follow-on funding, is important in our efforts to get a low-cost, commercial version of the technology through the regulatory approval process and into the product production phase."

Experts at the NCI - reporting on SpectRx's grant proposal - wrote, "Contrary to existing standards such as the Pap test, if successful, the proposed device will offer a rapid and accurate point-of-care diagnostic test for cervical cancer." NCI went on to add, "This is an important topic and the results of the proposed work could have a significant effect on improving the current practice and accuracy of cervical cancer diagnosis and/or screening. The problem addressed by the application is very important, and the associated market is commensurately large."

The funds for the latest grant are under NCI's "fast track" Small Business Innovation Research program and are planned for use to develop lower-cost, pre-production devices, employing single-patient-use disposables for testing in the pivotal U.S. Food and Drug Administration (FDA) clinical trial. Previously, the company received grants totaling \$1.4 million to defray the cost of clinical trials.

**###More###**

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A recently completed NCI-supported pre-pivotal clinical study indicated that the non-invasive test, based on the SpectRx technology, 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.

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, Inc. –**

SpectRx, Inc. (OTCBB: SPRX) is a diabetes management company developing and providing innovative solutions for insulin delivery and glucose monitoring. SpectRx markets the SimpleChoice<sup>®</sup> 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 in a separate company through separate financing. For more information, visit SpectRx's web sites at [spectrx.com](http://spectrx.com), [mysimplechoice.com](http://mysimplechoice.com) and [guidedtherapeutics.com](http://guidedtherapeutics.com).

The Guided Therapeutics device 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 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, 2003 and subsequent quarterly reports.

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