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# BioDrain Medical Inc. Signs Additional Independent Distribution Agreements, Strengthening Nationwide Presence

MINNEAPOLIS, July 20, 2012 /PRNewswire/ -- BioDrain Medical Inc. (OTCBB: BIOR, OTCQB: BIOR) ("BioDrain"), producer of the FDA-cleared automated surgical fluid disposal device, the STREAMWAY® System, announced today that it has signed several new agreements with independent distributors and is in discussions regarding potential contracts with other independent distributors.

The addition of these recently signed agreements with independent distribution partners is intended to broaden BioDrain's geographical distribution coverage from a few states to approximately 50% of the U.S., according to Joshua Kornberg, President and CEO of BioDrain. He noted that while BioDrain continues to work towards signing agreements with other independent distributor groups, potential national sales partners have expressed strong interest in BioDrain's STREAMWAY System as well.

"Several potential national sales partners, each with between 1000-2000 sales representatives, have expressed strong interest in our product and we are pleased that that our negotiations with these potential sales partners are underway," said Mr. Kornberg. "The representatives of the distributor groups with which we have signed agreements have met BioDrain's criteria for distribution partnership, including a history of successfully selling multiple product lines in either Orthopedics or Surgery, a satisfactory representative-to-customer ratio, and, we believe, a readiness to successfully launch the STREAMWAY System as BioDrain's partners."

Mr. Kornberg continued, "While we strive to establish partnerships with national sales forces and more independent distributors, our in-house sales department continues to uncover leads and seeks to drive sales independently of our distributor covered states, and we are also dedicating additional resources towards national sales conventions and journal advertising. We believe we have a superior technology compared to leading canister-based competitors, and with increases in our resourcing capabilities and our sales representation, we believe that we will be in a much better position to capture a sizeable share of the market in the near future."

**About BioDrain Medical, Inc.**
BioDrain Medical, Inc. has a fully automated, patented, FDA-cleared, surgical fluid disposal system that virtually eliminates operating room workers' exposure to blood, irrigation fluid and other potentially infectious fluids found in the surgical environment. Today's manual surgical fluid handling methods of hand-carrying filled surgical fluid canisters and emptying these canisters is an exposure risk and an antiquated approach to the handling of surgical fluid waste. BioDrain's STREAMWAY System fully automates the collection, measurement and disposal of surgical fluids resulting in: 1) reducing overhead costs to hospitals and surgical centers, 2) improving the Occupational State and Health Association (OSHA) and other regulatory compliance, and 3) improving the efficiency of the operating room (and thereby making surgeries more profitable).

BioDrain's STREAMWAY System is eco-friendly as it contributes to cleaning up the environment. Currently, approximately 50 million bloody, potentially disease infected canisters go to landfills annually in the United States. These tainted canisters can remain in landfills for years to come. With the installation of BioDrain's STREAMWAY System, the number of canisters can be significantly reduced. BioDrain Medical Inc. makes the operating room and our environment safer, cleaner, and better. BioDrain products are currently being represented by independent professional sales representatives that cater to the needs of hospitals and ambulatory surgical centers across the country. For additional information, please visit: www.biodrainmedical.com.

**Forward-looking Statements:**
Certain of the matters discussed in this announcement contain forward-looking statements that involve material risks to and uncertainties in the company's business that may cause actual results to differ materially from those anticipated by the statements made herein. Such risks and uncertainties include, among other things, our ability to establish and maintain the proprietary nature of our technology through the patent process, as well as our ability to possibly license from others patents and patent applications necessary to develop products; the availability of financing; the company's ability to implement its long range business plan for various applications of its technology; the company's ability to enter into agreements with any necessary marketing and/or distribution partners; the impact of competition, the obtaining and maintenance of any necessary regulatory clearances applicable to applications of the company's technology; and management of growth and other risks and uncertainties that may be detailed from time to time in the company's reports filed with the Securities and Exchange

Commission. This is not a solicitation to buy or sell securities and does not purport to be an analysis of the company's financial position. See the company's most recent Quarterly Report on Form 10-Q and 8-K filings since then.

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