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**MOLECULAR DETECTION INC. COMPLETES \$3.3 MILLION FINANCING AND
NAMES TODD M. WALLACH CEO**

***—Oversubscribed Financing Adds Cash and New Investors as Company Prepares
to Launch Rapid MRSA Assay—***

***—Wallach Brings More than Two Decades of Experience in Growing Successful
Life Sciences Enterprises—***

WAYNE, PA – October 1, 2009 – Molecular Detection Inc. (MDI), a company developing Detect-Ready™ assays designed to increase the speed and accuracy of infectious disease diagnosis, today announced completion of a \$3.3 million Series C financing. MDI is preparing to launch its first product, the Detect-Ready assay for the rapid detection of methicillin-resistant *Staphylococcus aureus* (MRSA), a growing worldwide problem that results in serious illness and death while increasing hospital costs. The company also announced that Todd M. Wallach has been named chief executive officer. Mr. Wallach brings MDI more than two decades of experience in helping to grow successful life sciences enterprises from start-up through global commercialization.

“This Series C financing represents a major milestone for MDI, confirming the promise of our innovative molecular diagnostic technologies and our soon-to-be-launched assay for MRSA screening,” said Mr. Wallach. “The Detect-Ready MRSA assay offers healthcare providers a high-performance diagnostic with an unmatched combination of accuracy, speed, flexibility and cost-effectiveness, addressing a market that is expected to exceed \$1 billion in annual revenues in the next few years. We are gratified at the strong investor response to this financing, which provides the resources needed to launch our MRSA assay in Europe and the U.S. while also expanding our pipeline of molecular diagnostic tests.”

The Series C financing included both existing and new investors and was more than 300% oversubscribed. It was led by MentorTech Ventures II, LP and included new investors Ben Franklin Technology Partners of Southeastern Pennsylvania, Robin Hood Ventures and the Mid-Atlantic Angel Group Fund I and II, LP (MAG). MDI has previously been funded by private investors and founders, the SVM-Israel Opportunity Fund II, LP and the Chief Scientist Office of the Israeli Ministry of Industry and Trade.

“Both the near-term promise of MDI’s MRSA assay and the broader potential of its molecular diagnostics technology contributed to our decision to lead this Series C financing,” said Boris Kalandar, managing director of MentorTech Ventures and a Board member of MDI. “The fact that the financing was significantly oversubscribed in a challenging market attests to investors’ enthusiasm for MDI’s approach, and we look forward to working with Todd and his team to help support the company’s growth.”

As part of the financing, Peter Linder, chairman of the Executive Committee of MAG, is joining the MDI board of directors. He commented, “We view MDI’s approach as the right technology at the right time for a changing healthcare marketplace, and we are especially pleased that the company is headquartered here in our region. We believe the strength of the investor response to this financing bodes well for the future of this promising company under Todd’s capable leadership.”

With more than 20 years of experience in operations, finance and strategy, Todd Wallach is a successful life sciences entrepreneur who has helped found companies with a combined market capitalization of over \$500 million. Prior to MDI, Mr. Wallach was chief financial officer of specialty pharmaceutical

company Aton Pharma, Inc., where his team increased the company's worldwide product sales from \$10 million to \$40 million in just two years' time. He was previously vice president of finance and operations and a member of the founding management team of Acuity Pharmaceuticals, Inc., which was acquired by publicly traded OPKO Health. Earlier in his career, Mr. Wallach was a management consultant at Booz Allen Hamilton. Mr. Wallach received an M.S. in technology management from the Wharton School of Business and the School of Engineering and Applied Science at the University of Pennsylvania, an M.S. in biotechnology from the University of Pennsylvania, an M.B.A. from Rider University and a B.S. in mechanical engineering from Purdue University.

"Completion of this successful financing and the recruitment of Todd Wallach as CEO represent an important turning point in MDI's evolution as we move from development to commercialization," said Aryeh Gassel, Ph.D., founder and president of MDI's Israeli subsidiary. "Todd brings a diverse business background to the company, along with a track record of success in developing innovative medical technologies and overseeing global product launches. We believe our novel molecular detection technology has wide application in healthcare and other sectors, and we look forward to working with Todd to ensure the company's rapid progress."

About Molecular Detection

Molecular Detection Inc. (MDI), with offices in Wayne, PA and Jerusalem, Israel, is developing and commercializing a portfolio of "sample-to-answer" Detect-Ready™ molecular diagnostic tests for the detection of infectious diseases. The company's first product is a ready-to-use rapid detection DNA-probe screening test for MRSA. These staph infections represent a growing problem to the healthcare system because they cause high mortality, are resistant to treatment, and are easily spread in hospitals. Successful MRSA control efforts rely on screening potential carriers to prevent the spread of the disease. The Detect-Ready MRSA test provides increased accuracy, faster time to results and more efficient utilization of hospital resources compared to other MRSA diagnostic products. MDI's real-time PCR tests are based on novel patent-pending technologies for differential diagnosis and room temperature stabilization. For more information, visit www.detect-ready.com.

About Ben Franklin Technology Partners

Ben Franklin Technology Partners of Southeastern Pennsylvania is the region's catalyst for Stimulating Entrepreneurial Potential. For over 25 years, we have invested in innovative enterprises and created commercialization pathways and partnerships that generate wealth through science and technology. Ben Franklin is part of the Commonwealth of Pennsylvania's Ben Franklin Technology Partnership. We provide entrepreneurs and established businesses the Capital, Knowledge and Networks to compete in the global marketplace. We have provided more than \$130 million to grow more than 1,600 regional enterprises across all areas of technology. For additional information, please visit www.sep.benfranklin.org.

About MentorTech Ventures

MentorTech Ventures is an early-stage venture capital funds group that invests in information technology, marketing technology and medical device companies with a primary focus on technologies or management originating at the University of Pennsylvania. The Fund's preference is to invest in companies that have a proven product or service and have significant intellectual property developed. MentorTech favors companies that can co-locate with it or are located in close geographic proximity as it greatly believes in "hands-on" investing. MentorTech aims to bridge the widening gap between "friend and family" seed capital and institutional funding rounds. It seeks significant and influential ownership stakes allowing the Fund to act as a true partner with entrepreneurs and founders. Portfolio companies include Neat Co., PayQuick (sold to CITI Group), Diapers.com, Sort Tissue Regeneration, Inc., Ticket Leap, Gentis, Inc. and others. For more information, visit www.mentortechventures.com.

About The Mid-Atlantic Angel Group Fund (MAG)

The Mid-Atlantic Angel Group Funds I and II (MAG) were created to bridge the gap between angel funding and institutional venture capital funding serving the Greater Philadelphia Region. This member-managed fund provides its investors with an opportunity for active involvement in diversified venture capital investments throughout Pennsylvania, New Jersey, Delaware, New York, and Maryland. The fund

seeks to leverage various public and private funding resources and networks by providing equity capital to seed and early-stage, technology-based, high-growth companies. Fund members include experienced entrepreneurs, high net worth individuals, institutions, and other accredited investors interested in realizing a high return on invested capital in Regional technology companies and being a key part of Regional growth. Modeled after the best practices of other successful angel funds operating around the country, MAG is the first formally structured angel capital venture fund in the Greater Philadelphia Region and seeks to intelligently leverage Regional and statewide funding and other public and private partnership opportunities. For more information, visit www.magfund.com.

About Robin Hood Ventures

Robin Hood focuses on investing in early stage companies located in the Mid-Atlantic region. Portfolio companies include Vuzit, Aklero Process Solutions, Inc., Core Essence Orthopaedics, Inc., NanoPack Inc., Maverick Network Solutions, Protez Pharmaceuticals (acquired by Novartis), Bioconnect Systems, Intellifit (acquired by Unique Solutions), Paradigm Spine, Glucolight, Patria, Athleague, GlobalPrint, Power Medical Interventions (PMI), Compoze (acquired by BEA), and Etech Solutions, Inc., (acquired by Perficient - PRFT). To date, Robin Hood has invested in more than 26 companies. For more information, visit: www.robinhoodventures.com.

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