XOFT AWARDED TWO QUALIFYING THERAPEUTIC DISCOVERY PROJECT PROGRAM
GRANTS FOR ELECTRONIC BRACHYTHERAPY

Grant Issuance Based on Improved Patient Care while Lowering Healthcare Systems Costs

SAN DIEGO, Nov. 2, 2010 – Xoft, Inc., developer of the Axxent® Electronic Brachytherapy, eBx™ System, announced today that it has received nearly $500,000 in grants from the Qualifying Therapeutic Discovery Project Program. Xoft received the maximum amount of $244,479.25 for two Electronic Brachytherapy grants, one for the treatment of breast cancer and one for the treatment of gynecological cancers. The announcement was made here at the 52nd American Society for Radiation Oncology (ASTRO) Meeting, October 31 - November 4.

The Qualifying Therapeutic Discovery Project program is provided under new section 48D of the Internal Revenue Code (IRC), enacted as part of the Patient Protection and Affordable Care Act of 2010 (P.L. 111-148). Only companies with less than 250 employees were eligible for the program. Additionally, projects had to show significant potential to produce new therapies to address areas of unmet medical needs, prevent, detect or treat chronic or acute disease and conditions, reduce the long-term growth of health care costs and advance the goal of curing cancer within the next 30 years. Breakthroughs in biotechnology have helped to significantly reduce mortality from many cancers.

As part of the review process for research projects, the Department of Health and Human Services (HHS) evaluated each project. Preference was given to projects that showed the greatest potential to create and sustain high-quality, high-paying jobs in the U.S. and advance the country’s competitiveness in the fields of life, biological, and medical sciences. Only projects that show a reasonable potential to meet these goals were certified as eligible for the credit or grant.

The Axxent System, which delivers non-radioactive, electronic therapy directly to cancer sites with minimal radiation exposure to surrounding healthy tissue, is FDA-cleared for treatment of early stage breast cancer, endometrial cancer, skin cancer, and for the treatment of other cancers or conditions where radiation therapy is indicated, including IORT.

As a platform technology, the Axxent System is designed to deliver localized, isotope-free radiation treatment in minimally-shielded clinical settings under the supervision of a radiation oncologist to help reduce recurrence of cancer and improve survival. Utilizing a proprietary miniaturized X-ray source and mobile controller, accelerated brachytherapy and IORT treatments can be performed without the need for a shielded room, allowing radiation oncologists and medical personnel to be present during treatment, which can minimize patient anxiety.

About Xoft, Inc.

Xoft develops Electronic Brachytherapy (eBx) systems based upon miniaturized X-ray tube technology for the practice of radiation oncology in virtually any clinical setting, eliminating the need for heavily
shielded environments. The Axxent® treatment platform provides a therapeutic dose of radiation directly to the region at risk with minimal radiation exposure to surrounding healthy tissue and without the logistics and costs associated with using radioactive isotopes. FDA-cleared for treatment of early stage breast cancer, skin cancer and endometrial cancer, the Axxent System is also cleared for use in the treatment of other cancers or conditions where radiation therapy is indicated including IORT. For information, visit www.xoftinc.com.

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Axxent is a registered trademark and eBx is a trademark of Xoft, Inc.

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