
SPO MEDICAL SECURES AGREEMENT IN SLEEP APNEA MARKET
Company structures OEM license and usage-fee for its proprietary ASIC chip-set

New York, NY – March 9, 2010. SPO Medical Inc. ([SPOM](#)), a leading developer of biosensor and microprocessor technologies for use in portable monitoring devices, today announced it has signed a Memorandum of Understanding (MOU) with MetroSleep Inc, a US corporation that specializes in products to diagnose and treat sleep apnea through at-home testing. The MOU enables the integration of SPO Medical' ASIC chip-set technology in a new MetroSleep product offering for the Sleep Disturbance Breathing (SDB) monitoring market. The terms include an advance licensing fee and a subsequent royalty payment to SPO once the products are commercially available. In addition, MetroSleep will remunerate SPO on a usage-fee basis via SDB devices that are deployed by MetroSleep in the market. The MOU provides that the parties shall enter into legally binding agreements upon MetroSleep receiving required funding for launch of the products.

Michael Braunold, President and Chief Executive Officer of SPO Medical commented: "The arrangement with MetroSleep further demonstrates the value of our proven technology into mass-market applications. The home testing market is an excellent opportunity for integration of our technology, enabling monitoring of those who suffer from undiagnosed sleep-apnea in the comfort of their home without the need for expensive and inconvenient sleep-laboratory testing. Sleep apnea affects more than 40 million people in the United States alone of which 85% are currently undiagnosed, making it the most common sleep disorder – our partnership with MetroSleep will help bring a cost-effective solution to this vast market."

Haim Zitman, President of MetroSleep commented: "We decided to partner with SPO as our technology provider for oximetry measurements since this constitutes a vital part of our multi-channel home diagnostic system. We are uniquely poised to capitalize on the fast-growing sleep apnea testing and therapy market that is expected to reach more that \$4 billion by 2012. MetroSleep together with SPO's technology could play a leading roll in the emerging home-test market especially since reimbursements are now permissible for this application; we will now be able to offer individuals a more convenient, cost-effective sleep test and therapy experience."

SPO Medical Inc. recently announced its intention to focus primarily on OEM and licensing arrangements going forward to maximize the potential for commercialization of its patented reflectance pulse oximetry in various markets. Braunold continued; "We continue to seek mass-market applications for our technology platform through commercial relationships with entities that can best maximize our deliverable. We believe MetroSleep has identified such a market sector and opportunity which can add further strength to our Company and its offering, which in turn contributes to potentially increasing value for the SPO Medical shareholders."

About SPO Medical:

SPO Medical ([SPOM](#)) a leading developer of biosensor and microprocessor technologies for use in portable monitoring devices to capture life-saving and life-enhancing information within four key markets: medical care; home and remote-care; sports and wellness; and safety and security. Its patented technology uses information gathered from the reflectance of light on the human blood stream, in a non-invasive manner, to monitor key vital signs. The Company licenses its technologies to appropriate client corporations for commercialization and distribution. For more information, visit www.spomedical.com and www.spobaby.com.

Forward Looking Statements:

This press release contains forward-looking statements that involve substantial uncertainties and risks. These forward-looking statements are based upon our current expectations, estimates and projections about our business and our industry, and that reflect our beliefs and assumptions based upon information available to us at the date of this release. We caution readers that forward-looking statements are predictions based on our current expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Our actual results, performance or achievements could differ materially from those expressed or implied by the forward-looking statements as a result of a number of factors, including but not limited to, market acceptance of our products and new product applications, product performance, size of prospective markets, revenues assessments, patent protection for our products and technologies, changes in economic conditions generally and the medical devices market specifically, changes in technology, legislative or regulatory changes that affect us, the sufficiency and availability of working capital, the introduction of competing products, changes in our operating strategy or development plans and the risks and uncertainties discussed under the heading "Risk Factors" in Item 1 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008. We undertake no obligation to revise or update any forward-looking statement for any reason.

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