

FOR IMMEDIATE RELEASE

Nerites Corporation Signs Agreement with Midwest Orthopaedic Research Foundation to Co-develop Surgical Product Applications for Novel Tissue Adhesives and Medical Device Coatings

MINNEAPOLIS, MN - (August 2, 2006) – Nerites Corporation and the Midwest Orthopaedic Research Foundation (MORF) announced today that they have signed an agreement to co-develop Nerites proprietary technologies for use as surgical adhesives and implant coatings. Under the agreement, Nerites and MORF will jointly evaluate and develop the Nerites **SurPhys™** antifouling coating technologies for medical devices and their **Medhesive™** aqueous-compatible adhesives for internal tissue applications. The collaboration will bring together Nerites world class polymer scientists and MORF's extensive biomechanical and clinical expertise in Orthopaedic surgery.

About MORF: The Midwest Orthopaedic Research Foundation (MORF) located on the campus of Hennepin County Medical Center (HCMC), has a 26-year history of finding creative solutions to Orthopaedic challenges. MORF's Orthopaedic Biomechanics Laboratory is a large and accessible facility, serving as an international resource for those interested in improving patient outcomes. MORF's mission is to educate future medical researchers, and professionals, by conducting Orthopaedic research on innovative surgical and rehabilitative techniques and technologies aimed at improving patient outcomes. (www.morfn.org)

About Nerites: Nerites Corporation develops novel tissue repair products as well as advanced coatings for implanted medical devices and device uses on skin based on unique "wet" adhesive compounds. These synthetic compounds are based upon research by Dr. Phil Messersmith at Northwestern University's Department of Biomedical Engineering on how marine mussels bind to surfaces underwater, are a breakthrough advance in biologically-compatible adhesives that provide completely new options for tissue repair, skin adhesives, and device coatings. Nerites is based in Madison Wisconsin. (www.nerites.com)

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