

SPO MEDICAL COMPLETES RESTRUCTURING PLAN

Company to focus licensing its core technology for non-medical applications

New York, NY – Feb 2, 2010. SPO Medical Inc. ([SPOM](#)), a leading developer of biosensor and microprocessor technologies for use in portable monitoring devices, today announced it has restructured the Company operations to focus primarily on licensing its core technology for non-medical market applications. A restructuring plan has now been completed which involved the reduction of the Company's corporate and manufacturing workforce and a licensing agreement for the existing medical PulseOx product line. Going forward, SPO Medical Inc. will operate as a development and licensing company. These corporate changes were designed to streamline the organization and right-size the G&A and overhead structure.

Under this new structure, the PulseOx medical product line will be marketed by SPO Medical Systems Ltd., a private Israeli company owned and managed by the original founder of SPO Medical, Mr. Israel Sarussi. As per the license agreement, all worldwide sales, marketing and manufacturing of the PulseOx line has been transferred to SPO Medical Systems Ltd. The licensee has retained much of the workforce previously employed by the Company in connection with manufacture and marketing of the PulseOx medical product line. Additional details relating to the license are included in the Company's current report on Form 8-K that was recently filed.

Michael Braunold, President and Chief Executive Officer of SPO Medical Inc. commented: "The licensing of our medical technology and associated PulseOx product line to SPO Medical Systems Ltd. should enable further growth of our medical product offering in the market. As a result, we will be focusing all our corporate efforts on new non-medical product offerings which relate to consumer mass-market opportunities. The licensing agreement and associated restructuring plan should have no impact on the current 200,000 SPO Medical end-users or worldwide reseller network that operates in over 40 countries that will now be serviced by SPO Medical Systems Ltd. – I have every confidence that the existing PulseOx product line will be further enhanced by Mr. Sarussi and his team."

Israel Sarussi, Managing Director of SPO Medical Systems Ltd. commented: "The opportunity now exists for further enhancement of the existing PulseOx product line in addition to expanding the offering by incorporating new medical products and related technologies going forward. We look forward to maintaining the high level of support and commitment to the existing customer base and to the SPO authorized resellers worldwide."

During 2010, SPO Medical Inc. plans to embark on business development activities that will focus on various commercial applications relating to the implementation of reflectance pulse oximetry for non-medical markets. Applications include the consumer sports watch and associated wellness devices, a baby movement monitor and various other mass-market product opportunities that could use pulse oximetry in a non-invasive, convenient manner enabling accurate and effective measurements of vital sign information. Braunold continued; "Commercially, we believe that our unique technology can attract interest from various non-medical corporations who are seeking commercial solutions for mass-market consumer markets; in addition, this strategy should further contribute to potentially increasing value for the SPO 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, our ability to raise funds, sufficiency of working capital resources, patent protection for our products and technologies, market acceptance of our products and new product applications, product performance, size of prospective markets, revenues assessments, 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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