

FOR IMMEDIATE RELEASE

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Image Medical Corporation Supports eRAD PACS Business by Restructuring

Greenville, South Carolina – May 25, 2007 – Image Medical Corporation, the parent company of eRAD Inc., announced today the completion of a corporate restructuring following the death of Founder, Board Chairman and CEO Peter J. Karoly. Karoly, his wife Dr. Lauren Angstadt, and their pilot perished in a tragic airplane accident on February 2, 2007 in New Bedford, Massachusetts.

The restructuring of Image Medical Corporation occurred along a number of fronts: Edward R. Eidelman Esq. was named to the Image Medical Board of Directors. Eidelman has been associated with the Company from the beginning, having served as Corporate Legal Counsel. Dr. Roy W. Miller, President of eRAD Inc., is now responsible for all of the operations of eRAD. Miller, one of the founders of eRAD, has been active in the Company for the past several years.

Working capital was raised for Image Medical by offering shares of stock to current investors and key employees. Investors and qualified employees showed a strong vote of confidence by fully subscribing to the offering. According to Miller, "The support and commitment made during this period by Image Medical investors, and by eRAD employees, will enable us to continue our growth in delivering excellence in PACS workflow solutions."

About eRAD

eRAD® and Image Medical® were founded separately in 1999 and merged in 2001. eRAD offers a standards-based, web-centric image management solution using leading-edge technology. eRAD PACS web-accessible archive, and workflow solutions are installed in over two-hundred fifty customer sites throughout the USA. eRAD's PACS and RIS solutions integrate full-featured RIS/PACS and image management with workflow tools for hospitals, clinics, imaging centers and physician practices. For more information, visit www.eradPACS.com.

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