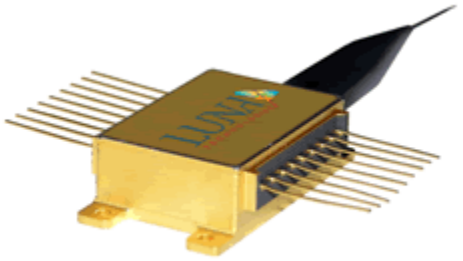
Luna Announces the Phoenix 1000 Tunable Laser Based on the Former Iolon "Apollo" Laser

February 20, 2008

MEMS-based, C-band Tunable for Next-Generation Optical Network Testing

ROANOKE, VA, February, 20, 2008 -Luna Innovations Incorporated (NASDAQ:LUNA) announces its highly anticipated tunable laser product, the Phoenix 1000, under its Luna Technologies brand of test and measurement products.

"We acquired the intellectual property rights and manufacturing equipment in December 2006 , to allow us to compete more effectively in Luna's existing fiber optic test and measurement markets by providing our customers with fast, flexible and cost-effective test and measurement products. We are also aggressively pursuing new markets such as industrial and medical sensing with our new laser," commented Kent Murphy, Luna Innovations' Chairman and Chief Executive Officer.



Luna 's Phoenix 1000 is a MEMs-based, external cavity laser, based on the former Iolon 'Apollo' class of tunable lasers, offering low noise and precise tuning capability over the C-band

Luna's MEMs-based, external cavity laser is based on the former Iolon 'Apollo' class of tunable lasers and offers low noise and precise tuning capability over the C-band. The compact device is scalable, rugged and fast delivering superior performance for applications including measurement, fiber grating based sensing, spectroscopy and metrology. Product highlights of this miniaturized, 18-pin TEC-cooled package include fast tuning up to 500 Hz, mode-hop free swept operation over the C-band wavelength coverage from 1515 nm to 1565 nm, narrow linewidth less than 2 MHz and superior phase noise characteristics.

"Tunable lasers have become a key enabling element in a variety of fiber optic measurement and sensing applications," said Brian Soller, President of Luna Innovations' Products Division. "Our improvements to this well known platform make the Phoenix 1000 laser the ideal choice for end users and customers looking for ruggedness, scalability and performance in a compact tunable laser."

The Phoenix 1000 tunable laser product is available immediately, with four to six weeks typical for delivery

Luna will be demonstrating its new laser, Optical Backscatter and Optical Vector Analyzer product platforms in booth #327 at the Optical Fiber Communication Conference & Exposition and the National Fiber Optic Engineers Conference (OFC/NFOEC) which begins, February 26 in San Diego, CA.

For more information, visit Luna Technologies online at http://www.lunatechnologies.com.

About Luna Technologies:
Luna Technologies, a division of Luna Innovations Incorporated located in Blacksburg, Virginia, manufactures and markets test and measurement equipment and integrated sensing solutions. Luna Technologies' products are used for process and control monitoring in telecommunications, manufacturing, power generation and distribution, down-hole oil and gas production, aerospace, and defense applications. Its products have won numerous awards and are sold and distributed throughout North America, Europe, the Middle East and Asia.

Forward Looking Statements:
This release includes information that constitutes “forward-looking statements” made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995, including statements regarding the Phoenix 1000 and its application to new markets and new business opportunities, including industrial and medical sensing.. Actual results may differ materially from the expectations expressed in such forward-looking statements as a result of various factors, including risks and uncertainties set forth in the company’s periodic reports and other filings with the Securities and Exchange Commission. Such filings are available at the SEC’s website at http://www.sec.gov, and at the company’s website at http://www.lunainnovations.com. The statements made in this release are based on information available to the company as of the date of this release and Luna Innovations undertakes no obligation to update any of the forward-looking statements after the date of this release.

MULTIMEDIA AVAILABLE FROM BUSINESSWIRE

CONTACT: Luna Innovations Incorporated
Media Contact:
Karin Clark, 1-540-769-8400
kclark@lunainnovations.com
or
Investor Contact:
Qorvis Communications
Sally Beerbower, 1-703-744-7800
ir@lunainnovations.com

SOURCE: Luna Innovations