



Luna Innovations Could Emerge from Bankruptcy as Early as January 12

December 18, 2009

Court Hearing Set for January 12, 2010 to Confirm Luna's Plan of Reorganization; Luna to Request Extension from NASDAQ Panel to Emerge from Bankruptcy and Demonstrate Compliance by January 13

ROANOKE, Va.--([BUSINESS WIRE](#))--Luna Innovations Incorporated (NASDAQ: LUNA) announced today that a bankruptcy court hearing has been set for January 12, 2010, to decide whether to confirm Luna's Plan of Reorganization and allow Luna to emerge from bankruptcy. If the court confirms Luna's Plan, Luna could emerge from bankruptcy as early as January 12 or 13. Under the Plan, Luna proposes to pay 100% of its due and payable valid claims, and Luna stockholders will retain their shares of Luna's Common Stock. As previously announced, the Plan also includes the settlement of Luna's dispute with Hansen Medical, Inc., which is subject to various conditions.

The bankruptcy court decided to combine the hearing on approval of Luna's Disclosure Statement with the hearing on confirmation of the Plan, for the purpose of accelerating Luna's reorganization process. Further information on the court process can be found at <http://chapter11.epiqsystems.com/> under Luna Innovations.

As previously announced, in September 2009, a NASDAQ Listing Qualifications Panel (the "Panel") granted Luna's request for continued listing on The NASDAQ Stock Market subject to the requirement that Luna demonstrate compliance with all applicable requirements for initial listing on The NASDAQ Capital Market by December 31, 2009, among other requirements. Luna has requested that the Panel grant it a further extension through January 13, 2010, so as to afford Luna the opportunity to emerge from bankruptcy and demonstrate compliance with all applicable listing requirements. There can be no assurances, however, that the Panel will grant Luna's request for additional time to emerge from bankruptcy or that Luna will timely achieve compliance with the applicable listing requirements for The NASDAQ Capital Market.

About Luna Innovations:

Luna Innovations Incorporated (www.lunainnovations.com) is focused on sensing and instrumentation, and pharmaceutical nanomedicines. Luna develops and manufactures new-generation products for the healthcare, telecommunications, energy and defense markets. Its products are used to measure, monitor, protect and improve critical processes. Through its disciplined commercialization business model, Luna has become a recognized leader in transitioning science to solutions. Luna is headquartered in Roanoke, Virginia.

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, but not limited to the ability to meet the conditions precedent to settlement and obtain adequate plan confirmation in Chapter 11 reorganization and pay all of Luna's creditors. The company attempts, whenever possible, to identify forward-looking statements by words such as "intends," "will," "plans," "anticipates," "expects," "may," "estimates," "believes," "should," "projects," or "continue," or the negative of those words and other comparable words. Similarly, statements that describe the company's business strategy, goals, prospects, opportunities, outlook, objectives, plans or intentions are also forward-looking statements. Actual events or results may differ materially from the expectations expressed in such forward-looking statements as a result of various factors, including risks and uncertainties, many of which are beyond the company's control. Additional factors that may affect the future results of the company are set forth in the company's quarterly and annual reports on Form 10-Q and Form 10-K, respectively, and other filings with the Securities and Exchange Commission ("SEC"), which are available at the SEC's website at <http://www.sec.gov>, and at the company's website at <http://www.lunainnovations.com>. These risk factors are updated from time to time through the filing of periodic reports with the SEC. The statements made in this press 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 herein after the date of this press release.

SOURCE: Luna Innovations Incorporated

Luna Innovations Incorporated

Dale Messick, CFO

1-540-769-8400

IR@lunainnovations.com