

**TRIMEDYNE RAISES \$3 MILLION TO FINANCE AN  
EXPECTED INCREASE IN SALES OF NEW LASER FIBER**

FOR IMMEDIATE RELEASE

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December 13, 2006 – Lake Forest, CA: TRIMEDYNE, INC. (OTCBB “TMED”) today announced it raised \$ 3,250,000 through a private offering of 2,600,000 shares of Common Stock at a price of \$1.25 per share. The offering was conducted by J. H. Darbie & Co., Inc., an international investment banking firm with its headquarters at 99 Wall Street, New York, NY. The investors include Crescent International Ltd. and Leviticus Partners LP and funds managed by Corsair Capital Management and Lewis Asset Management.

Marvin P. Loeb, Chairman of Trimedyne, said, “We are excited to have successfully concluded this offering. The net proceeds of slightly more than \$3 million will allow us to finance the increase in sales anticipated from the introduction of our new Side Firing Laser Fiber to the market by Boston Scientific Corporation (NYSE:BSX) in the United States and Japan and by Lumenis, Ltd. throughout the rest of the world.” Mr. Loeb added, “We are also pleased the offering was completed at a very small discount from the market price of our common stock.”

Trimedyne recently received FDA clearance to market a new, Side Firing Laser Fiber for use with Holmium Lasers for their FDA cleared indications, including the treatment of benign prostatic hyperplasia or BPH, commonly referred to as an “enlarged prostate”. BPH is a condition affecting about 55% of men over age 55 and a higher percentage at older ages.

When the prostate becomes enlarged, it blocks urine flow. While millions of men take drugs to relieve BPH, the drugs can become less effective over time. An estimated 200,000 electro-surgical procedures to treat BPH are performed each year in the United States, and about 1 million are performed each year outside the United States.

The electro-surgical procedure typically entails general anesthesia, a three-day average hospital stay and bleeding, in which 3% of the patients lose enough blood to require a blood transfusion. In addition, 3% of the men who were potent before the procedure become impotent and 3% become permanently incontinent. However, urine flow is usually restored to normal levels in this procedure.

Boston Scientific and Lumenis currently market Lumenis' angled firing laser fibers for use with Lumenis' Holmium lasers to treat BPH (with fiber royalty payments made to Trimedyne), in competition with Laserscope, Inc., which markets its own angled firing fiber and laser and was recently acquired by American Medical Systems Holdings, Inc. (NASDAQ:AMMD). In Boston Scientific's, Lumenis' and AMMD's laser procedures, there is virtually no bleeding and the procedure is usually performed on an outpatient basis, with the urine flow rate returning to normal levels. Most importantly, the hospital stay and most of the adverse effects of the electro-surgical procedure are significantly reduced.

Upon completion of Trimedyne's new Side Firing Laser Fiber and Boston Scientific's review of Trimedyne's manufacturing process and quality plan and fiber testing, Trimedyne's new Side Firing Fiber will replace Lumenis' angled firing laser fiber, which is presently being marketed by Boston Scientific and Lumenis. This review and testing is presently expected to be completed late in the second calendar quarter of 2007, the outcome of which cannot be assured.

Trimedyne plans to file a Registration Statement with the SEC covering the recently purchased shares, an additional 50,000 shares purchased by one of Trimedyne's early investors, 212,000 shares underlying Warrants issued to J. H. Darbie and another banker in connection with the private placement, which expire in December 2011 and are exercisable at \$1.25 per share, and 600,000 shares reserved for issuance of stock options which may be granted in the future to officers, directors, employees and consultants under Trimedyne's 2007 Stock Option Plan. After deducting an estimated \$300,000 of offering expenses, the net proceeds to Trimedyne from the recently purchased shares will be \$3,012,500.

Trimedyne manufactures proprietary Holmium lasers and patented fiber optic laser devices for a variety of minimally invasive surgical procedures, many of which are performed on an outpatient basis at substantially less cost than conventional surgery. For product, press releases, financial and other information, please visit Trimedyne's website, <http://www.trimedyne.com>.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act:

Statements in this news release may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934, including words like "expect", "may", "could" and others. Such statements may involve various risks and uncertainties, some of which may be discussed in the Company's Form 10-K-SB for the year ended September 30, 2005 and subsequently filed SEC reports. There is no assurance such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

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