

Press Release

November 20, 2007



Investor Relations Contacts:

Patrick T. Mooney, M.D., CEO

508-530-0329

[pmooney@echotx.com](mailto:pmooney@echotx.com)

FOR IMMEDIATE RELEASE

## Echo Therapeutics Reports Third Quarter 2007 Results

Completion of Strategic Acquisition Reflected in Q3 Results

Franklin, MA – November 19, 2007 -- Echo Therapeutics, Inc. (OTCBB: ECTE) today announced financial results for the third quarter ended September 30, 2007. For the quarter ended September 30, 2007, net loss was \$8,677,000 or \$.70 per share, compared to \$1,390,000 or \$.49 per share, for the same period in 2006. For the nine months ended September 30, 2007, net loss was \$10,278,000, or \$1.05 per share, compared to \$4,229,000 or \$1.60 per share, for the same period in 2006. Net loss for the three and nine months ended September 30, 2007 included purchased research and development of \$6,556,000 in connection with the strategic acquisition of Echo Therapeutics, Inc. as described in more detail below.

Cash and short term investments totaled \$2,218,000 at September 30, 2007, compared to \$559,000 at December 31, 2006.

### Recent Highlights

The quarter was highlighted by the merger of Sontra Medical Corporation with Echo Therapeutics, Inc. and the surviving Company's name change to Echo Therapeutics, Inc. The merger created a dual platform-enabled transdermal therapeutics and diagnostics company focused on multiple large markets for improved formulations of specialty pharmaceuticals and new applications of next generation transdermal diagnostics for diabetes management and hospital intensive care markets. Echo Therapeutics is now marked by the following key attributes and capabilities:

- Two transdermal drug penetration technologies, with emphasis on development and commercialization advanced reformulations of well-established, FDA-approved products using Echo's AzoneTS dermal penetration enhancement technology in concert with a 505(b)(2) regulatory strategy and development of a next generation wireless, needle-free, continuous transdermal glucose monitor system for the diabetes home use and hospital intensive and critical care markets;

- Diverse, late-stage specialty therapeutics and diabetes management device pipeline with one FDA-approved product, a therapeutic dermatology product candidate covered by a pending NDA filed with the FDA and ten (10) product development programs;
- Flexible, strategic partnership with Cato Research, an established global contract research organization (CRO), to maximize development and regulatory efficiencies; and,
- Expertise from Cato Research to expand the reach of ongoing late-stage clinical development programs in continuous transdermal glucose monitoring.

## **About Echo Therapeutics**

Echo Therapeutics is a dual platform-enabled, specialty therapeutics and diagnostics company developing an extensive pipeline of advanced topical reformulations of FDA-approved products and a portfolio of next generation wireless, needle-free continuous transdermal glucose monitor (CTGM) systems for the diabetes home use and hospital intensive and critical care markets. Echo is also developing a broad portfolio of advanced topical reformulations of well-established, FDA-approved products using its proprietary AzoneTS™ dermal penetration technology. Echo has submitted a New Drug Application (NDA) to the FDA for the approval of its lead AzoneTS-based product, Durhalieve™, for the treatment of corticosteroid responsive dermatoses. Echo's next generation CTGM system leverages its FDA-approved SonoPrep® ultrasound-mediated skin permeation technology platform.

© 2007 Echo Therapeutics, Inc. SonoPrep is a registered trademark of Echo Therapeutics, Inc.

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based on current expectations, but are subject to a number of risks and uncertainties. The factors that could cause actual future results to differ materially from current expectations include, but are not limited to risks and uncertainties relating to our ability to develop, market and sell pharmaceutical or diagnostic products based on our AzoneTS and CTGM technologies, including AzoneTS-based Durhalieve for corticosteroid responsive dermatoses and the use of our SonoPrep ultrasound-mediated skin permeation technology platform with our CTGM system for the diabetes home use and hospital intensive and critical care markets; the success of our AzoneTS and CTGM business, research, development, and regulatory approval, marketing and distribution plans and strategies; and, our ability to raise sufficient capital in the future to fund our research and development programs, commercialize our product candidates and achieve profitability. These and other factors are identified and described in more detail in our filings with the SEC, including, without limitation, our respective annual reports on Form 10-KSB for the year ended December 31, 2006, our

most recent quarterly reports on Form 10-QSB, and our current reports on Form 8-K. Echo Therapeutics, Inc. does not undertake to update these forward-looking statements.



10 Forge Parkway  
Franklin, MA 02038, USA  
Tel: 1+ 877-476-6878  
Fax: 1+ 508-553-8760  
[www.echotx.com](http://www.echotx.com)

© 2002 - 2007 Echo Therapeutics, Inc. All rights reserved worldwide.

**Echo Therapeutics, Inc.**  
**(Formerly Sontra Medical Corporation)**  
**Consolidated Balance Sheets**

	As of,	
	September 30, 2007 (Unaudited)	December 31, 2006
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 2,218,246	\$ 559,017
Inventory, net of reserve for obsolescence	-	1,556
Prepaid expenses and other current assets	74,484	12,994
Total current assets	2,292,730	573,567
<b>Property and Equipment, at cost:</b>		
Computer equipment	248,272	245,694
Office and laboratory equipment	590,926	590,926
Furniture and fixtures	14,288	14,288
Manufacturing equipment	197,888	197,888
Leasehold improvements	177,768	177,768
	1,229,142	1,226,564
Less-Accumulated depreciation and amortization	(1,105,441)	(1,017,051)
Net property and equipment	123,701	209,513
<b>Other Assets:</b>		
Restricted cash	10,250	19,949
Deposits and other assets	2,000	2,000
Intangible assets, net	10,420,000	-
Total other assets	10,432,250	21,949
Total assets	\$ 12,848,681	\$ 805,029
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 363,057	\$ 45,817
Deferred revenue	8,333	45,833
Current portion of notes payable, net of unamortized discount	55,208	89,808
Accrued expenses	488,650	103,365
Total current liabilities	915,248	284,823
Notes Payable, net of current portion	-	54,508
<b>Commitments</b>		
<b>Stockholders' Equity</b>		
Series A Convertible Preferred Stock, \$0.01 par value, authorized 7,000,000 shares, issued and outstanding no shares at September 30, 2007 and 73,334 shares at December 31, 2006	-	76,291
Common stock, \$0.01 par value, authorized 60,000,000 shares, issued and outstanding 17,707,679 shares at September 30, 2007 and 2,776,192 shares at December 31, 2006	177,079	27,762
Additional paid-in capital	56,494,899	34,822,306
Accumulated deficit	(44,738,545)	(34,460,661)
Total stockholders' equity	11,933,433	465,698
Total liabilities and stockholders' equity	\$ 12,848,681	\$ 805,029

**Echo Therapeutics, Inc.**  
**(Formerly Sontra Medical Corporation)**  
**Consolidated Statements of Operations**  
**(Unaudited)**

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Revenue:				
Product revenues	\$ -	\$ 10,679	\$ 12,120	\$ 37,619
Licensing revenue	12,500	12,500	37,500	37,501
Total revenue	12,500	23,179	49,620	75,120
Operating Expenses:				
Cost of product revenue	-	9,445	1,556	61,734
Research and development	323,078	803,754	923,172	2,489,996
Purchased research and development	6,556,048	-	6,556,048	-
Selling, general and administrative	1,767,587	622,518	2,812,002	1,843,534
Total operating expenses	8,646,713	1,435,717	10,292,778	4,395,264
Loss from operations	(8,634,213)	(1,412,538)	(10,243,158)	(4,320,144)
Other income (Expense):				
Interest income	21,657	28,604	35,563	109,687
Interest expense	(64,131)	(4,469)	(70,289)	(14,439)
Other income, net	(42,474)	24,135	(34,726)	95,248
Net loss	(8,676,687)	(1,388,403)	(10,277,884)	(4,224,896)
Accretion of dividend on Series A Convertible Preferred Stock	-	(1,479)	(483)	(4,389)
Net loss applicable to common shareholders	\$ (8,676,687)	\$ (1,389,882)	\$ (10,278,367)	\$ (4,229,285)
Net loss per common share, basic and diluted	\$ (0.70)	\$ (0.49)	\$ (1.05)	\$ (1.60)
Basic and diluted weighted average common shares outstanding	12,438,201	2,839,201	9,771,183	2,640,691