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DIGIRAD INTRODUCES nSPEEDSM – THE NEW STANDARD IN CARDIAC SPECT RECONSTRUCTION

Poway, Calif. - June 4, 2007 - Digirad Corporation (Nasdaq: DRAD) demonstrates its commitment to clinical excellence and technological advancement by introducing nSPEED, an advanced three dimensional SPECT image reconstruction technique. This advanced algorithm provides the clinicians with significant image quality improvement over existing 2D reconstruction techniques by producing clearer and more accurate images to help improve physicians' interpretation confidence.

nSPEED models the depth-dependent point response function in an iterative reconstruction algorithm (OSEM), thus enabling depth-dependent resolution recovery and improving chamber contrast in cardiac SPECT images. Such improvement may further enable the reduction of acquisition time while maintaining image quality as compared to conventional reconstruction without depth-dependent resolution recovery, while adhering to ASNC imaging guidelines. With this product, Digirad is striving to obtain ASNC and other society acceptance in order to meet accreditation requirements.

Preliminary studies of nSPEED have resulted in equivalent diagnostic quality for stress and rest images with reliable function quantitation measurements from gated stress images and reliable quantitation of perfusion defect severity on stress and rest images.

“Our next step is to conduct a multi-center study that will seek to demonstrate that nSPEED offers the opportunity to cut the acquisition time for cardiac SPECT studies in half while maintaining equivalent or better clinical results than those produced by 2D reconstruction techniques,” said Mark Casner, President and CEO, Digirad. “We believe that with nSPEED, Digirad's Cardius[®] 3 XPO triple-head cameras will be able to perform a four minute rest study and a three minute stress study, increasing throughput and decreasing patient motion and patient imaging time.”

About Digirad

Digirad Corporation provides diagnostic imaging products and services to physicians' offices, hospitals and other medical providers for use in cardiology, internal medicine, and general imaging applications. Digirad designed and commercialized the first solid-state nuclear gamma camera for the detection of cardiovascular disease and other medical conditions. The unique lightweight and compact design of Digirad's cameras allows use in small office spaces and for mobile services. For more information, go to www.digirad.com. Digirad[®] is a registered trademark of Digirad Corporation.

Forward Looking Statements

Digirad cautions that statements included in this press release that are not a description of historical facts are forward looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts and use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other words and terms of similar meaning in connection with a discussion of future operating or financial performance or events. Examples of such statements include the statements concerning the performance and image quality improvements we expect to obtain through nSPEED. The inclusion of these and other forward looking statements should not be regarded as a representation by Digirad that any of its plans will be achieved. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in Digirad's business including, without limitation: Digirad's ability to develop and market nSPEED as planned, and the degree to which Digirad's nSPEED will be accepted by physicians and hospitals; and other risks detailed in Digirad's Annual Report on Form 10-K and other reports filed with the U.S. Securities and Exchange Commission.

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