



Digirad Corporation and The Methodist Hospital In Houston Sign Letter of Agreement

Digirad Expanding Portfolio of Partnerships with Centers of Influence

POWAY, Calif.—December 3, 2007—Digirad Corporation (Nasdaq: DRAD), a leading provider of medical diagnostic imaging systems and services to physicians' offices, hospitals and imaging centers, today announced the signing of a letter of agreement with The Methodist Hospital (Methodist) in Houston.

Under terms of the agreement, the fifth since the inception six months ago of Digirad's centers of influence business strategy, Digirad and Methodist will provide imaging and reading services, respectively, to primary-care physicians in the Houston area who are seeking to expand their practices with in-office imaging. Through its mobile imaging operations, Digirad will bring state-of-the-art equipment and qualified, trained personnel into physicians' offices to perform the imaging. The patients' images will be interpreted by Methodist physicians and the results sent electronically to the referring physician.

Digirad Chief Executive Mark Casner said that the centers of influence model provides better patient-care, because it combines the family physician's patient-specific knowledge with the diagnostic expertise of specialists at leading medical institutions.

Methodist is one of the country's leading academic medical centers and has earned worldwide recognition for the latest innovations in medical, surgical and diagnostic techniques. The hospital is ranked by *U.S. News & World Report* as one of the nation's top hospitals in 14 of 16 specialties, with The Methodist DeBakey Heart Center being a leader in cardiovascular care, which was pioneered by famed heart surgeon Dr. Michael E. DeBakey. Methodist has a primary affiliation with Weill Medical College of Cornell University.

John Mahmarian MD, medical director of nuclear cardiology at the Methodist DeBakey Heart Center, stated: "Today's technology allows us to offer our expertise and experience in diagnosing and treating heart disease in ways that have never been possible in generations past. This relationship puts all the right pieces in place so that at the click of a button, we can see and diagnose patients across the city or across the globe."

Casner continued: "We welcome The Methodist Hospital as a partner in assisting local-area physicians with meeting the needs of their patients. Methodist is one of the top hospitals in the nation and has a staff of physicians who are highly regarded in their respective specialties, including cardiology. This relationship promises to generate substantial benefits for patients, including the clearest and most accurate images available, readings by highly skilled specialists, and the comfort of knowing that their own doctors will remain closely involved in their care.

"With this service, physicians can be more effective at meeting patient scheduling needs while maintaining the primary patient relationship," Casner added. "They will also be able to offer their patients Methodist's well-established experience and specialized expertise to provide needed diagnostic services."

About Digirad

Digirad Corporation provides diagnostic medical imaging systems and services to physicians' offices, hospitals and imaging centers for cardiac, vascular, and general imaging applications. Digirad's Cardius XPO line of nuclear imaging cameras use patented solid-state technology and unique multi (single, dual, triple) head design for superior performance and advanced features for sharper digital images, faster processing, compact size, lighter weight for portability, ability to handle patients up to 500 pounds, and improved patient comfort compared to standard nuclear cameras. Digirad's 2020tc general-purpose nuclear imager has a small footprint and may also be configured for fixed or mobile use to supplement primary imaging. Digirad's installed base of equipment exceeds 450 systems; in addition, a mobile fleet of more than 120 nuclear and ultrasound imaging systems is being used in 22 states, primarily in the eastern, midwestern and southwestern United States. For more information, please visit www.digirad.com. Digirad®, Digirad Imaging Solutions®, and Cardius® are registered trademarks of Digirad Corporation.

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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 statements regarding terms of the agreement, performance of parties under the agreement, and patient benefits. 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: the degree to which personnel changes and related disruptions in our business activities may affect Digirad's products, customers, work force, suppliers, and our overall business prospects and operations; the degree to which Digirad's camera systems and related services will be accepted by physicians and hospitals some of whom may experience reliability issues or technical problems; the ability of Digirad effectively to market, sell and distribute its medical devices, and related services given its limited capabilities in these areas; Digirad's ability to manage risks relating to product liability, warranty claims, recalls, property damage and personal injury with respect to its imaging systems; and other risks detailed in Digirad's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Form 8-K and other reports. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement and Digirad undertakes no obligation to revise or update this press release including the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

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