



NEWS RELEASE for June 3, 2008

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ISORAY INC. ANNOUNCES AUTHORIZATION OF STOCK REPURCHASE PLAN

Richland, Washington (June 3, 2008) ... IsoRay Inc. (AMEX:ISR), a medical isotope company focused on the treatment of prostate cancer and other malignant disease through use of its proprietary radioisotope technology, announced today the Board of Directors of IsoRay has authorized the repurchase of up to 1,000,000 shares of the Company's common stock.

Dwight Babcock, Interim CEO, said, "One of the best uses of the Company's cash is to repurchase some of its shares of common stock to increase share holder value at a time when we believe the shares are currently undervalued in the market."

He added, "We believe that our re-focused business strategy coupled with our recent cost reductions will help to improve our overall performance in the coming months."

The amount and timing of the specific repurchases are subject to prevailing market conditions, applicable legal requirements and other factors, including management's discretion. Repurchases may be conducted in the open market or in privately negotiated transactions at such prices as the officers of the Company shall deem appropriate and desirable on behalf of the Company. There can be no assurance that any authorized shares will be repurchased and the repurchase program may be modified, extended or terminated by the Board of Directors at any time.

About IsoRay

IsoRay, Inc., through its subsidiary, IsoRay Medical, Inc., is the sole producer of the Proxcelan™ Cesium-131 brachytherapy seed used to treat prostate and other cancers. The Proxcelan™ seed offers a significantly shorter half-life than the two other isotopes commonly used for brachytherapy, which results in a substantially faster delivery of therapeutic radiation, lower probability of cancer cell survival and reduction of the longevity of common brachytherapy side effects (a)(b). IsoRay is based in Richland, Washington. More information is available about IsoRay at www.isoray.com.

(a) Armpilia CI, Dale RG, Coles IP, et al. The Determination of Radiobiologically Optimized Half-lives for Radionuclides Used in Permanent Brachytherapy Implants. *Int. J. Radiation Oncology Biol. Phys.* 2003; 55 (2): 378-385.

(b) Prestidge B.R., Bice W.S., Jurkovic I., et al. Cesium-131 Permanent Prostate Brachytherapy: An Initial Report. *Int. J. Radiation Oncology Biol. Phys.* 2005; 63 (1): 5336-5337.

Safe Harbor Statement

Statements in this news release about IsoRay's future expectations, including: the advantages of our Cesium-131 seed, possible increases in sales, reductions in costs and overall performance of the Company, and all other statements in this release, other than historical facts, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). This statement is included for the express purpose of availing IsoRay, Inc. of the protections of the safe harbor provisions of the PSLRA. It is important to note that actual results and ultimate corporate actions could differ materially from those in such forward-looking statements based on such factors as physician acceptance, training and use of IsoRay's products, changing levels of demand for IsoRay's products; IsoRay's ability to successfully manufacture, market and sell its products, IsoRay's ability to manufacture its products in sufficient quantities to meet demand within required delivery time periods while meeting its quality control standards, IsoRay's ability to enforce its intellectual property rights, whether or not IsoRay purchases any shares under the share repurchase plan and at what prices, and other risks detailed from time to time in IsoRay's reports filed with the SEC.

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