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AtheroNova Inc.

AHRO-OTC.BB

Quarterly Update

October 19, 2012

Company Description

AtheroNova Inc. ("AtheroNova" or "the Company") is a development-stage biotech company creating novel compounds to dissolve or regress atherosclerotic plaque deposits—a thickening of the arteries due to buildup of fat, cholesterol, and other substances. These plaque deposits, which progressively narrow and block the arteries, are the main underlying cause of cardiovascular disease, including heart attack, stroke, and peripheral artery disease (PAD). The Company's most advanced candidate, AHRO-001, works to significantly reduce the incidence and severity of plaque by employing a bile salt to dissolve existing plaque deposits as well as prevent new ones from forming. Bile salts are an FDA-approved natural compound used to dissolve gallstones. After meeting with the U.S. Food and Drug Administration (FDA) in October 2011, AtheroNova is advancing AHRO-001 into Phase I human clinical trials.

Key Points

- AtheroNova is preparing to commence Phase I clinical trials of its lead bile acid-based candidate, AHRO-001, in the fourth quarter 2012 with its research and development partner, Russia-based CardioNova, Ltd. The Company is in the process of manufacturing and delivering the first batch of clinical trial material for use in the Phase I trials. AtheroNova expects to complete Phase I trials and file an IND with the FDA by the first quarter 2013, followed by a Phase II clinical study.
- In July 2012, AtheroNova received a Notice of Allowance from the U.S. Patent and Trademark Office regarding its proprietary method of treating atherosclerosis using a bile acid. The Notice of Allowance allows the Company to continue its development of AHRO-001, as well as to seek additional pipeline candidates in the AHRO family for treatment of obesity, hypertension, diabetes, PAD, localized transdermal fat dissolution, and the non-invasive dissolution of lipomas.
- Lipid regulators, specifically statins, are the most effective method for reducing serum cholesterol levels, with blockbuster status of $37 billion in revenues in 2010 (Source: IMS Health, Inc.). At commonly prescribed dosages, however, they are not effective at reducing plaque, have drawbacks with tolerability, and may pose complications resulting from long-term use.
- The Company successfully completed preclinical studies with UCLA and Cedars-Sinai, with results to be published in scientific journals for the UCLA study in late 2012 and for Cedars-Sinai by early 2013. In these studies, use of AHRO-001 led to a 95% reduction in innominate arterial plaque formation versus the control group. The compound has not shown morbidity, adverse effects, or mortality and was well tolerated at high doses.
- AtheroNova continues to generate investor awareness, having recently presented at two investor conferences. As well, the Company announced on October 11, 2012, that it had raised over $2.9 million in gross proceeds from a sale of its Common Stock, representing a major milestone as the funding is expected to support both Phase I and Phase II clinical trials.
- For the quarter ended June 30, 2012, AtheroNova's net income was $339,157 versus a net loss of $447,684 for the same period 2011, due to the gains generated from the revaluations of the Company's derivative liabilities. This gain was partially offset by increases in payroll, stock-based compensation, and costs associated with the development of AHRO-001. As of June 30, 2012, AtheroNova held over $412,605 in cash.

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Ticker (Exchange)	AHRO (OTC.BB)
Recent Price (10/18/2012)	$0.63
52-week Range	$0.45 - $1.75
Shares Outstanding*	~28.7 million
Market Capitalization	~$18 million
Average 3-month Volume	39,559
Insider Owners + >5%	57.1%
Institutional Owners	23%
EPS (3 mo. ended 06/30/2012)	$0.01
Employees	4

** As of August 7, 2012*

Recent Events and Financial Results

An overview of the Company's recent news announcements is provided below, referring the reader to AtheroNova's website for complete press releases (www.atheronova.com).

- *On October 11, 2012,* AtheroNova announced that it had raised over $2.9 million in gross proceeds from a sale of its Common Stock. This funding represents a major milestone for the Company as it is expected to support both Phase I and Phase II clinical trials for the anti-atherosclerotic plaque compounds in development.

  AtheroNova is currently preparing to commence Phase I clinical trials for AHRO-001 in Russia with its research and development partner, CardioNova, Ltd., during the fourth quarter 2012. Preliminary toxicology work has been completed and CardioNova is preparing final reports for necessary Russian regulatory submissions. As well, AtheroNova is in the process of manufacturing and delivering the first batch of clinical trial material to CardioNova.

- *On October 9, 2012*, AtheroNova announced that it was supporting an additional preclinical study to expand the uses of compounds under the Company's pending patents. The study is being conducted at UCLA's David Geffen School of Medicine on a contract basis.

- *On September 25, 2012*, the Company announced that its chairman and chief executive officer (CEO), Thomas W. Gardner, was presenting a corporate overview at the 2012 Aegis Capital Healthcare Conference, which took place on September 28, 2012, in Las Vegas, Nevada. Mr. Gardner discussed near-term milestones for AHRO-001, the Company's lead compound, as well as additional development plans.

- *On September 5, 2012*, AtheroNova announced that Mark Selawski, the Company's chief financial officer (CFO), was presenting at the 14th Annual Rodman & Renshaw Healthcare and Global Investment Conference held in New York City from September 9-11, 2012.

- *On July 9, 2012*, AtheroNova announced that it received a Notice of Allowance for its patent application for the "Dissolution of Arterial Plaque." The patent is expected to be issued within the next few months when the U.S. Patent and Trademark Office (USPTO) completes its registration process. This announcement culminates over five years of effort in pursuit of a patent covering the use of hyodeoxycholic acid for atherosclerotic plaque lesions. Greater details are provided on page 6.

Second Quarter 2012 Financial Results

On August 14, 2012, AtheroNova reported financial results for the three and six months ended June 30, 2012.

For the Three Months Ended June 30, 2012

Net income for the quarter ended June 30, 2012, was $339,157 versus a net loss of $447,684 for the three-month period ended June 30, 2011, due to the gains generated from the transactions and resulting revaluations of the Company's derivative liabilities. This gain was partially offset by payroll and stock-based compensation increases as well as the costs associated with the development and formulation of the Company's compounds.

For the quarter ended June 30, 2012, research and development (R&D) expenses increased to $214,266 from $95,112 during the same 2011 period, primarily the result of expenses associated with the AHRO-001 compound development and production of the Company's first clinical-grade active pharmaceutical ingredient for clinical trials. General and administrative (G&A) costs increased to $532,938 in the second quarter of 2012 compared to $436,206 for the same period 2011, due to the costs associated with consultants, investor relations, and other expenses related to AtheroNova's public-company status as well as the cost of stock-based compensation.

Financial Results for the Six Months Ended June 30, 2012

Net income for the six-month period ended June 30, 2012, was roughly $1.1 million versus net income of nearly $6.3 million for the corresponding 2011 timeframe, due to the income generated from revaluing the Company's derivative liabilities.

For the six months ended June 30, 2012, and 2011, respectively, R&D expenses increased to $375,571 from $183,375. G&A costs increased to nearly $1.3 million in the first six months of 2012 compared to $774,256 for the six months ended June 30, 2011.

As of June 30, 2012, AtheroNova held over $412,605 in cash.

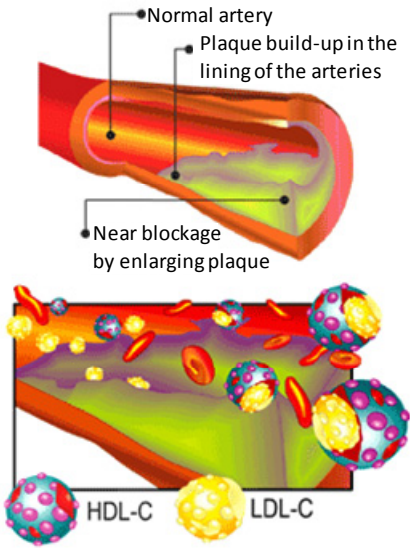
Company Background

AtheroNova Inc. ("AtheroNova" or "the Company") is a biotechnology company focused on discovering, researching, developing, and licensing pharmaceuticals to reduce or eliminate atherosclerosis—a thickening of the arteries that occurs when fat, cholesterol, and other substances build up in the walls of the arteries and form hardened structures called plaque deposits. These plaque deposits are believed to come from weaknesses or imperfections in the arterial walls or may develop at the site of arterial inflammations. Atherosclerosis is the primary cause of many cardiovascular diseases, including heart attack, stroke, and peripheral artery disease (PAD). More money is spent attempting to treat cardiovascular disease than any other disease or ailment. The condition is so prevalent that cardiovascular disease is the leading cause of morbidity, disability, and mortality in industrialized countries, with atherosclerosis being the primary fundamental pathology.

AtheroNova is researching patent-pending applications of bile salts (natural compounds that have been used previously to dissolve gallstones) to regress atherosclerotic plaques (atheromas) via a process called delipidization, which dissolves plaque in artery walls and removes it by natural body processes. The Company's most advanced compound, AHRO-001, is being developed as a breakthrough regression treatment of atherosclerotic plaque. Using a unique approach, AHRO-001 is intended to dissolve existing atherosclerotic plaques as well as prevent the formation of new ones. The Company seeks to market its product against currently approved therapies, which merely stabilize the disease. It is this potential for plaque regression that AtheroNova believes could distinguish AHRO-001 from other atherosclerosis treatments on the market and candidates in development.

Formation of Atherosclerosis

Figure 1
UNDERSTANDING CHOLESTEROL



HDL-C (good cholesterol) carry LDL-C (bad cholesterol) away from artery walls. LDL-C sticks to artery walls and can lead to plaque build-up (atherosclerosis).

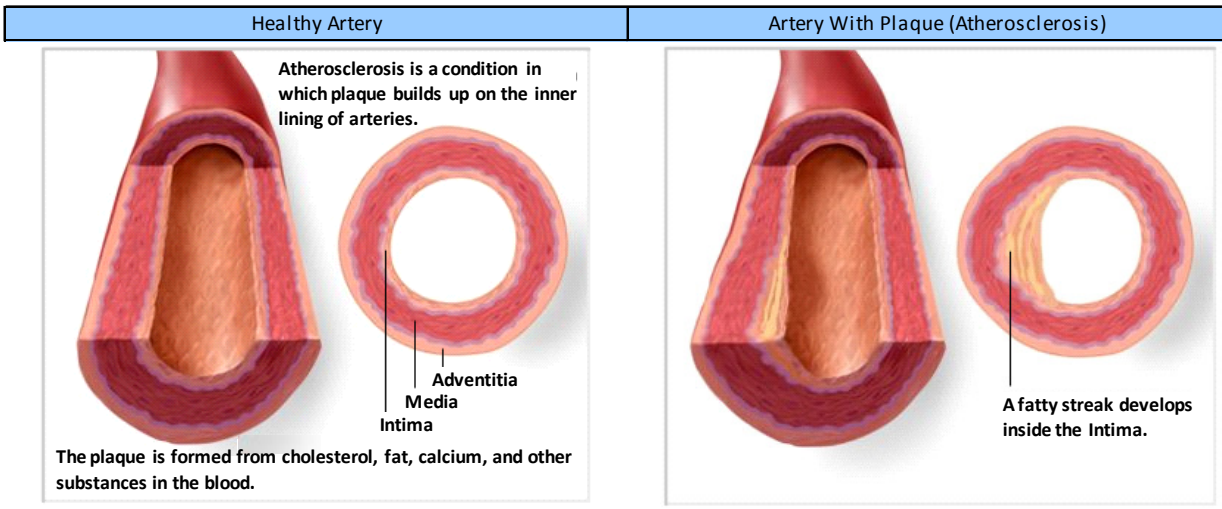
Source: www.policosanolprime.com.

Cholesterol deposits or "plaque" accumulate in arteries over time and can be related to diet, heredity, and other blood chemistry factors. Plaque accumulations are the sum of the low-density lipoprotein (LDL) cholesterol that circulates within a person's blood. It is believed that a higher LDL reading translates into plaque accumulations in the arteries. High-density lipoprotein (HDL) cholesterol is considered the "good" cholesterol and can assist in transporting LDL out of the bloodstream to the digestive system for elimination by the body. This process is illustrated in Figure 1.

Atherosclerotic plaques usually form a protective barrier known as a "fibrous cap," which may result from inflammation of the arterial wall due to formation of the deposit. The fibrous cap is an attempt by the human body to stabilize the deposit and stop it from abruptly breaking loose. In certain situations, the plaque may rupture regardless and greatly restrict or altogether block blood flow, leading to a heart attack or stroke. If the plaque remains stable, it reduces the available space within the arteries, which restricts blood flow (as illustrated in Figure 2 [page 5]). This can result in conditions such as hypertension, kidney failure, macular degeneration, PAD, and erectile dysfunction. There is also evidence to suggest that cognitive impairment may be a sign of reduced blood supply to the brain.

Figure 2

ATHEROSCLEROSIS: HEALTHY ARTERY VERSUS AN ARTERY WITH PLAQUE



Source: American Heart Association, Inc.

Current Standards of Care

Current atherosclerosis and coronary artery disease (CAD) treatments consist of various therapeutic classes, the most widely prescribed being statins, as well as angiotensin-converting enzyme (ACE) inhibitors, beta blockers (BBs), antiplatelets, calcium channel blockers (CCBs), and nitrates. To date, statins represent the most effective method of reducing serum cholesterol levels, though they are ineffective at reducing plaque. It has long been believed that a patient who exhibits the genetic, dietetic, or disease characteristics prone to plaque accumulations should initially be put on a course of lifestyle and diet changes in order to attempt to control blood cholesterol levels. Smoking cessation, diet, and exercise are thought to be the most important ways an individual can control the balance of HDL and LDL in the body, and thus minimize plaque accumulation. If such measures prove unsuccessful, then the standard course for treatment is a statin, whereby a patient is directed to remain on the drug throughout his/her lifetime. The very nature of statins is to reduce the amount of cholesterol circulating in the bloodstream, which is largely believed to slow or prevent the formation of atherosclerotic plaques—of which cholesterol is a major component. If the statin proves to be ineffective, other measures must be taken. Other treatments for atherosclerosis include drug-eluting stents, catheterization, and balloon angioplasty—though none of these have proven entirely effective at stabilizing or reducing plaque in the arteries.

Significant drawbacks to statins have largely been related to their tolerability in the prescribed dosage as well as the potential complications that can result from long-term use, which may include muscle weakness and pain (which have shown to be the most common), dizziness, headaches, extreme fatigue and flu-like symptoms, diarrhea/constipation, swelling of the ankles, liver dysfunction with elevation of the liver enzymes, neurological problems such as a condition called peripheral neuropathy or polyneuropathy, and total global amnesia, where a patient forgets where and who they are for a few minutes to several hours. These side effects may recede as patients become accustomed to taking the medications.

ASTEROID and SATURN Studies

AtheroNova has developed its compounds under the premise that atherosclerosis is really a story of largely unsuccessful drug therapies. This is confirmed based on published data from the following studies: ASTEROID and SATURN. The ASTEROID study tested the maximum 40 mg dose of rosuvastatin (AstraZeneca's Crestor®) administered to subjects for two years, demonstrating a 6.7% reduction in plaque. The SATURN study compared the two best-selling statins (Lipitor® and Crestor®) to each other. In a large double-blind, multicenter, randomized trial, it was confirmed that while Crestor® significantly lowered LDL levels when compared to Lipitor®, it was not superior in decreasing atherosclerosis as measured by intravascular ultrasonography (IVUS), which was the primary endpoint. The study did not show a significant difference between the two products in clinical events.

Market Size

In 2011, global lipid regulator spending reached $38.7 billion, driven by a high prevalence of cardiovascular disease and limited therapeutic options (Source: IMS Health MIDAS, December 2011). However, the lipid regulator market is expected to decline as the patent protection expiration of several leading medicines, such as atorvastatin (Pfizer's Lipitor®) in 2011, could lead to increased generic competition (Source: Visiongain's *Statins: World Market Outlook 2011-2021*, 2011). In addition, due to the recent regulatory failure of some next-generation therapies, very few new branded products are expected to enter the category in the near term. IMS Health expects the total market for lipid regulators to decline to $31 billion by 2015 due to lower-cost generics coming to the market. Despite this decline, lipid regulators would still represent the fourth largest therapeutic area behind oncology, diabetes, and respiratory illnesses (Source: IMS Institute for Healthcare Informatics, *The Global Use of Medicines: Outlook Through 2015*, 2011).

AtheroNova's Pipeline Candidate: AHRO-001

AtheroNova is developing, and seeks to eventually market, a product that could become a new standard of care for patients prone to plaque accumulations. The Company is preparing to enter human Phase I trials to explore the ability of bile salts to dissolve (regress) a statistically significant portion of atheromas in test subjects in a way that is both safe and effective. AtheroNova's most advanced compound in development, AHRO-001, is a bile salt administered via pill or tablet. Through a process called delipidization, the compound is designed to dissolve plaque within the walls of the arteries and, subsequently, safely remove it from the body through natural metabolic processes. The Company is initially targeting individuals with soft vulnerable plaque, as the volume of plaque that one accumulates over a lifetime can remain until death, with no truly effective way to reduce it. AHRO-001 works in a manner that some have likened to liquid Drano® used to unclog drains.

AtheroNova is developing AHRO-001 to directly compete with statins that largely lower cholesterol and stabilize plaque. In preclinical studies, AHRO-001 did not show adverse effects, including morbidity or mortality. Also, it was well tolerated at high doses—something that has been confirmed by other compounds in this family, mainly, ursodeoxycholic acid (also known as UDCA or ursodiol). UDCA, a naturally occurring bile acid and a very close compound to AHRO-001, is used in a drug for gallstone dissolution and is the only U.S. Food and Drug Administration (FDA)-approved drug to treat primary biliary cirrhosis (PBC), with millions of patients taking it without significant side effects.

AtheroNova is conducting additional academic research and has recently completed studies at Cedars-Sinai and UCLA that were successful at verifying plaque and cholesterol reduction as well as safety. Should the Company prove successful in safely and effectively regressing soft, vulnerable plaque via delipidization, it would become the first entity with a proven method to do so and could represent a new treatment for the millions of patients currently seeking to manage their risk for atherosclerosis. As well, AtheroNova could provide new hope to patients who have genetic, dietetic, or disease predisposition to the potentially catastrophic "first event"—where a patient's first atherosclerotic event is a fatal heart attack or stroke.

Notice of Allowance Received

In July 2012, AtheroNova achieved a significant near-term milestone when it received a Notice of Allowance from the U.S. Patent and Trademark Office (USPTO) for AtheroNova's U.S. patent application #12/024,908 "Dissolution of Arterial Plaque Using Hyodeoxycholic Acid (HDCA)." A Notice of Allowance entails written communication from the USPTO that the Company's patent is allowable. This patent is important to AtheroNova's continued development efforts, as it protects the Company's method of treating atherosclerosis using a bile acid. Accordingly, AtheroNova expects to announce the official patent issuance within the next few months once the registration process is complete.

Progression to Commence Phase I Trials

In another important milestone, AtheroNova announced in December 2011 that it completed its pre-Investigational New Drug (IND) meeting with the FDA, where the FDA provided guidance on a clear development plan, including Phase I and Phase II protocol outlines. The July 2012 communication from the USPTO allowing AtheroNova's main patent is an additional catalyst toward the Company's progression into Phase I. The Company is incorporating guidance from the FDA and moving forward with its IND-enabling activities. As well, AtheroNova is conducting U.S. toxicology studies, and expects to file an IND with the FDA by the first quarter 2013.

If successfully approved and marketed, AtheroNova's product candidate could be positioned to address one in three individuals—or greater than 82 million adults (39.9 million men; 42.7 million women)—who have one or more types of cardiovascular disease. As an ultimate goal of ridding the entire body of plaque, the Company conservatively believes that if it is able to regress only 5% with minimal side effects, its product would become a significant disruptive technology.

In addition, the Notice of Allowance allows the Company to continue its development efforts of additional pipeline candidates in the AHRO family, as described in its patent applications. Beyond development of AHRO-001, AtheroNova expects to employ its intellectual property to develop multiple pharmaceutical-grade applications for its compounds, potentially in the areas of obesity, hypertension, diabetes, PAD, localized transdermal fat dissolution, and the non-invasive dissolution of lipomas. To this end, in October 2012, the Company announced it was supporting an additional preclinical study at UCLA's David Geffen School of Medicine to assess the expansion of indications that could be treated by AtheroNova's compounds.

Agreement with Maxwell Biotech Group

AtheroNova joined forces in 2011 with the Maxwell Biotech Group (http://maxwellbio.com), Russia's premier biotech venture capital firm, to license commercialization rights for AHRO-001. Through Maxwell's subsidiary, CardioNova Ltd., this agreement makes Maxwell an equity investor in AtheroNova, committing the Group to fund Phase I and Phase II human clinical studies in Russia. Initial funding of $900,000 was provided by Maxwell to CardioNova with which to begin Phase I. The license agreement provides for AtheroNova to issue up to $3.8 million in Common Stock to CardioNova for these studies, to be issued in tranches based on the progress of the studies. Upon successfully developing AHRO-001, CardioNova will be able to commercialize the compound in the territory encompassing the Russian Federation, Belarus, Ukraine, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Moldova, Azerbaijan, and Armenia. In addition, under a separate securities purchase agreement, CardioNova becomes an equity investor in AtheroNova with an initial stock purchase of up to $267,000, of which $150,000 has already been invested. This relationship is important since it secures financial resources to be able to move AHRO-001 to the clinic for Phase I and Phase II studies. As well, it represents AtheroNova's first licensing partnership for AHRO-001 and a significant point for AtheroNova as it completes the preclinical stage of AHRO-001 and the initiation of clinical studies.

In July 2012, CardioNova announced that it had completed the preliminary toxicology work necessary for Russian regulatory purposes, and it was preparing final reports for related regulatory submissions. AtheroNova is in the process of manufacturing and delivering the first batch of clinical trial material to CardioNova for use in the Phase I clinical trials in Russia scheduled to commence in January 2013.

Per an April 2012 agreement, the Company is working with Exton, Pennsylvania-based Frontage Laboratories, Inc. (http://www.frontagelab.com) for the formulation, compounding, and tabletization of AHRO-001 in advance of the upcoming Phase I and Phase II human clinical studies. Frontage is a pharmaceutical contract research organization (CROs) based in the U.S.

Headquarters and Employees

AtheroNova is a Delaware corporation formed in 1997, with headquarters in Irvine, California. On May 13, 2010, pursuant to an Agreement and Plan of Merger dated March 26, 2010, a subsidiary, Z&Z Merger Corporation, merged with and into Z&Z Delaware and the surviving subsidiary corporation changed its name to AtheroNova Operations, Inc. As of March 9, 2012, AtheroNova had two full-time employees and two contract employees.

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Key Points to Consider

- AtheroNova Inc. has developed intellectual property for a class of compounds with the potential to reduce the incidence and severity of atherosclerosis—a disease in which the buildup of cholesterol, fats, or other fatty substances in and along the walls of arteries causes thickening, hardening, and blockage. Atherosclerosis is the main cause of cardiovascular disease.

- Regression and stabilization of atherosclerotic plaque could become a new standard for treating patients with cardiovascular disease. Current standards of care, such as statins, represent the most effective method to date for preventing atherosclerosis. However, at commonly prescribed dosage levels, statins are ineffective at reducing plaque and carry significant drawbacks related to their tolerability. Furthermore, complications can result from long-term use. Other standards of care, including drug eluting stents, catheterization, and balloon angioplasty, do not reduce plaque volume.

- In the U.S., there are roughly 82 million individuals presenting with some form of cardiovascular disease, supporting a $37 billion U.S. market for lipid regulators (as of 2010).

- AtheroNova seeks to become the standard for reducing or eliminating atherosclerosis. The Company's most advanced product candidate, AHRO-001, works to significantly reduce the incidence and severity of plaque by dissolving existing atherosclerotic plaque deposits and removing them by natural body processes (via a method called delipidization) as well as preventing the formation of new plaque deposits.

    - AHRO-001 has not shown morbidity, adverse effects, or mortality in preclinical proof of principal and mechanism of action studies and is well tolerated at high doses.

    - Initial preclinical study data conducted at UCLA's David Geffen School of Medicine showed that following exposure to AtheroNova's AHRO-001, mice with very high levels of plaque had a 95% reduction in the amount of innominate arterial plaque versus the control group. On the safety side, all blood tests for the group that was given AHRO-001 demonstrated no toxicity. These findings were presented at the 2011 American Heart Association (AHA) Scientific Sessions in Orlando, Florida.

- Only one currently available statin, rosuvastatin (Crestor®) by AstraZeneca PLC (AZN-NYSE), has been able to show statistically significant measurable regression of atherosclerotic plaque in coronary arteries. According to AtheroNova, these results were achieved on patients taking the maximum approved dosage for two years.

- AtheroNova is currently preparing to commence Phase I clinical trials for AHRO-001 in Russia with its research and development partner, CardioNova, Ltd., during the fourth quarter 2012. Preliminary toxicology work has been completed and CardioNova is currently preparing final reports for necessary Russian regulatory submissions. As well, AtheroNova is in the process of manufacturing and delivering the first batch of clinical trial material to CardioNova. The Company has arranged funding for Phase I and Phase II trials.

- Beyond developing AHRO-001, AtheroNova plans to employ its IP to develop multiple pharmaceutical-grade applications for its compounds, potentially in the areas of obesity, hypertension, diabetes, peripheral artery disease (PAD), localized transdermal fat dissolution, and the dissolutions of lipomas.

- In July 2012, the Company received a Notice of Allowance for its primary patent application for the dissolution of arterial plaque. AtheroNova has additional patents pending for other applications for its compound.

- AtheroNova's management possesses extensive experience in the healthcare and pharmaceutical spaces, both at established companies as well as successful start-up biotechnology ventures. The Company's leadership has helped in the development, regulatory approval, worldwide registration, and commercialization of several therapeutic compounds and devices.

- On October 11, 2012, the Company announced that it raised over $2.9 million in gross proceeds from a sale of its Common Stock. This funding represents a major milestone, as it is expected to support both Phase I and Phase II clinical trials for AtheroNova's anti-atherosclerotic plaque compounds in development. Before the raise, AtheroNova held over $412,605 in cash as of June 30, 2012.

Risks

This Quarterly Update has been prepared by AtheroNova Inc. ("AtheroNova" or "the Company") with the assistance of Crystal Research Associates, LLC ("CRA") based upon information provided by the Company. CRA has not independently verified such information. Some of the information in this update relates to future events or future business and financial performance. Such statements constitute forward-looking information within the meaning of the Private Securities Litigation Act of 1995. Such statements can only be predictions and the actual events or results may differ from those discussed due to the risks described in AtheroNova's statements on Forms 10-K, 10-Q, and 8-K, as well as other forms filed from time to time.

The content of this report with respect to AtheroNova has been compiled primarily from information available to the public released by the Company through news releases, Annual Reports, and U.S. Securities and Exchange Commission (SEC) filings. AtheroNova is solely responsible for the accuracy of this information. Information as to other companies has been prepared from publicly available information and has not been independently verified by AtheroNova or CRA. Certain summaries of activities and outcomes have been condensed to aid the reader in gaining a general understanding. CRA assumes no responsibility to update the information contained in this report. In addition, CRA's compensation by the Company for its first year of service in creating the base Executive Informational Overview® and for updates is forty-two thousand U.S. dollars and fifty thousand restricted shares. For more complete information about AtheroNova as well as the risks involved in an investment in the Company, please refer to Crystal Research Associates' base report, the Executive Informational Overview® (EIO) dated June 6, 2012, and located on Crystal Research Associates' website at www.crystalra.com.

Investors should also carefully consider the risks and information about AtheroNova's business described in the Company's Form 10-K filed with the SEC on March 16, 2012:
http://www.sec.gov/Archives/edgar/data/1377053/000143774912002448/0001437749-12-002448-index.htm.

Investors should not interpret the order in which considerations are presented in this or other filings as an indication of their relative importance. The risks and uncertainties overviewed in AtheroNova's Form 10-K are not the only risks that the Company faces. Additional risks and uncertainties not presently known to AtheroNova or that it currently believes to be immaterial may also adversely affect the Company's business. If any such risks and uncertainties develops into an actual event, AtheroNova's business, financial condition, and results of operations could be materially and adversely affected, and the trading price of the Company's shares could decline.

This report is published solely for information purposes and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state. Past performance does not guarantee future performance. Additional information about AtheroNova and its public filings, as well as copies of this report, can be obtained in either a paper or electronic format by calling (949) 476-1100.

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CRYSTALRESEARCH
ASSOCIATES

QUARTERLY UPDATE: October 19, 2012

About Our Firm: Crystal Research Associates, LLC is an independent research firm that provides institutional-quality research on small- and mid-cap companies. Our firm's unique and novel product, the Executive Informational Overview® (EIO), is free of investment ratings, target prices, and forward-looking financial models. The EIO presents a crystal clear, detailed report on a company (public or private) in a manner that is easily understood by the Wall Street financial community. The EIO details a company's product/technology/service offerings, market size(s), key intellectual property, leadership, growth strategy, competition, risks, financial statements, key events, and other such fundamental information.

Crystal Research Associates is led by veteran Wall Street sell-side analyst Jeffrey Kraws, who is well known by the international financial media for his years of work on Wall Street and for providing consistent award-winning analyses and developing long-term relationships on both the buy-side and sell-side. He has been consistently ranked on Wall Street among the Top Ten Analysts for pharmaceutical stock performance in the world for almost two decades as well as ranked as the Number One Stock Picker in the world for pharmaceuticals by Starmine and for estimates from Zacks. Additionally, Mr. Kraws has been 5-Star Ranked for top biotechnology stock performance by Starmine.

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