

Bluegate Adds 1000th Member Physician to Its Secure Medical Network

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HOUSTON--(BUSINESS WIRE)--May 25, 2005--Bluegate Corporation (OTCBB:[BGAT](#) - [News](#)), a provider of IT outsourcing and managed security solutions for the healthcare industry, announced today that it has reached the major milestone of 1000 member physicians in its secure medical network. The member physicians are from independent private medical practices throughout Texas and portions of Louisiana and utilize an array of Bluegate monitored security appliances and services, including: secured Internet services; managed firewall and virtual private networks (VPN); physician practice network maintenance; IT outsourcing for medical practices and hospitals.

Bluegate provides a cost-effective, efficient way for hospitals, clinics, laboratories and other healthcare providers to transmit confidential documents, images and other sensitive patient information across the Internet to and from physicians and patients to enable physicians to comply with the Health Insurance Portability and Accountability Act (HIPAA) requirements now in effect. Bluegate's medical-grade network has superior availability and provides the first line of support to medical practices to reduce the time and costs associated with network connectivity.

"The speed with which we've reached this 1000-member milestone is testament to physicians' need for a devoted, secure, standardized medical-grade connection with 24/7 maintenance and support," said Manfred Sternberg, CEO of Bluegate. "Bluegate provides a competitive advantage to physicians and their medical practices in that it allows remote access into their own networks for them to check diagnoses and procedures remotely, transmit images, manage prescriptions and expedite communication between healthcare providers -- ultimately enhancing patient care. Additionally, it offers office managers the ability to access their network off-site 24/7 so they can run reports and process claims at their convenience."

"We're right on track with our member projections, and are beginning to expand Bluegate's services to medical practices in key markets across the U.S.," Mr. Sternberg stated. "With the achievement of our membership milestones, we're also in position to begin Phase Two of our business strategy. In addition to adding physicians to our network, Phase Two entails delivering key medical-focused content and applications over the infrastructure. Moving forward, we're planning to fill the pipeline with content such as imaging systems, diagnostic capabilities, digital dictation, document imaging in ASP and client server, off-site data back-up, charge capture systems, and clinical decision support databases. We also are positioning Bluegate physicians to seamlessly participate in the growing effort to create Regional Healthcare Information Organizations (RHIO) around the country as part of the National Healthcare Infrastructure Initiative (NHII) which should

Bluegate Corporation

Houston-based Bluegate Corporation, a provider of IT outsourcing, has created and operates the first high-speed broadband VPN (Virtual Private Network) tailored exclusively for the health-care industry's bandwidth-devouring applications and privacy requirements. Bluegate's HIPAA-compliant managed security solution utilizes monitored security appliances and software to extend hospitals' medical-grade networks all the way to the edge, including every physician and facility they touch -- ensuring each is as secure as the hospital itself. Bluegate is publicly traded on the over the counter bulletin board

(OTCBB) under the ticker BGAT. Further information is available at www.bluegate.com or by calling 713-686-1100.

Safe Harbor

This press release may contain "forward-looking statements." All statements, other than statements of fact, included in this release and without limitation statements regarding potential future plans and objectives of the Company, are forward-looking statements that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements.

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