

## **HEALTH DISCOVERY CORPORATION AND IPOTENTIAL ANNOUNCE STRATEGIC CONSULTING AGREEMENT**

SAVANNAH, GA and SAN MATEO, CA – August 3, 2006 – Health Discovery Corporation (HDC) (OTC Bulletin Board: HDVY), an emerging leader in pattern recognition technology, and IPotential, the technology industry’s leading strategic intellectual property (IP) service provider, today announced they have entered into a comprehensive strategic relationship. The two companies will work together to monetize and license HDC’s IP portfolio in the IT and communications markets.

“This relationship with IPotential represents a broad new opportunity for our company,” said Stephen D. Barnhill, M.D., HDC’s Chairman and CEO. “To date, HDC’s Support Vector Machines (SVM) and mathematical expertise have been focused exclusively on the medical arena. As we now undertake to position our SVMs in fields where we have not previously licensed, we concluded that partnering with IPotential’s highly knowledgeable and extraordinarily well-connected professionals would benefit both HDC and the many companies that can productively utilize our IP in their operations. We believe that IPotential’s thorough knowledge of these markets will substantially leverage our efforts in targeting and successfully negotiating license opportunities.”

“We are pleased to initiate our relationship with such a unique innovator like Health Discovery Corporation,” said Ron Epstein, CEO of IPotential. “HDC’s seminal SVM patents have broad applicability wherever large amounts of complex data must be manipulated mathematically. SVM technology will play a critical role in the development of the next generation of Internet search and anti-spam as well as a broad array of artificial intelligence products. We know that SVMs using HDC’s patented technologies are broadly deployed across many markets and we look forward to working with the company in both publicizing and protecting its valuable IP.”

### **About Health Discovery Corporation**

Savannah-based Health Discovery Corporation is uniquely positioned in the field of pattern recognition technology. Through the application of its patent protected technology, HDC is a biology-oriented biomarker and pathway discovery company providing all aspects of First-Phase Biomarker Discovery. The Company's pattern recognition tools have significant potential in other sizable markets such as radiology, Internet search and spam, homeland security, financial futures, and other areas where analysis of large volumes of complex data is required. For more information, please visit <http://www.healthdiscoverycorp.com>.

### **About IPotential**

IPotential is the technology industry's leading strategic intellectual property service provider. Its independent brokerage, IPotential Patent Brokerage Services (IPBS), is the market maker for technology patents. With experience in buying and selling thousands of patents, IPBS helps its clients through the complicated legal, business and technical process of licensing, selling or buying patents. Its founders have more than 25 years of patent transaction experience at leading Silicon Valley companies. For more information, please see <http://www.ipotential.com>.

This news release contains "forward-looking statements" within the meaning of Section 27a of the Securities Acts of 1933 and Section 21E of the Securities Exchange Act of 1934. Although the respective management teams of HDC and IPotential believe that the expectations reflected in such forward-looking statements are reasonable, they can give no assurance that such expectations will prove correct.

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