WBB Securities, LLC

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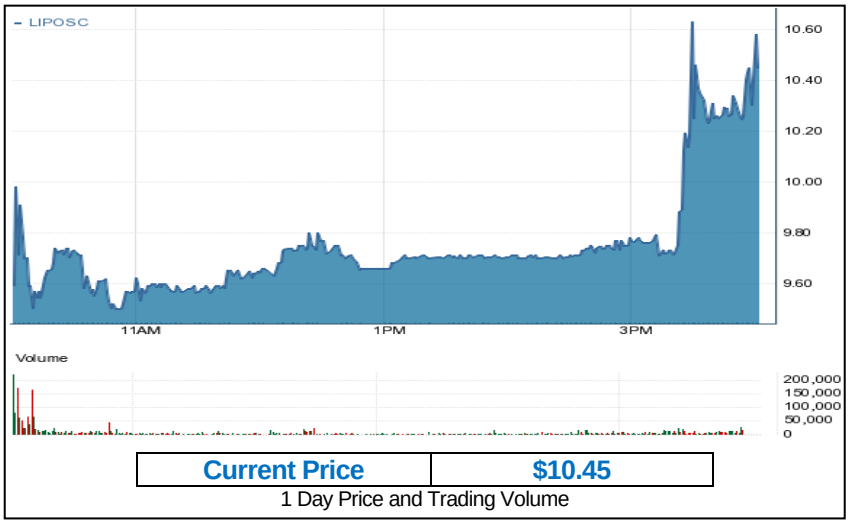
INITIATING COVERAGE -- *JANUARY 28, 2013*

LipoScience, Inc. (NasdaqGM: LPDX)

INITIATING COVERAGE WITH A BUY RATING AND 12-MONTH PRICE TARGET OF $12.75



Current Price	$10.45

1 Day Price and Trading Volume

12 Month Target Price	**$12.75**
12-Month Trading Range	$9.43-$10.68*
Market Capitalization (Mil)	$145.15
Shares Outstanding (Mil)	13.89**
Avg. Daily Volume	2,819,200*
L. T. Debt (Mil)	$4.2**
Dividend/Yield	N/A
Book Value P/S	$3.75***
*IPO January 25, 2013 **Per 424B4 *** Pro Forma per 424B4	
NASDAQ Composite	3,149.71
S&P 500	1,502.96

Source **QUODD** -- Historical Performance on Page 7

Rating Legend:

Strong Buy – Should be aggressively purchased.
Buy - Should be purchased on market weakness…
Hold - Fairly valued.
Sell - Stock should be sold on market strength
Sell Short - Should be aggressively sold.
Speculative Buy – For aggressive accounts only

Nuclear Magnetic Resonance Spectroscopy Measures Lipoproteins

LipoScience, Inc. (LPDX) began trading on Nasdaq General Markets on January 25, 2013, after pricing its initial public offering at $9.00 per share.

LPDX is an in vitro diagnostic company focusing on cardiovascular, metabolic and other diseases. The company's first diagnostic test is the *NMR LipoProfile*® test, which provides improved accuracy in detection of low-density lipoproteins (LDL) in blood, using the company's proprietary Vantera® Clinical Analyzer.

In our opinion, the proceeds from this offering will enable LPDX to advance its diagnostic business model, which we believe to be in a pre-eminent space, given a de-risked financial healthcare profile. As an example, the FDA granted 510(k) clearance to market the Vantera Analyzer on September 12, 2012. LDL-P is the first assay cleared on this platform. The HDL-P assay was resubmitted for 510(k) clearance in December 2012

The *NMR LipoProfile* test generated revenues of $45.8 million during 2011 and $41.2 million for the first three quarters of 2012. The *NMR LipoProfile* test has its own dedicated CPT code, and is reimbursed by several government and private payers, including Medicare, TRICARE, WellPoint, United Healthcare and several Blue Cross Blue Shield affiliates.

With a diagnostic test that has an assigned CPT code, an advanced system to potentially perform several other diagnostic tests and advanced NMR-based equipment to perform those tests, we assign LPDX a Buy Rating with a 12-month price target of $12.75.

Valuation

In assigning a value to LPDX, we use a proprietary sum of parts formula, which attributes $235 million to the entire company technology platform, including current and future lipid profile tests, plus proprietary equipment and consumables, minus payment of outstanding long-term debt. With a fully diluted share count of 18.1 million shares, we arrive at our 12-month price target of $12.75 and begin coverage of LPDX with a Buy Rating.

LPDX Background

Traditional blood tests to measure LDL cholesterol (LDL-C) and HDL cholesterol (HDL-C) can overestimate or underestimate the actual levels of these lipoproteins in many patients, thereby providing inaccurate assessment of Coronary Heard Disease (CHD) risk. This is because, in many patients, there is a difference between the level of cholesterol and the number of lipoprotein particles in their blood. Research data have shown that the number of HDL particles (HDL-P), and LDL Particles (LDL-P), are more predictive of future CHD events than HDL-C and LDL-C levels.

A 2008 joint consensus statement by the American Diabetes Association and the American College of Cardiology, recognized that direct LDL particle measurement by NMR may be a more accurate way to capture the risk posed by LDL than traditional LDL-C measurement. Additionally, in October 2011, the National Lipid Association convened an expert panel to evaluate the use of a number of biomarkers other than LDL-C, including LDL particle number, for initial clinical risk assessment of cardiovascular disease and ongoing management of cardiovascular disease risk in patients.

The *NMR LipoProfile test* provides reports of HDL-P and HDL-C in patients' blood. More than eight million *NMR LipoProfile* tests have been performed at LPDX's laboratory in North Carolina, which is certified under the Clinical Laboratory Improvement Amendments of 1988 (CLIA). This laboratory is able to fulfill current demand for the The *NMR LipoProfile* test and will serve as an asset for launching new diagnostic tests.

To accelerate adoption of the *NMR LipoProfile* test and future clinical diagnostic tests, LPDX plans to launch its proprietary *Vantera* system in select high-volume national and regional clinical diagnostic laboratories across the U.S., as well as at leading medical centers and hospital outreach laboratories to expand the number of *NMR LipoProfile* tests performed and to perform other NMR-based tests as they are developed. This 510(k) approved device is a highly automated NMR-based clinical analyzer that became commercially available in December 2012. Placement of the Vantera system in third-party clinical diagnostic laboratory facilities is expected to begin in 1Q-2013.

The Vantera Analyzer combines nuclear magnetic resonance (NMR) spectroscopic detection and proprietary signal processing to identify and quantify concentrations of lipoproteins and, potentially, small molecule metabolites. The Vantera system is practical for large-scale laboratory throughput because it requires no prior knowledge of NMR technology, is easy to use and incorporates walk-away automation.

NMR-based technology can simultaneously analyze lipoproteins and other small molecule metabolites from blood serum, plasma and several other bodily fluids without time-consuming sample preparation, which will permit expansion of the range of NMR-based diagnostic tests. The company's NMR-based technology is now under examination for the prediction of diabetes, insulin resistance and other metabolic disorders.

Management Biographies

Richard O. Brajer, President and Chief Executive Officer, since February 26, 2003. Mr. Brajer joined LPDX from Becton Dickinson & Company where he served as Corporate Executive Officer and President for the company's worldwide diagnostic business. Prior to joining BD, Mr. Brajer served as a consultant with McKinsey & Company from 1987 to 1990. Mr. Brajer began his career as a product development engineer with the Procter & Gamble Company. He received a Bachelor of Science degree in Chemical Engineering from Purdue University and a Master of Business Administration from Stanford University.

Tom Clement, Vice President, Regulatory and Quality Affairs, since February 2011. Prior to joining LPDX, he served as Vice President of Global Regulatory and Clinical Affairs for QIAGEN N.V., Vice President of Quality and Regulatory Affairs for Roche Molecular Systems, Director of Regulatory Affairs for Organon Teknika Corporation, Manager of Regulatory Affairs for Amersham and Manager of Quality for Biotech Research Laboratories. Mr. Clement received a Bachelor of Science degree in Business Administration from the University of Maryland.

Tim Fischer, Chief Operating Officer since January 2012. Mr Fischer joined LPDX in 2010 as Vice President of Research and Development. Prior to joining LPDX, he served as Vice President of Development for the women's health and cancer business at Becton Dickinson & Company and as the Vice President of Product Development for TriPath Oncology. Mr. Fischer has been in the IVD industry for the past 25 years with over 35 patents and numerous publications. Mr. Fischer has a Bachelor of Science degree in Biology from Indiana University.

Bob Honigberg, M.D. Vice President Medical Affairs and Chief Medical Officer since October 2011. Prior to joining LPDX, he served as Chief Medical Officer, Research & Measurement for URAC, an accreditation commission in Washington, D.C., and as a consultant to a number of start-up companies in diagnostics, devices and healthcare delivery. He also served as Chief Medical Officer, Global Medical Affairs and Clinical Strategy for GE Healthcare, Chief Medical Officer and Vice President, Medical and Clinical Affairs at Ethicon Endo-Surgery. Prior to that, Dr. Honigberg directed clinical trials, medical affairs operations and strategy for Ortho Biotech and Schering-Plough. Dr. Honigberg graduated from Duke University with a Bachelor of Arts degree in Economics, obtained a Medical Degree from Northwestern University's Feinberg School of Medicine, and later earned a Master of Business Administration degree from Northwestern University's Kellogg School of Management. He undertook a surgical internship and residency at Albert Einstein College of Medicine/Montefiore Medical Center in New York City.

Ashok Marin, Vice President, General Counsel, Chief Compliance Officer and Secretary since June 2012. Prior to joining LPDX, he served as Senior Counsel, Global Compliance of GE Healthcare, in the legal department of Sanofi and was in private practice at Paul Hastings LLP. He

received a Bachelor of Arts degree from Fordham College and a Juris Doctor degree from Fordham University School of Law.

Lucy Martindale, Executive Vice President and Chief Financial Officer since 2001. Prior to joining LPDX, she served as Vice President and Finance Director of GlaxoWellcome Research & Development, worked at Bristol-Myers Squibb and American Hospital Supply Corporation. Ms. Martindale received a Bachelor of Science degree in Business from Indiana University and a Master of Business Administration degree from Campbell University.

Duffy McDonald, Vice President Human Resources and Organizational Effectiveness since 2008. Mr. McDonald was previously the Company's Vice President of Human Resources from 2003 to 2008. Prior to joining LPDX, he served as vice president of organizational solutions for the Newton Instrument Company, Director of Human Resources for VDO–Yazaki Corporation and he was with Minnesota Mining and Manufacturing Company. Mr. McDonald received a Bachelor of Science degree in Sociology from the College of Charleston and is a certified Senior Professional in Human Resources.

James Otvos, Ph.D. Executive Vice President Chief Scientific Officer, since the inception of LPDX. He has also served as Executive Vice President since 1999 and was a member of the Company's board of directors until March 2011. From 1990 to 2000, Dr. Otvos was a professor of Biochemistry at North Carolina State University, where he is currently an adjunct professor. Dr. Otvos received a Doctorate degree in Comparative Biochemistry from the University of California-Berkeley and performed his postdoctoral training in molecular biophysics at Yale University.

Paul Sanders, Vice President of Sales and Service since July 2011. He previously served as Vice President of Sales and Marketing from February 2008 to July 2011. Prior to joining LPDX, he was vice president of sales for the cardio-peripheral division at ev3, Inc., held several sales, marketing and management positions, including director of marketing and director of sales at Abbott Vascular Devices, director of marketing for the Spine & Neuro Division of Sofamor Danek (a Medtronic company), held several positions in sales and marketing at Boston Scientific, and several sales and management positions at U.S. Surgical. Mr. Sanders received a Bachelor of Science degree from the University of North Carolina at Chapel Hill.

Board of Directors

Buzz Benson, Chairman of the Board since June 2011. Mr. Benson is Managing Director and President of SightLine Partners LLC, a venture capital firm that invests in emerging growth medical technology companies. Prior to co-founding SightLine Partners, he was a Managing Director and President of Piper Jaffray Ventures. Prior to joining Piper Jaffray, Mr. Benson was a partner at Stonebridge Capital, an investment officer with Cherry Tree Ventures and a manager in Arthur Andersen & Co. Mr. Benson holds a Bachelor of Science degree in accounting from St. John's University and is a Certified Public Accountant.

Charles Sanders, M.D., Director and Chairman Emeritus since 2001. Dr. Sanders is retired from GlaxoWellcome, Inc., where he served as Chief Executive Officer and Chairman of the Board. Before joining GlaxoWellcome, Dr. Sanders spent eight years with Squibb Corp., where

he held a number of posts, including the positions of Vice Chairman, Chief Executive Officer of the Science and Technology group and Chairman of the Science and Technology committee of the Board of Directors. Previously, Dr. Sanders was General Director of Massachusetts General Hospital and professor of medicine at Harvard Medical School. Dr. Sanders is a director of Icagen, Inc., BioCryst Pharmaceuticals, Inc. and Biodel Inc. He also has served as a director of Cephalon, Inc., BioPure Corporation, Trimeris, Inc., Genentech, Inc., Fisher Scientific International, Inc., and Vertex Pharmaceuticals Incorporated. He is currently a member of GlaxoSmithKline Foundation, the Institute of Medicine of the National Academy of Sciences, a member of the CSIS Board of Trustees, Chairman of Project HOPE and Chairman of the Foundation for the National Institutes of Health. Dr. Sanders is also a past chairman of the New York Academy of Sciences, past chairman of The Commonwealth Fund, past chairman of the University of North Carolina Healthcare System, and past chairman of the Overseers Committee to Visit the Harvard Medical School. Dr. Sanders received his doctorate degree from Southwestern Medical College of the University of Texas.

Richard Brajer, President and Chief Executive Officer since February 26, 2003. He serves as President and CEO and is a member of the Board of Directors. (See biography in Management Section.)

Robert Greczyn, Director since March 2011. He was the Chief Executive Officer of Blue Cross Blue Shield of North Carolina, where he also served on the board of the Blue Cross Blue Shield Association. He was Chairman of the Board of the Council for Affordable Quality Care, an alliance of chief executive officers of the nation's leading health insurers working to simplify healthcare transactions. Mr. Greczyn received an M.P.H. degree in health policy from the University of North Carolina at Chapel Hill and a Bachelor of Arts degree in Psychology from East Carolina University.

Christopher Kersey, M.D., Director since 2009. He currently serves as a managing member of Camden Partners Holdings, LLC. He also served on the Board of Directors of Pet DRx Corporation, on the Board of Trustees of The Johns Hopkins University School of Medicine and the Board of Trustees of The Johns Hopkins Hospital. Dr. Kersey was the Chief Business Development Officer and Chief Medical Officer of RediClinic LLC. Prior to joining RediClinic, he served as a managing director from of Cogene Ventures. Dr. Kersey received a Bachelor of Arts degree from Stanford University, a doctorate degree from the Emory University School of Medicine and a Master of Business Administration degree from Harvard Business School.

John Landon, Director since 2007. Mr. Landon served as Vice President and General Manager of Medical Products for E.I. DuPont de Nemours and Company. Mr. Landon served as chairman of the board of Cholestech Corporation prior to its 2007 sale to Inverness Medical and as a director of Digene Corporation prior to its 2007 sale to QIAGEN. He currently is a member of the board of AspenBio Pharma, Inc., a trustee and member of the governance committee of Christiana Care Health System, and a member of the advisory board of Water Street Health Care Partners. Mr. Landon received a Bachelor of Science degree in Chemical Engineering from the University of Arizona.

Daniel Levangie, Director since November 2010. He currently serves as Chief Executive Officer of Dune Medical. He is also a Principal and Managing Partner at Constitution Medical

Investors. Previously, Mr. Levangie served as President, Chief Executive Officer and a director of Keystone Dental, and is currently its Chairman. He served as Executive Vice President of Cytyc Corporation and President of Cytyc Surgical Products until the acquisition of Cytyc by Hologic, Inc. Prior to joining Cytyc, Mr. Levangie was employed in sales and marketing by Abbott Laboratories. Mr. Levangie is a director of Exact Sciences Corp., and Insulet. He previously held director positions at ev3, Inc., Cytyc and Hologic. Mr. Levangie received a Bachelor of Science degree in Pharmacy from Northeastern University.

Dr. Woodrow Myers, M.D., Director since March 2011. He has served as Managing Director of Myers Ventures LLC, and Executive Vice President and Chief Medical Officer of WellPoint, Inc. Dr. Myers also served as Director of Healthcare Management at the Ford Motor Company. Dr. Myers currently serves as a director of Express Scripts, Inc. and Genomic Health, Inc. and serves as the Chairman of the Board of the Mozambique Healthcare Consortium. In addition, Dr. Myers has served as a director of other public companies within the last five years, including ThermoGenesis Corp. and CardioNet, Inc. He is a former health commissioner for New York City and the State of Indiana, past chairman of the visiting committee for the Harvard School of Public Health and has served as a member of the Harvard University Board of Overseers and the Stanford University Board of Trustees. Dr. Myers holds a Bachelor of Science degree in Biological Sciences from Stanford University, a doctorate degree from Harvard Medical School and a Master of Business Administration degree from Stanford University.

Roderick Young, Director since 2008. Mr. Young has been a venture partner of Three Arch Partners since May 2006. He served as a director of North American Scientific, Inc. and President and Chief Executive Officer of Vivant Medical, Inc. Prior to his tenure at Vivant, Mr. Young was President and Chief Executive Officer of Targesome, Inc., Chairman and Chief Executive Officer of General Surgical Innovations, President and Chief Executive Officer of Focus Surgery, President of Toshiba America MRI, and President and Chief Operating Officer of Diasonics. Mr. Young received a Bachelor of Science degree in Industrial Engineering from Stanford University and a Master of Business Administration degree from Harvard Business School

Historical & Future EPS Performance

EPS	2011	2012	2013
Q1			
Q2			
Q3			
Q4			
Year	(0.09)A*	0.06E**	0.0E
P/E	NM	NM	NM
EPS Growth	NM	NM	NM
FY Rev. (Mil)	45.8A	41.2E***	65.0E
FY:DEC			

* Pro Forma per 424b4, January 24, 2013

**Pro Forma for first only first three quarters per 424b4, January 24, 2013

***Only through September 30, 2012

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	Percentage of Covered Securities	**Percentage of Banking Clients**
Buy	62.5%	8%
Hold	20%	0%
Sell	17.5%	0%

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