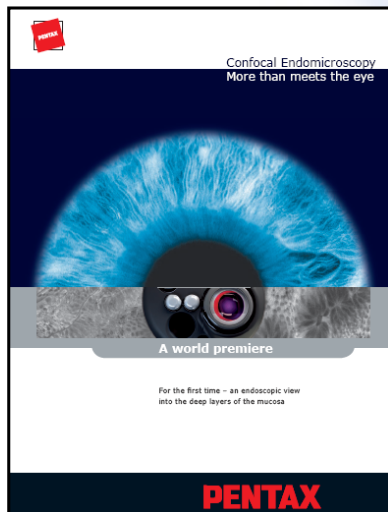


AGM 2006



PENTAX ISC 1000 flexible endo-microscope



- Full scale production sales release made on 1 March 2006
- 47 instruments sold to 30 June 2006
- Accelerating Pentax marketing and sales
 - DDW symposium
 - Live demonstrations at medical meetings



Brochure

OptiScan | FIVE (1) pre-clinical endo-microscope



Brochure


- “FIVE” = Fluorescent In Vivo Endomicroscope
- “1” because of its simplicity of use
- Target market segments are:
 - Drug development research
 - Doctors combining clinical and pre-clinical research
- Unique *in-vivo* research capabilities
- Full Optiscan production
 - Second endo-microscope product from the one platform

Other significant achievements

- Further outstanding clinical trial results for flexible endo-microscopy
- Successful pilot clinical trials with rigid endo-microscopes
- A significant upgrade in regulatory certification enabling us to self certify CE Mark for Europe
- Establishment of volume production
- Successful conclusion of back royalty claims following EPO and JPO patent appeal case wins
 - \$2.6M total
 - \$2.1M due in the current financial year

Optiscan Product Pipeline

Product	Use	Research & Dev	Clinical Trials	Regulatory Clearance	Launch	Product-ion	Sales
Pentax ISC 1000	GI non-invasive diagnosis			✓ FDA ✓ CE Mark			Mar 06
Optiscan FIVE 1	Preclinical research					Jun 06	
Rigid Endo-microscopes	Intra – operative diagnosis		Pilot trials				
Second generation	All applications & markets	Specs & Requirements					
Broncho-scope	Lung non-invasive diagnosis	Pre-clinical trials					
Multi Photon System	Deeper tissue imaging	Grant received					



Financial position at 30 June 2006

	<u>FY05/06</u>	<u>FY04/05</u>
• Product sale revenues	\$ 3.23M	\$ 1.02M
• Total revenues	\$ 5.63M	\$ 2.83M
• Operating expenses	\$ 7.00M	\$ 7.25M
• R&D expense percentage	45%	42%
• Net loss after tax	\$ 3.94M	\$ 5.26M
• Cash	\$ 6.65M	\$11.72M
• Other Assets	\$ 5.33M	\$ 3.38M
• Liabilities	\$ 1.66M	\$ 1.04M





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Exceptional efficacy data were obtained in an increased number of applications

Study Focus	Sensitivity	Specificity	Accuracy
Neoplasia in ulcerative colitis	94.7%	98.3%	97.8%
Diagnosis of Barrett's esophagus	98.8%	94.4%	97.5%
Neoplasia in Barrett's esophagus	91.7%	99.0%	97.5%
Neoplasia in screening col'scopy	97.4%	99.4%	99.2%
H Pylori diagnosis	90.9%	96.7%	>95%
Gastric cancer diagnosis	84.0%	95.0%	80.0%
Coeliac's diagnosis & grading	100%	85.0%	80.0%
NERD in GERD patients	94.9%	85.4%	91.7 %
Microscopic colitis diagnosis	100%	92.0%	97.5%



* Data from abstracts of presentations made at DDW 2005 & 06 & AGW 2006

Solid progress in trial outcomes

- Efficacy Data/Applications
 - At June 2005, 5 applications with excellent efficacy
 - At June 2006, this had grown to 9 applications
 - 2 Clinical trials initiated for rigid endoscopes
- Publications
 - 11 original clinical articles
 - 8 reviews relating data to clinical practice
 - >30 conference presentations
 - Foundation paper in *Gastroenterology* cited 40 times



Live Workshops and Demonstrations



- Forum Gastroenterologie 2004-2006, Mainz, Germany
- German Congress of Internal Medicine, Wiesbaden, Germany 2004
- Bioendoscopy Workshop Bangkok, Thailand 2004
- World Congress of Gastroenterology, Toronto, Canada, 2005
- Haifa, Tel Aviv, Israel 2005
- Euro EUS, Hamburg, Germany 2006
- Bioendoscopy Workshop, Singapore, 2006
- Falk Symposium, Berlin, Germany 2006
- International Workshop of Endoscopy, Brussels, 2006
- Marcon Course, Toronto, Canada 2006
- Australian Gastroenterology Week, Adelaide, Australia, 2006
- Marseilles, France 2006
- Johns Hopkins Hospital Workshop, Baltimore, USA, 2006



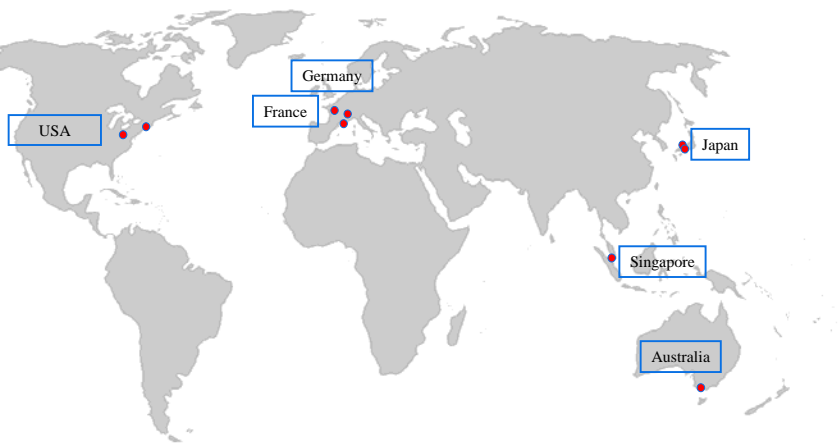
Training in Endomicroscopy

- Training
 - European training centre established (Mainz, Germany)
 - >47 visiting doctors trained so far in Calendar 2006
 - Johns Hopkins Hospital established as key training site
- Utilisation
 - Initial users utilised endomicroscopy in one or two applications with an average of 2 procedures per week
 - Users installed during the period have performed 60-120 procedures in their first 3 months (20+ per month)
 - One UK hospital has purchased 2 systems and reserved a third



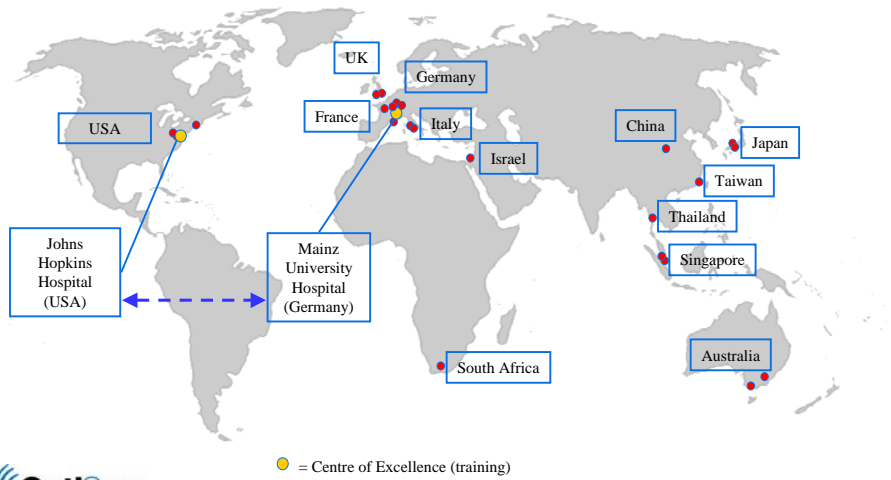
PENTAX
ISC 1000

Previously Reported Sites

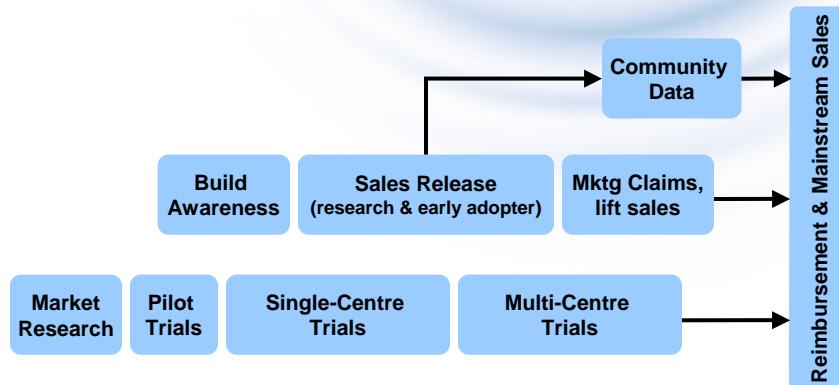


PENTAX
ISC 1000

Leading Hospitals have been Keen Early Adopters



Clinical Market Development



Flexible Applications - Advanced



- UC ----->
- Barrett's ----->
- Colorectal neoplasms ----->
- Gastric Cancer ----->



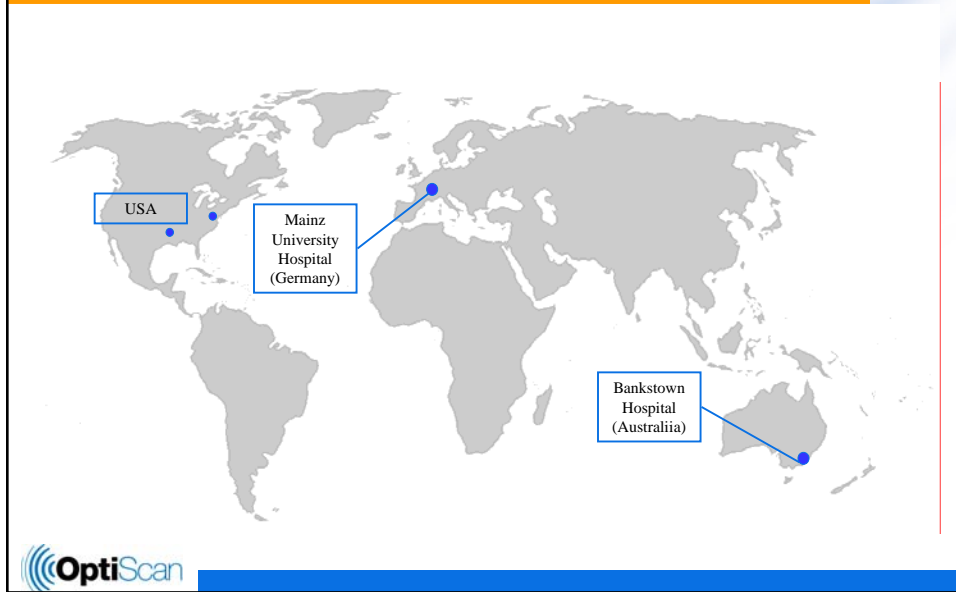
New Flexible Applications



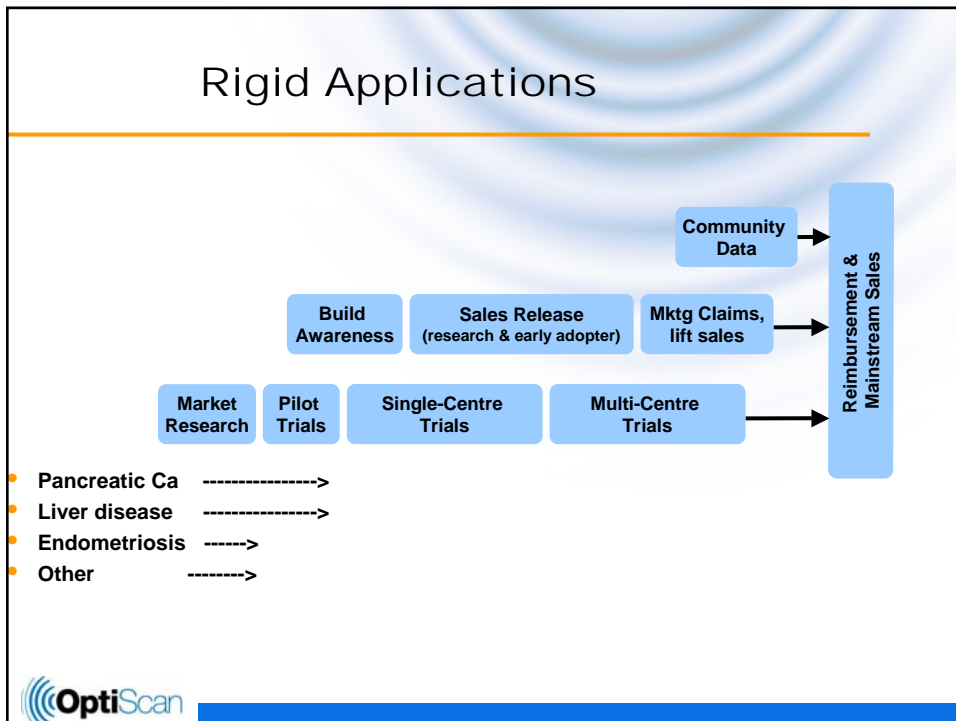
- GERD/NERD ----->
- IM-GC ----->
- h.pylori-GC ----->
- Coeliac's ----->
- Micro-colitis ----->



Clinical Trials for Rigid Endomicroscopes



Rigid Applications



Summary



- Flex Class I ----->
- Flex Class II ----->
- Rigid ----->



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PENTAX ISC 1000 Outlook

- Flagship technology
- Strong sales in Europe
 - Doctor training at Mainz, Germany a key success factor
- USA behind, but rapidly catching up
 - Johns Hopkins as key training centre
- Strong Pentax orders but with softening forecast into next year
- Visibility and feedback on market demand is limited
- Outlook to year end still uncertain
- Longer term 10%+ penetration indicated



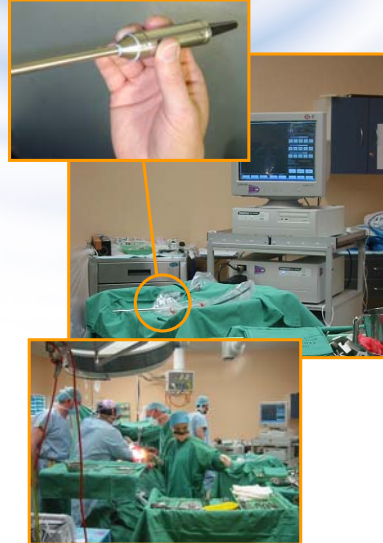
OptiScan | FIVE (1) Outlook

- Time delays on release. Now complete for Europe but still pending for USA
- Sales commence current quarter
- Two instruments on trial and 9 active quotations
- Targeting sales of 10 -12 instruments per year



Rigid endo-microscopes outlook

- Clinical pilot trials commenced in
 - Sydney – Open surgery
 - Germany – Mini laparoscopy
- First two end points completed
 - Sheath design for sterility viable
 - Efficient clinical workflow established
- 6 potential partners in discussion under CDA
- Continue to build value ahead of partnering deal(s)



Expanded manufacturing facility

- More capacity required to support future demand for scanners
- Building to ISO 8 clean room standard
- Expansion now complete
- Some disruption to production throughput during the building process



Financial Outlook

- Six months sales to December 2006 guidance
 - Sales revenue similar to 2nd six months of 2006
 - Expect shipment of 45 - 50 systems
 - Backlog due to lost throughput in redevelopment, but expected to be recovered by end January
- Six months to December 2006 : expect small loss to breakeven
- Full year breakeven for 2006/07
 - \$2.1M back royalty contribution
 - Approx 120 system sales required
- Longer term 10% penetration = 500+ systems pa



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Optiscan Imaging Limited

Annual General Meeting 2006

- Resolution 1 : Remuneration Report

For	26,660,385	86.88%
Against	276,743	0.90%
Open	3,705,302	12.08%
Abstain	43,090	0.14%



Optiscan Imaging Limited

Annual General Meeting 2006

- Resolution 2 : Re-election of Peter Delaney

For	27,044,133	88.13%
Against	8,055	0.03%
Open	3,620,302	11.8%
Abstain	13,030	0.04%





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