

ASX Announcements

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OPTISCAN ENTERS TELEMEDICINE ALLIANCE WITH GRIBBLES PATHOLOGY

Strategic alliance

Optiscan is delighted to announce that it has entered into a strategic alliance with Gribbles Pathology, aimed at establishing a 'next generation' business model for the large scale uptake of Optiscan's unique micro diagnostic imaging system in Australia. Gribbles Pathology is one of Australia's leading pathology and analytical services groups. Its laboratories conduct tests for over 2.5 million patients per annum.

Key features of the alliance

The key features of the alliance are as follows:

Optiscan and Gribbles Pathology will collaborate in the performance and management of clinical trials involving a wide range of medical practitioners in Victoria, South Australia, Western Australia and Queensland. The clinical trials will involve dermatologists and general practitioners.

The trials will include the trialing of an internet based telemedicine system, whereby digital images produced by Optiscan instruments are transferred over the internet for remote diagnosis.

Gribbles Pathology will assist Optiscan in seeking Australian product approval and ultimately Medicare scheduling.

Upon the successful outcome of the trialing process, Gribbles Pathology has expressed an intention to purchase Optiscan instruments for placement at medical centres in Australia.

This alliance reaffirms Optiscan's prior held belief that internet ready instruments should allow expert diagnosis to be performed by pathologists located remotely from a large user base of instruments operated by general practitioners or eventually even specialised technicians. Further, it demonstrates that pathologists may be willing to supply the actual instruments to the medical centres so as to facilitate the uptake of such procedures.

Collaboration in clinical trials

Optiscan believes that the involvement of Gribbles Pathology adds immense value to its clinical trial program. Gribbles Pathology possesses great experience in dealing with Australian regulatory and health authorities and is expert in the collection of clinical trial data. This will be of great

assistance to Optiscan in seeking Australian product approval and ultimately Medicare scheduling. The information will also Complement clinical trial data aimed at seeking FDA approval in the US late next year. Gribbles Pathology provides a large network of pathology services in medical centres in which to conduct the trials. Established in 1936, it now has 25 laboratories, 123 licensed collection centres and over 1,000 staff, primarily in Victoria and South Australia. Its laboratories are equipped with the latest instrumentation and a wide range of modern analytical equipment fully integrated with an extensive EDP system and conducts tests for over 2.5 million patients per annum. It is well placed to assist Optiscan in its aims.

Trialing of an internet based telemedicine system

Optiscan will also utilise the strategic alliance to trial an internet based telemedicine system. One of the factors that Optiscan believes will drive acceptance of its technology is the ability of Optiscan's clinical instrument to be able to provide a digital image of a 'living cell' and to transmit that image electronically to any part of the globe for remote diagnosis.

Optiscan has been aware for some time that internet based offers a means to extend the reach of Optiscan's technology to a much wider user base.

To pursue this opportunity, Optiscan requires the necessary facilities to run an appropriate 'test bed' trial. This alliance puts into place a network of pathology services and medical centres which will enable Optiscan to develop and test Optiscan's proposed system. In this system it is intended that:

centralised pathology services will be provided to a network of medical centres via the internet;
practitioners will be able to collect images from patients in a non-invasive way, electronically transfer those images to the pathology centre for interpretation and receive a rapid response diagnosis to be relayed to the patient without surgical removal of tissue or physical transportation of specimens and with a time delay measured in minutes or hours, not days or longer.

Accordingly, whilst Optiscan expects specialists to use Optiscan's technology directly (often making a direct diagnosis by interpreting the real time computer screen images), Optiscan believes that the internet readiness of its technology will hold the key to providing access to the technology for a much larger but less experienced or specialised user base.

Key objectives of the alliance

Optiscan hopes to achieve the following from the alliance:

initial distribution of Optiscan's clinical instruments (and associated consumables) in the Australian market;
the successful use of Optiscan's instruments in an internet based telemedicine system, which should greatly expand the potential market for Optiscan's clinical instruments and possible revenue achievable by Optiscan;
the achievement of Australian product approval and medicare scheduling for procedures using Optiscan's hand held probe;
the collection of information in Australia which should complement and potentially hasten US FDA approval (which is targeted for late in calendar 2000);
the acceptance of the placement of Optiscan's hand held probe in medical centres for use in diagnosis.

Optiscan is delighted with the alliance and looks forward to working with Gribbles Pathology through this collaborative process.

For further information concerning the strategic alliance, Optiscan or its technology, contact:

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