



31 January 2005

Pentax \$5M First Year Order for Optiscan

Optiscan Imaging (ASX:OIL) has received a first year order worth over \$5 million from Japanese imaging giant Pentax for supply of miniaturised microscope components that will be used to produce a new type of medical instrument called a flexible endo-microscope.

The flexible endo-microscope has been developed collaboratively by Optiscan and Pentax over the past three years. It combines Pentax's miniaturised camera endoscope technology and Optiscan's unique and patented miniaturised microscope technology.

Pentax will market and sell the flexible endo-microscopes into an annual global market for flexible endoscopes valued at approximately US\$900 million, and expect to have the new instruments available for sale to doctors during the first half 2005. The number of flexible endo-microscope systems Pentax will purchase from Optiscan in the first year of market release for the new instrument exceeds Optiscan's initial estimate of 40-80 units.

Optiscan CEO, Matthew Barnett, said "We are thrilled with the size of this order as it is greater than our upper end forecast of 80 units. It shows that Pentax is committed to this technology and is a measure of their confidence for its success in the market."

The order announced today is for Optiscan to supply Pentax with miniaturised microscope scanner inserts and laser confocal control box sub-systems. Under arrangements with Pentax, Optiscan supplies these core components for Pentax to assemble into finished flexible endo-microscope systems. Revenue generated for Optiscan from deliveries against this order will occur mostly in the 2005/06 financial year.

In September the Pentax-Optiscan flexible endo-microscope procedure was featured as the cover story of the leading US peer-reviewed Journal *Gastroenterology* after clinical trials established excellent medical utility in diagnosing very early stage colon cancers.

In October the Pentax-Optiscan flexible endo-microscope was granted Food and Drug Administration (FDA) regulatory clearance for the US market and CE Mark regulatory clearance for Europe and other world markets.

Pentax is currently working to transfer the Optiscan flexible endo-microscope technology from its R&D department to its full production environment. Market introduction is expected in time for the internationally important Digestive Diseases Week Congress (DDW) to be held in Chicago in May 2005. DDW should mark the beginning of take-up by the gastroenterology profession and the path towards significant annual sales by Optiscan.

Mr Barnett said "This is a defining moment for Optiscan. Our engineers have successfully miniaturised our powerful microscopes to create an endo-microscope, doctors have established the value of the endo-microscopes through clinical trials, the necessary regulatory clearances have been achieved and now significant revenues are starting with imminent worldwide market release".

Optiscan is currently in discussion with a number of international companies for further licensing of its miniaturised confocal microscope technology in other fields, including rigid endoscopy.

Further information:

Matthew Barnett, CEO
Tel (613) 9538 3347
matthewb@optiscan.com

Bruce Andrew, CFO
Tel (613) 9538 3398
brucea@optiscan.com