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NEW MARKET EVALUATION FOR OPTISCAN'S MINIATURISED CONFOCAL SCANNER

One of the world's leading confocal microscope manufacturers is to comprehensively evaluate Optiscan's miniaturised confocal scanner for introduction into the US\$375 million market for laboratory research microscopes.

The evaluation agreement entered into today marks a further step towards Optiscan launching its patented fibre optic confocal system in three distinct markets, through partners with leading positions in their respective markets. It follows the announcement in October of initial orders from Pentax for the collaboratively developed flexible endo-microscope, and the anticipation of a firm pathway for the rigid endo-microscope market by June 2004.

Across the three market opportunities, Optiscan's miniaturised device allows real-time, non-invasive microscopic (1000x times normal view) subcellular imaging of internal body tissues. The laboratory instrument market for confocal microscopes includes instrument sales to public and private scientific research facilities worldwide for high resolution imaging of biological processes. The leading companies in this segment of the market, including Carl Zeiss, Leica, BioRad, Nikon and Olympus, are already well known to Optiscan. Several years ago, licensing agreements were reached with these companies to license Optiscan's non-miniaturised fibre confocal technology.

Although the identity of the evaluation partner cannot be disclosed, CEO, Mr Matthew Barnett said "the Optiscan miniaturised scanner offers superior confocal performance for a significant number of research applications especially where its small size enables new research techniques to shed new insight into cellular and sub-cellular changes in living tissues".

Under the agreement Optiscan will provide a instrument, training and product support to assist in the evaluation process. A modest fee will be paid to Optiscan, but "the real news here is the potential to access an existing market through an established and highly respected participant" said Mr Barnett.

The agreement represents tangible progress toward achieving another of Optiscan's commercialisation milestones.

In April 2003, Optiscan set down seven milestones necessary to unlock shareholder value in its intellectual property. To date, three have been completed, and a licensing agreement in the research market would represent achievement of a fourth key milestone.

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