



3 August 2009

New Hoya Agreements

Optiscan has signed 3 agreements with Hoya governing future access to intellectual property, manufacturing rights and the service of generation 1 product.

These agreements follow on from Optiscan's March termination of the Generation 2 Collaboration Agreement, such termination ending Hoya's exclusivity over the technology in the field of gastroenterology.

Optiscan will no longer manufacture generation 1 product for Hoya and will receive royalties on all generation 1 product manufactured and sold by Hoya through its Pentax brand.

The new agreements confirm Optiscan's unencumbered right to sell product into the gastroenterology field, a market for endoscopes with annual sales in the region of US\$3 billion. Previously Optiscan's target market was limited to Pentax's market share (estimated by Optiscan at <15%) with penetration controlled by Pentax's sales processes and subject to the traditionally slow take up in the early adopters stage.

The generation 1 product has now been on market for over 3 years with endomicroscope systems used in over 100 hospitals around the world. These units are currently used by gastroenterologists at leading teaching hospitals such as Johns Hopkins in the US and Mainz University Hospital in Germany. Over that time the technology has gained significant traction and is very well positioned to move from the early adopter stage into the greater endoscopy market. The technology is now supported by hundreds of publications and thousands of procedures and demonstrates significant patient and doctor benefits over previous technology.

With the development of the generation 2 endomicroscope well advanced and progressing to plan, Optiscan is poised to tap the significant underlying value of its technology. Planning the nature and scope of the Company's activities for 2010 is well underway and will be finalised following the timing and outcome of the first in human trial of our generation 2 endomicroscope. This is expected to be achieved by November 2009.

The new agreements also provide for the payment of US\$575,000 from Hoya to Optiscan. Optiscan received over half of the funds on execution of the agreements and will receive the balance in tranches over the period to March 2010.

In addition to scheduled payments, Optiscan will be paid at commercial rates for providing both service support and training to Hoya.

The Board of Optiscan is very pleased with the outcome of negotiations with Hoya and looks forward to the successful completion of the Company's next major milestone by November, being the first in human trial of our generation 2 endomicroscope.

The Company's other major focus is its activities with Zeiss. In an environment where many developmental projects are being cancelled or delayed, Zeiss' financial and technical commitment to the project along with associated clinicians is very gratifying. Specific updates on this project will be provided as and when relevant.

About Optiscan

Optiscan is a global leader in microscopic imaging technologies for medical markets. Optiscan's unique and patented technologies enable high-powered microscopes to be miniaturised and used inside the body. The technology enables microscopic imaging of up to 1000 times magnification to be achieved. Doctors can use the technology to instantly see cellular level details of tissue without the requirement to surgically remove tissue (biopsy). Optiscan's patented miniaturised microscope technology is being used in the field of flexible endo-microscopes. Optiscan has also entered into a collaboration with the Carl Zeiss Group in Germany for the use of its patented miniaturised microscope technology in rigid endoscopes in key Zeiss markets.

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