



29 March 2012

\$2M Funding from Bergen Global Opportunity Fund, LP

Optiscan is pleased to announce it has secured a \$2m funding from Bergen Global Opportunity Fund, LP ("BGOF"), a New York institutional investor managed by Bergen Asset Management, LLC ("Bergen"). The key aspects of the funding are outlined in the appendix below.

This funding underpins the Company's balance sheet, allowing the uninterrupted progression of our path to product with Zeiss in the near term. This path has seen the Company's second generation technology progress to a point capable of near immediate leverage into multiple fields, particularly the lucrative and well understood gastrointestinal (GI) market.

In mid March, three category 1 CPT codes were approved regarding the use of optical endomicroscopy in the GI tract, with those codes scheduled for implementation in January 2013. CPT codes are the most widely accepted nomenclature used to report medical procedures and services under public and private US health insurance programs. This is significant and underscores the acceptance of the technology and its benefits since Optiscan and Pentax launched the world's first endomicroscope, the Pentax ISC-1000 in 2006.

Optiscan's Executive Chairman Angus Holt said "We are delighted to have Bergen's support at this critical stage of the Company's development and we look forward to finalising our next major strategic step soon."

Bergen's Managing Director Eugene Tablis said "My team is well familiar with the Australian biotechnology and medtech landscape, having previously made several investments in the industry, and we have been impressed by Optiscan's rare position in the market and intellectual property. We are delighted to be able to support Optiscan during this important phase of its development."

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).

About Bergen

Bergen is a New York-based global asset management firm focusing on equity investments in high growth publicly-traded and private companies, primarily outside of the United States.



\$2M Funding from Bergen Global Opportunity Fund, LP (continued)

The key aspects of the investment

1. Certainty of access to funding. The investment agreement provides Optiscan with certainty of access to funding in a difficult capital markets environment over the next 24 months. The investment will be made as follows:

- an investment in a \$220,000 24-month interest-free convertible security will be made on execution of the agreement, and
- investments in \$165,000 to \$900,000 24-month interest-free convertible securities will be made quarterly (\$165,000 once a quarter, which can be increased to up to \$900,000 by mutual consent), over the course of a total of eight quarters.

Each convertible security will be purchased at a price equal to 90% of its face value. The total amount invested by BGOF will not exceed \$2,000,000.

The regularity and size of the tranches provide certainty of funding to Optiscan and enable its management to focus on the execution of its business plan and corporate activities.

2. Minimizing dilution. The conversion price of the convertible securities is equal to 90% of the average of five consecutive daily volume-weighted average prices ("VWAPs") of Optiscan's shares during a specified period immediately prior to the date of the conversion. For no more than two of the convertible securities, BGOF will have the right to utilize an alternative conversion price equal to 140% of the average of Optiscan's VWAPs during the 20 trading days prior to the date of the issuance of the convertible security.

This allows Optiscan to potentially issue new shares at prices that are linked to the market prices prevailing at the time (i.e. potentially at a premium to the current share price) and minimise the dilution for its shareholders.

3. Additional safeguards. Optiscan has additional safeguards against dilution in that it can opt not to issue convertible securities to BGOF if the price of its shares is lower than a specified floor price.

The terms of the agreement do not permit for equity securities to be issued, and there is no agreement to issue equity securities under the agreement, if shareholder approval is first required under the Listing Rules. The settlement of the first tranche will not require such approval.

4. Interest-free investment and focus on capital appreciation. BGOF's return on investment depends on Optiscan's share price appreciation and, consequently, the convertible securities accrue no interest.



\$2M Funding from Bergen Global Opportunity Fund, LP

The key aspects of the investment (continued)

5. Options priced at a premium. Optiscan has granted BGOF 1,900,000 options to acquire ordinary shares in Optiscan at an exercise price of 120% of the average of the VWAPs of Optiscan's shares for the 20 trading days immediately prior to the date of the agreement and an expiry date that is 30 months following the date of their grant, which maximises Bergen's interests in Optiscan's share price appreciation.

6. Other. BGOF will receive a one-off commencement fee in connection with its investments in Optiscan, to be satisfied by way of issuance of 877,192 shares.

7. Validation of the business model by a US institutional investor. Optiscan believes an investment by a US institution validates Optiscan's business model, raises its profile in the international financial markets and sends the right signal about its financial backing to its commercial and corporate counterparties.

Further information:

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