



Electro Optic Systems Holdings Limited

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US ARMY CROWS PROGRAM AWARD

Canberra, 20 August 2012

Electro Optic Systems Holdings Limited (ASX: EOS) has been informed that its tender for participation in the US Army CROWS 3 program was not successful.

On 19 May 2010 EOS announced it had teamed with Northrop Grumman Corporation to jointly pursue the market for remote weapon systems [RWS] in the United States through programs such as the US Army's Common Remotely Operated Weapon Station 3 [CROWS 3] program. In response to an Army call for tenders, a team bid was submitted for this program in March 2012.

EOS was informed on 17 August 2012 in the US that this bid was not successful and that the CROWS 3 contract was awarded to the incumbent CROWS 2 contractor, Kongsberg Defence & Aerospace AS, Kongsberg, Norway.

The Chief Executive Officer of EOS, Dr Ben Greene, said:

"The CROWS 3 decision is disappointing but is a contingency always addressed in EOS plans and has no impact on EOS financial performance over the next 6 quarters. It will not reduce our pursuit of other remote weapon system programs in the US market, especially where the requirements include performance or advanced features not compatible with CROWS."

"The current transformation of EOS to meet volatile global business conditions is equally required for this outcome from CROWS and will be completed. This includes changes to EOS production which have achieved more scalable output at low cost, reducing the impact of CROWS on the cost base for all other RWS programs."

Information:

Ben Greene

Chief Executive Officer EOS

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ABOUT CROWS AWARD

Department of the Army, Office: Army Contracting Command, New Jersey.

Solicitation #: W15QKN11RF015

Common Remotely Operated Weapon Station (CROWS)

Link: <https://www.fbo.gov/notices/271a25a64c05d8791ca3ceba2b09ba89>

Award posted: Aug 17, 2012 11:25 pm US EDST

ABOUT ELECTRO OPTIC SYSTEMS (ASX: EOS; OTC: EOPSY)

EOS develops, manufactures and sells sophisticated aerospace technology with a wide range of applications through two business divisions – military and space.

EOS' remote weapon systems enable a weapon to be fired rapidly and accurately by a gunner safely relocated away from the weapon. Typically the technology is applied for mounting weapons on the top of an armoured vehicle, and the gunner inside the vehicle. EOS remote weapon systems have been produced in significant numbers for US Army, NATO forces, Australia, and other countries around the world.

EOS' space division is as a provider of technology, products and services to support space surveillance and space debris management, including space collision avoidance. EOS's laser tracking systems and computer technology can track small orbiting debris objects with great precision – while its space ablation technology and systems could potentially allow future de-orbiting of space debris objects.

EOS has around 110 employees, principally based in Canberra (Australia), Tucson (Arizona), Huntsville (Alabama) and Singapore.