

UNIQUE AVIATION OBSTACLE WARNING SYSTEM BASED ON NORWEGIAN RADAR TECHNOLOGY RECEIVES INVESTMENT FOR NORWEGIAN AND U.S. MARKET LAUNCH.

Teknoinvest, Viking Venture and START-fondet invest close to \$ 5 million in Obstacle Collision Avoidance System (OCAS) AS.

Oslo, Norway, May 6th 2005. OCAS AS today announced that it has attracted a venture capital investment of NOK 30 million (US\$ 4.8) from Oslo based Teknoinvest and Trondheim based Viking Venture. START-fondet, which originally seed-funded OCAS, is also participating in the round.

In the US, Wire and Obstruction accidents are currently FAA's number one problem for Rotorcraft. According to the National Transportation Safety Board, a total of 996 reported aviation accidents/collisions involved power lines for the period January 1, 1990 to October 16, 2003. Of the 996 accidents, 301 involved at least one fatality. OCAS has the potential to significantly reduce the number of aircraft obstacle collisions.

Man-made obstacles are defined as an aviation hazard when erected above a nominal height above ground level. Owners of obstacles – i.e. Power Line -, Telecom -, Windmill- and Broadcasting companies, have to conform to national obstacle marking regulations when their structures are defined as aviation hazards. At present there are no good solutions available to regulating authorities to address this problem.

OCAS has developed, as the only of its kind, a cost effective radar-based obstacle avoidance system. OCAS is an all-weather, day and night system, which does not only depend on visual detection, is independent of the pilot's skill level, warns all kinds of aircrafts independent of nationality, and demands no additional installation in the aircrafts or investment for the owners of the aircraft.

“I am very pleased that the first systems in the United States will be installed and tested in Kentucky and Tennessee beginning in October 2004¹. I believe that these installations will help to bolster the use of OCAS throughout the United States. This technology is an important safety enhancement and one that industry welcomes. It is very good to see the utility industry working closely with aviation interests to help us to further reduce the aviation accident rate.” says Dave Downey, Rotorcraft Director, FAA

”This project is an important part of the work making aviation more secure. If the new warning system proves that it is an effective and reliable preventive contributor in order to further increase safety, the Ministry of Communication, in cooperation with the Norwegian Civil Aviation Authority, will follow up this effort by evaluating needed regulatory changes or actions for setting the system in to operation. The development of this system may also be basis for innovation and growth for Norwegian IT industry” says Torild Skogsholm, Minister of Communication in Norway. (Translated version)

¹ The OCAS is currently installed and the systems are being evaluated at these sites.

“The OCAS system will soon be ready for final approval from the Norwegian and US aviation authorities, and will shortly after be ready for commercial release in these countries. Our first priority is to target the Norwegian and American utility markets, whereas the by far largest market potential is in the US. Our cooperation and field test programs with Statnett in Norway, Tennessee Valley Authorities and Kentucky Utilities in the US and British Columbia Hydro in Canada has given us valuable experience and enables us to meet the market requirements. Furthermore, the support and fruitful cooperation with the Norwegian and US aviation authorities has been essential in order to develop a system which fully complies to operational requirements.” says Morten Mork, CEO of OCAS AS.

“We have great expectations for OCAS,” says Erik Hagen, managing partner of Viking Venture. “The OCAS solution will contribute to increased aviation safety, and is embraced not only within the aviation community, but also by the obstacle owners and aviation authorities.”

“The unique operational concept paired with the radar technology tailored for this specific need enabling a competitive Life Cycle Cost and superior operational functionality compared with other solutions is exciting, and opens for a variety of possibilities,” says Bjorn Bjora, managing partner of Teknoinvest.

“START-fondet, as the initial seed investor in OCAS, is very pleased that two of the leading VC funds in Norway are coming on board,” says J. Frode Vaksvik, managing partner of Convexa Capital III AS.

About OCAS

OCAS AS was founded in 2000 by two pilots, Morten Mork and Rolf Bakken, who had experienced the challenge to see power line crossings when flying, even if they were marked according to existing marking requirements. OCAS’ business concept is to become a global and leading player in the field of warning systems for air and sea traffic obstacles, and based on in-depth knowledge of the industry, aviation experience and regulatory expertise, the company will identify and develop cost-effective solutions that significantly improve safety in aviation and shipping.

About Teknoinvest

Teknoinvest was established in 1984 and is the Nordic venture capital investment firm with the longest track record, as well as being one of the most successful according to value created for investors. Teknoinvest invests in companies in the technology and life sciences sectors in the Nordic countries as well as in selected opportunities in North-America. Teknoinvest advises funds with a total capital of about 145 million USD (Euro 110 millions). Among well-known companies that Teknoinvest has invested in and helped develop are Tandberg AS, Tandberg Television AS, Axis-Shield PLC, Photocure ASA, Ciena Corporation and Opera Software ASA.

About Viking Venture

Viking Venture is one of the leading technology focused venture funds in Norway with 100 million USD under management. The fund focuses on investments within ICT, Energy and Life Science in Norway and the Nordic countries and is located in Trondheim. Viking

Venture typically invests in companies that have passed the seed phase and is ready for the commercialization phase. The fund is a very active owner with a substantial share in the portfolio companies.

About START-fondet ASA

START-fondet was established in 1998 by 18 private investors as an initiative to provide seed capital to start up companies in Norway. The fund is raised 50 % from the private investors and 50% is provided as a loan from the Norwegian government. In June 2004 Convexa Capital III AS took over the management of the fund. Convexa is a Norwegian venture capital investment company focusing on commercialising Scandinavian technology to international markets. Convexa's management has in total founded 7 venture funds close to 100 million USD (MNOK 600) in raised capital and created value for 25+ portfolio companies.

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