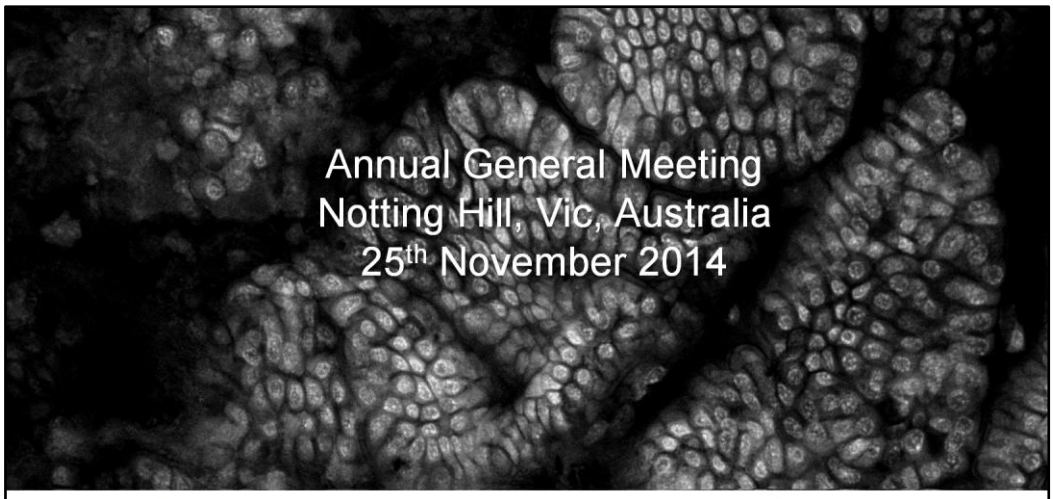

OptiScan

Unlocking the world of **Live Micro Imaging (LMI) technology**

Review & Update
Angus Holt – Executive Chairman

Annual General Meeting
Notting Hill, Vic, Australia
25th November 2014

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Unlocking the world of **Live Micro Imaging (LMI) technology**

CHAIRMAN'S ADDRESS
Optiscan Imaging Limited

Annual General Meeting
Tuesday, 25 November 2014

at 3:30 p.m.

Welcome to the 2014 AGM of Optiscan Imaging, I am Angus Holt. Alongside me are my fellow directors, Peter Delaney and Bruce Andrew.

As usual, following my address I will hand over to our Director of Technology, Peter Delaney for his review of developments in clinical, technology and product. Following Peter's review I will undertake the formal business of the meeting including the resolutions as put to shareholders in the notice of meeting.

After closure of the formal business of the AGM we will have an open forum for questions.

The past 12 months has been characterised by a number of very important achievements, most of which have been a number of years in the making. Not to take away from the importance of other achievements during the period, but the recent attainment of the Zeiss disposable sheath development milestone and its impact on our ability to deliver relevant product in the near term is by far and a way our most significant achievement of the past couple of years.

The sheath will now be integrated with Optiscan's stand-alone rigid endomicroscopy system, which will be deployed in the field of neurosurgery providing real time, high resolution tissue imaging at a cellular level, bringing the microscope to the patient. Optiscan is in the process of refining its submission for FDA regulatory clearance and will keep shareholders apprised of material developments within that process.

Along with this recent major product development milestone, Optiscan's technology continues to be validated through independent publications with

nearly 20 in the fields of neurosurgery and neuroscience, not to mention the several hundred in flexible gastrointestinal endomicroscopy.

As announced in March, Optiscan's second generation endomicroscopy platform has now been introduced into the field of gastroenterology. This introduction being via clinical study to be undertaken at the Garvan Institute of Medical Research and St Vincent's Hospital in Sydney in a study of dynamic events relating to the permeability of the gut lining and how it is altered by inflammatory diseases. Patient recruitment for this study is underway.

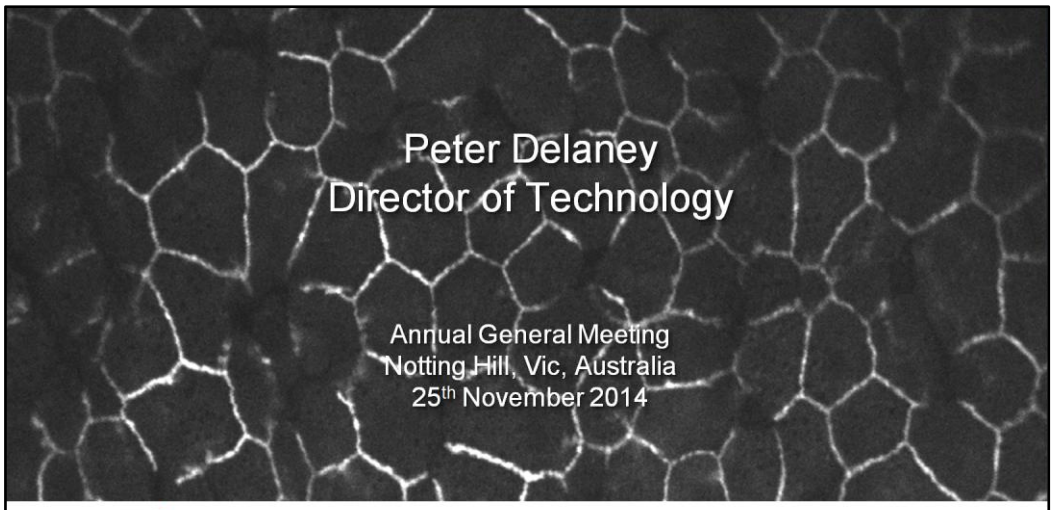
In addition to the developments in clinical endomicroscopy I have just mentioned, Optiscan has moved to the market introduction of its second generation research endomicroscopy system, to be marketed as CellLIVE.

Since joining forces with marketing partner UK based MR solutions, Optiscan has refined its research platform for market introduction and has displayed this system at the World Molecular Imaging Conference in Korea in September and last week at Neuroscience 2014 in Washington DC, the major relevant trade show. The reception for the system has been beyond expectations and augurs well for formal launch in coming months.

Along with these product and market development activities during the period, the Company has taken a step by step approach to improving its working capital structure and position in order to provide an optimal development framework and to expedite the release of product in neurosurgery and research endomicroscopy opening up annually addressable markets in the $100's of millions.

There are many promising opportunities beckoning for Optiscan. The future is full of possibilities that have the potential to reward shareholders and, importantly, we can deliver a technology that can improve patient outcomes and healthcare economics around the globe. In order to achieve success we must continue to both carefully manage our resources and also further improve balance sheet structure and the Company's working capital position.

I will now hand over to our Director of Technology, Peter Delaney.



Peter Delaney
Director of Technology

Annual General Meeting
Notting Hill, Vic, Australia
25th November 2014

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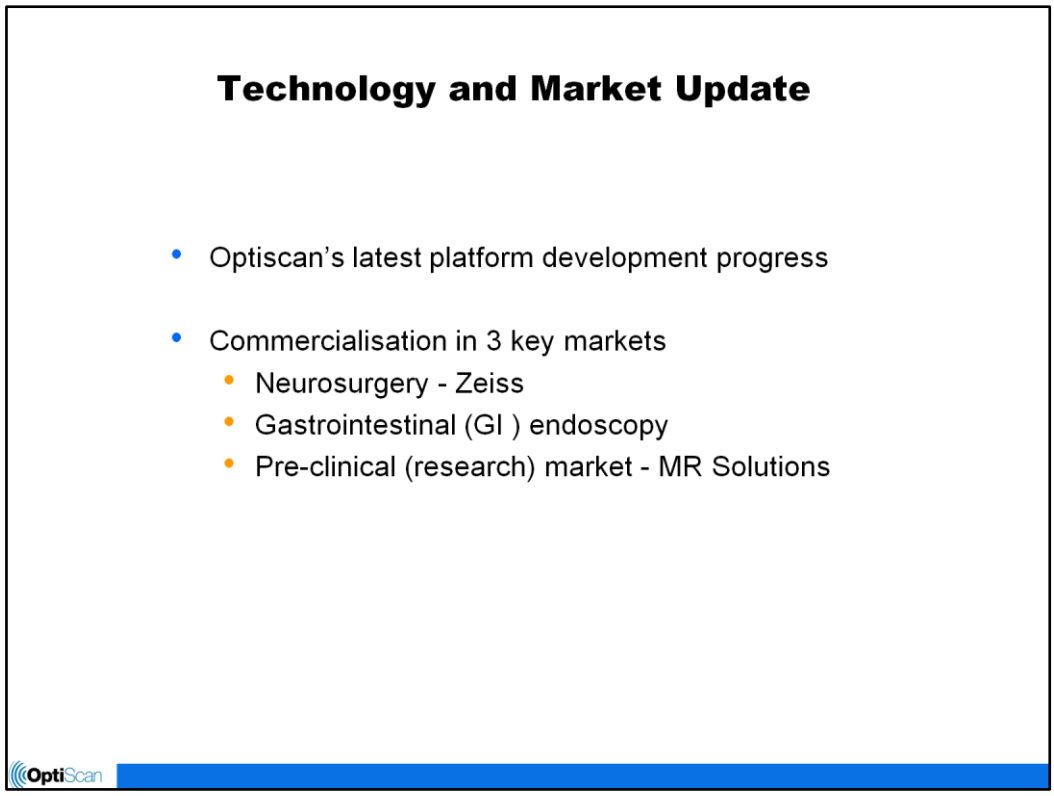
Unlocking the world of **Live Micro Imaging (LMI) technology**



Today I will provide a brief overview of progress in Optiscan's latest technology platform and our plans. This platform has been developed since inception to enable rapid adaptation to different markets. So being at a fully functional stage of development, our focus is now all about deployment of this platform for commercialisation into key addressable markets. Despite some obstacles, we are close to realisation of this goal and in fact recent opportunities and achievements have unlocked a much clearer path.

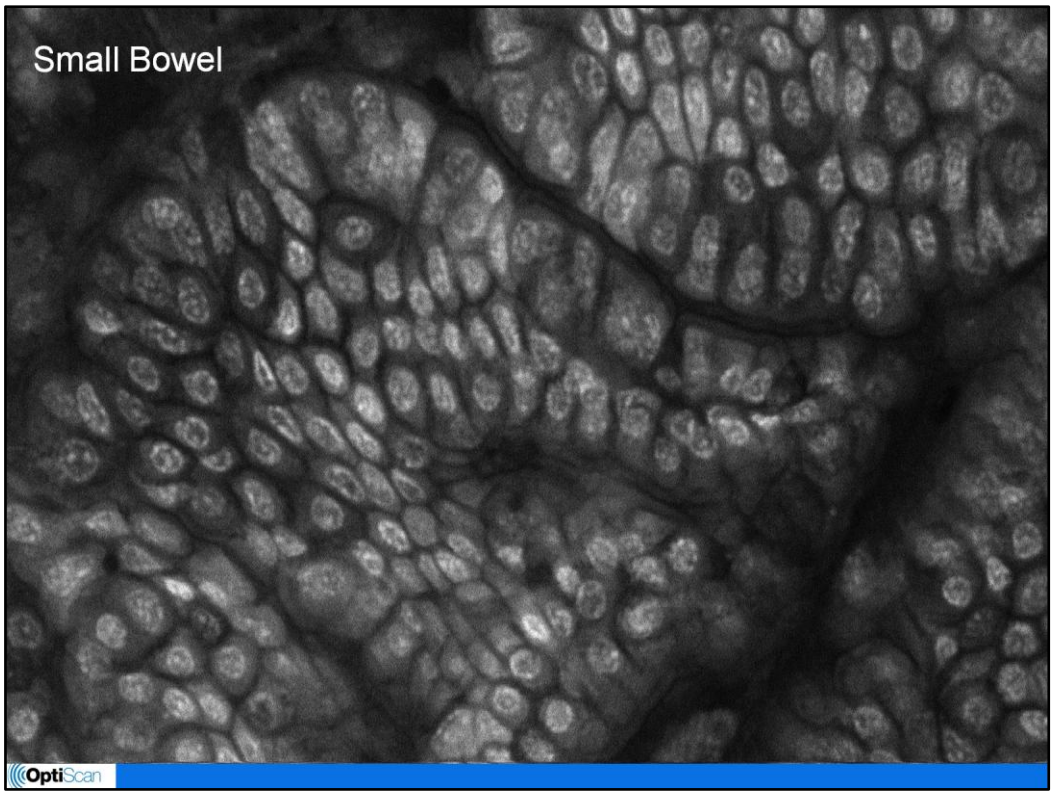
Despite longer term potential in myriad markets, the present strategy is focussed on three near term opportunities. These are the neurosurgery product in partnership with Carl Zeiss Ag of Germany, the well developed gastrointestinal endoscopy market, and the pre-clinical research market through a recent global marketing partnership with UK based MR Solutions.

But first, a brief refresher on the new technology platform and it's key features.

The presenter provided a live demonstration of the new platform featuring:

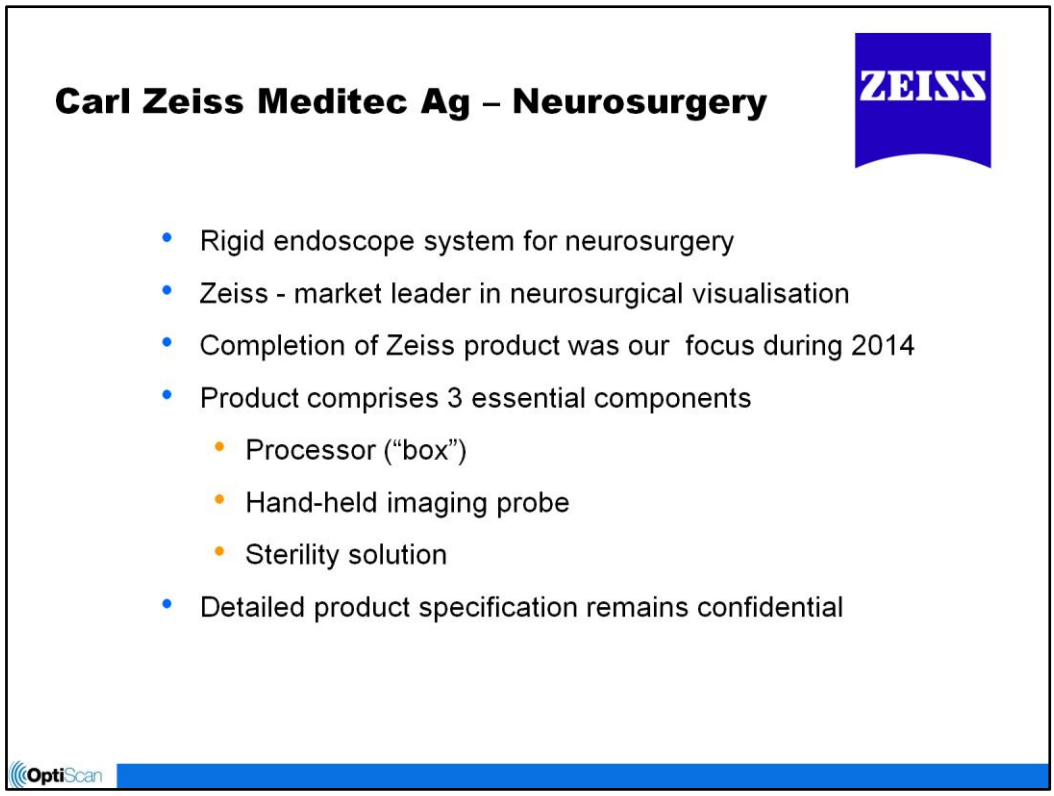
• Full HD imaging
• Fast interactive scanning
• New small scanner
• Various options such as aspect ratio, auto-image optimisation, and zoom capability for even higher magnification.

Although Optiscan's first generation technology set the standard in endomicroscopy, these features greatly expand the applicability of the technique. Endomicroscopy was originally a game-changing, disruptive technology, but as with all first generation technologies, evolution of the applications drives improvement and streamlining of workflow. As a result, this platform ticks off a user driven wish-list of desirable features and also incorporates enabling new capabilities spawned by Optiscan's expertise in, and vision for the field of endomicroscopy.



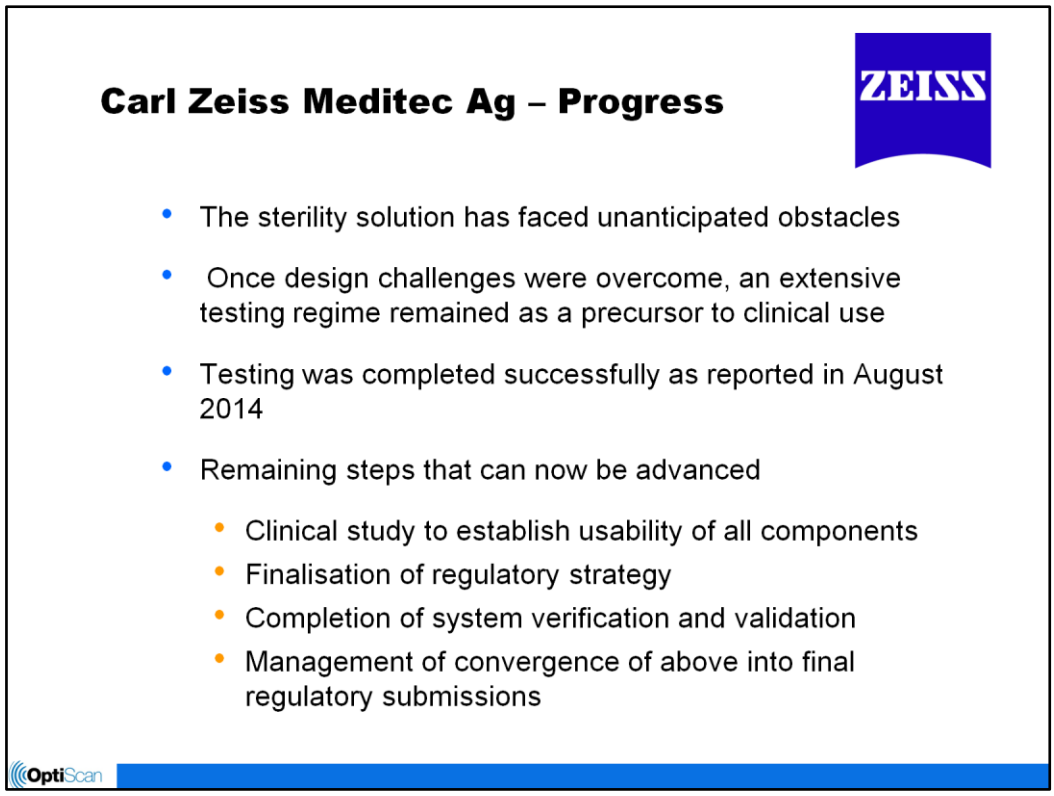
As can bee seen from both the live demonstration and this sample image, the platform delivers images of exquisite resolution and contrast. While the platform has been complete for some time, incremental improvements specific to individual applications promise to unlock value from the platform development by enabling efficient commercialisation into our target market segments.

And so now I move onto the specific areas of commercialisation for the new platform, being Neurosurgery, GI endoscopy and Pre-clinical research.



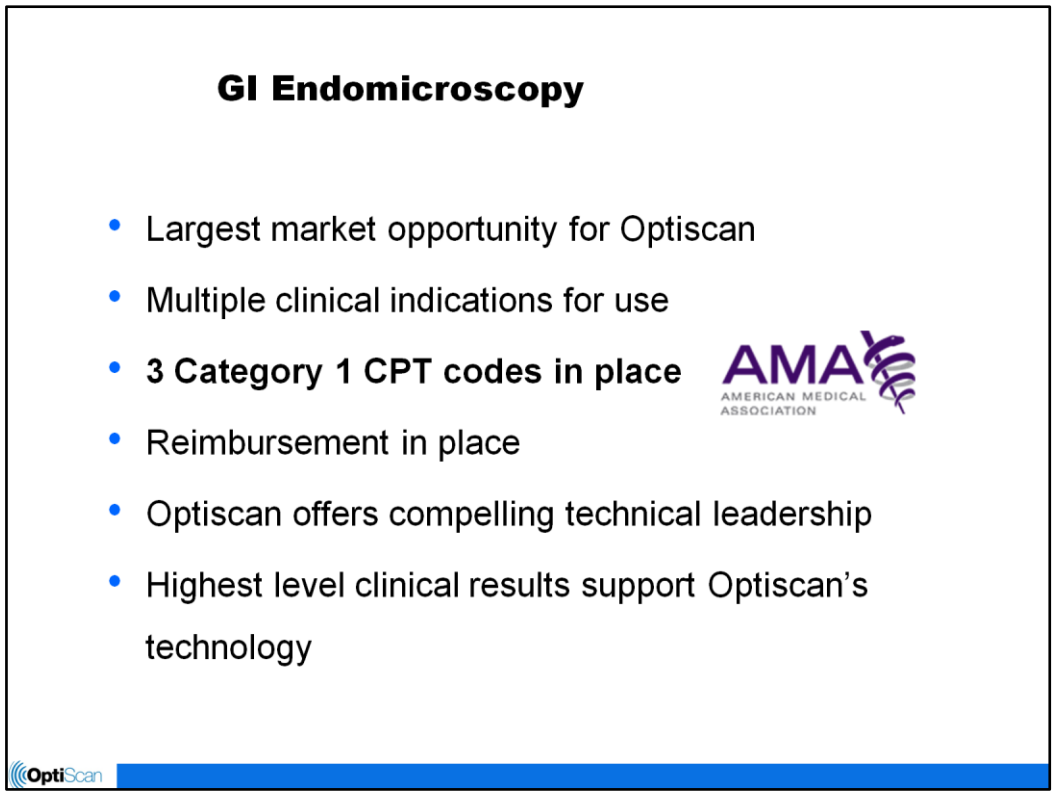
The Zeiss project dominated development activity during 2014. Carl Zeiss of Germany is global market leader in neurosurgical visualisation, and our partnership aims to place Optiscan endomicroscopy technology into their product line-up, adding cellular observation to their intra-operative visualisation suite. As previously reported, after successful early clinical evaluation based on our first generation technology, the project moved to product development based on our second generation platform.

While details remain confidential, the product (as with any surgical implementation of our current platform) is comprised of a processor or "box", a handheld imaging probe used directly by the surgeon, and a sterility solution.



The box and probe have been ready for clinical use for some time, and indeed we have previously reported sales of a number of such systems in preparation for clinical use. However the sterility solution project encountered numerous obstacles, only some of which were design related. Others were related to suppliers of key components and after all of these obstacles were overcome (with a final design completed well over 12 months prior), an extensive testing regime ensued that demanded completion before a single device could be used in humans due to the rigours of the neurosurgical application. We were of course pleased to report the completion of this testing in August 2014 and are now on track with Zeiss to complete the remaining steps of the development. These steps include finalisation of the regulatory strategy as we enter into small clinical studies to prove the usability of the final configuration inclusive of sterility solution, completion of the verification and validation (V&V) of the final configuration, and the management of these tasks to achieve convergence of the above activities as final inputs to regulatory submissions for clearance of the product for sale in USA and Europe.

While the project has been significantly de-risked by the engineering and testing achievements in recent times, the timeline on the completion of the above tasks remains difficult to predict. Clinical trials are funded by Zeiss and their management is largely outside the control of Optiscan. Uncertainty in ethical approval timelines, patient recruitment for example are inherently unpredictable. Internal tasks within Optiscan's control are subject to funding constraints. Risk management in these circumstances dictates that controllable timelines will be managed as efficiently as possible, as reported by Mr Holt.



The development for medical product beyond the Zeiss product is all about flexible endoscopy and the gastrointestinal (GI) market. This market in this application is our largest yet identified, and has seen extensive application since launch of Optiscan's first generation platform in 2006 in the form of the Pentax ISC-1000. The technique now boasts multiple clinical indications, the most advance of which have multicentre internaltional clinical trial data yielding Level 1 evidence supporting its utility and benefit. In particular, it's use during gastrointestinal endoscopy for biopsy targeting (which simultaneously drives down the number or required biopsies while driving up the detection rate for life threatening disease) has led the American Medical Association (US AMA) to grant three category 1 CPT codes for the procedure. Such codes represent acknowledgement of the use of endomicroscopy as a formal medical procedure, and are the required basis for reimbursement for clinicians using the technology. Optiscan's technology has set the standard for those procedures, and has been well differentiated from other variants as the only form of endomicroscopy with supporting Level 1 evidence.

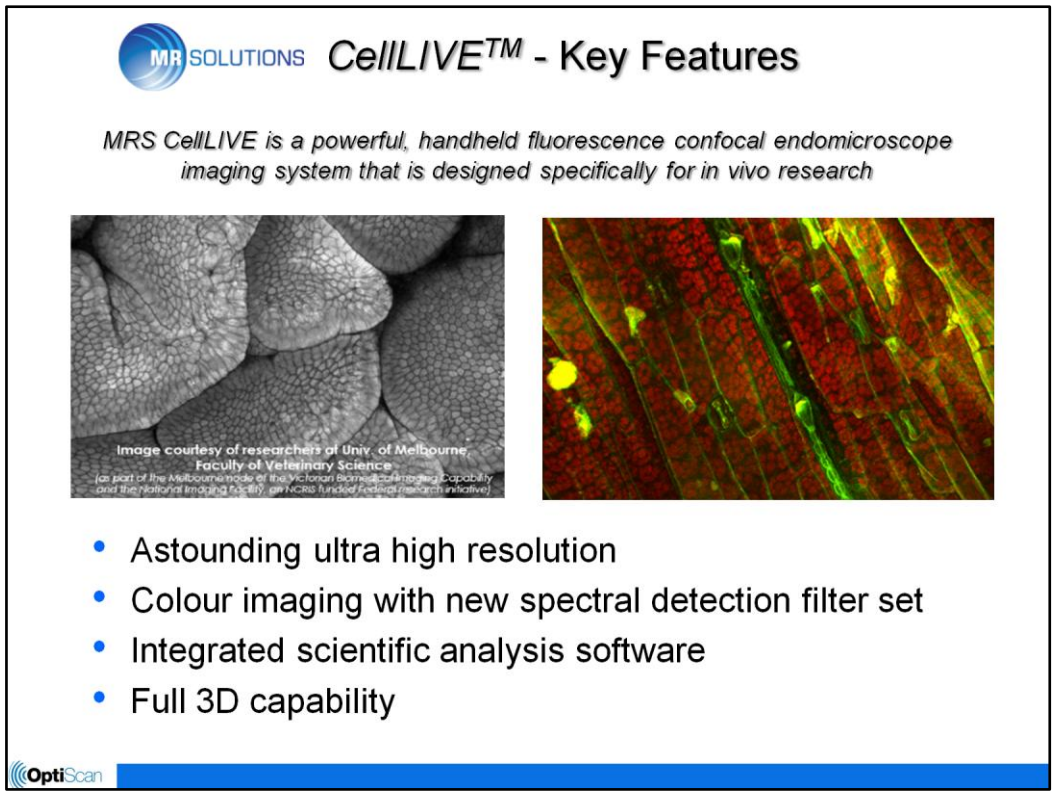
This market evolution has been pioneered using Optiscan's first generation platform, which necessarily was embedded into a Pentax endoscope. In the past year, Optiscan has advanced a probe based technology that allows sufficient miniaturisation for insertion of the probe through the existing working channel of any endoscope. This renders the product an endoscope "accessory", which would open a wide range of distribution channels, resulting in reduced commercial risk for accessing this evolving market, rather than being restricted to partnering with an endoscope manufacturer. Progress is necessarily constrained by funding and this pursuit, not diverting focus from our primary focus on delivery of the Zeiss product.

After entering into OEM supply agreement with MRS, careful management of engineering resources has enabled pursuit of a product for the pre-clinical or animal imaging research market, as a successor to the first generation FIVE1 product. It should be noted that as a product for the research market, some requirements differ from those of medical devices such as the Zeiss product. However, these have required minimal engineering effort and relate to key features I will explain in a moment. Further, the product falls under our present quality accreditations for non-medical product. No clinical trials are required and there is no lengthy approval process as with medical devices, so with MR Solutions active as a global marketer for this product, this represents a relatively short term pathway to product based on the latest platform and should yield revenues even before Zeiss product goes to market.

So, to recap the events related to this project during the 2014 year, Optiscan entered into an OEM supply agreement with MR Solutions in February 2014.

MR Solutions are a company specialising in equipment for pre-clinical imaging, leveraging a rapidly growing market driven by development requirements of new medical therapies. Their experience and technical expertise relates to MRI and other radiology type platforms specialised to small animal imaging, ie mice, rats and rabbits. This market has recently begun to feature optical imaging as a new growth area. As such, the market footprint of MR solutions overlaps perfectly with the target market for Optiscan's technology in pre-clinical imaging (ie, formerly the market for Optiscan's FIVE1 product).

Optiscan and MR Solutions have moved quickly to identify key features required for a second generation product to succeed the FIVE1, and have already developed prototypes for field testing and market introduction activities.

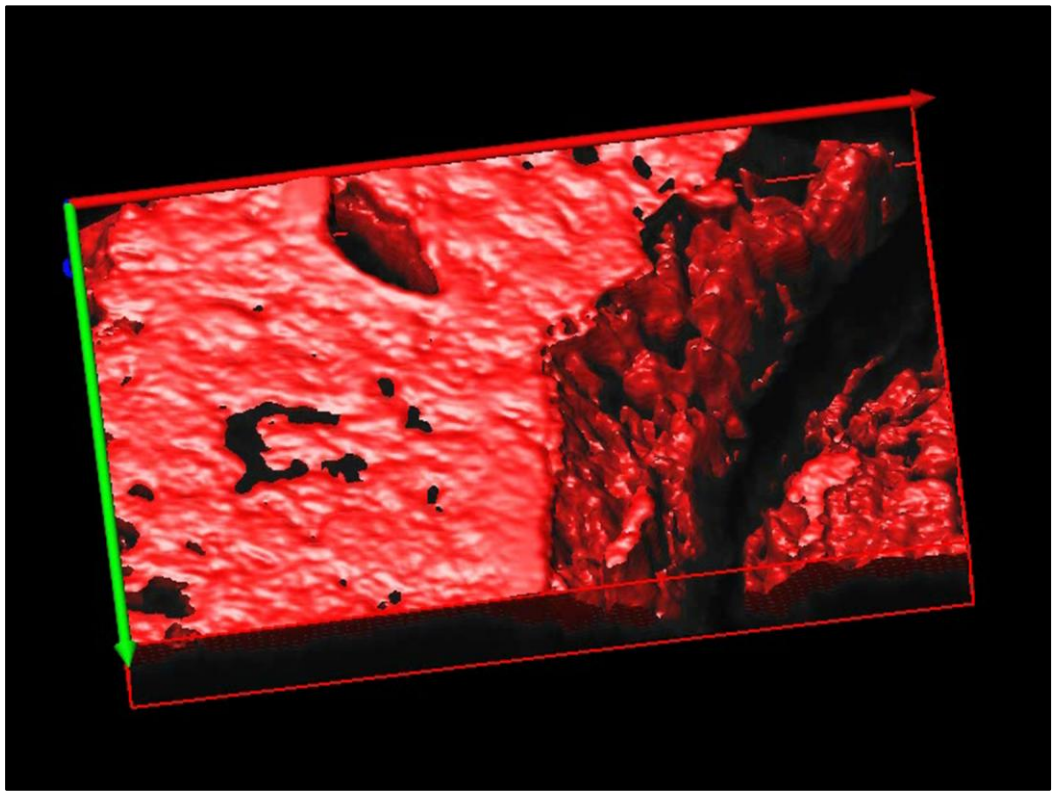


The product has been named by MR Solutions as the CellLIVE (TM). Key features of the product leverage the latest Optiscan platform, but with the addition of some key enhancements for a scientific, rather than clinical market. While offering the same astounding high resolution of the clinical platform, the CellLIVE adds:

• enhanced detection circuitry and spectral filter set for colour imaging

• integrated quantitative analysis software for extraction of numerous measurements from images

• Full 3D imaging capability inclusive of automated collection, display and measurement in the 3D domain.



This 3D imaging capability is illustrated in this animation. Combining improved scanner speed with the other features of the latest platform and this 3D capability in a miniature microscope constitutes a unique offering in the pre-clinical imaging market that complements the non-microscopic imaging modalities presently in the MR Solutions product line-up. The latest platform with these new features has unlocked the unique feature of full 3D imaging capability in our miniature microscope.

CellLIVE™ Market Introduction

CellLIVE™ at the World Molecular Imaging Conference (September 2014, Seoul, Korea)

- See *CellLIVE*™ online at www.mrsolutions.com/products/imaging-systems/confocal-microscopy
- Flyer distribution
- Introduction of the system to MR Solutions international distribution network.
- Conference exhibition
  - Inaugural display of the pre-release system at the WMIC South Korea
  - Neuroscience conference in Washington, DC, USA
- MR Solutions now taking enquiries in lead-up to formal product release

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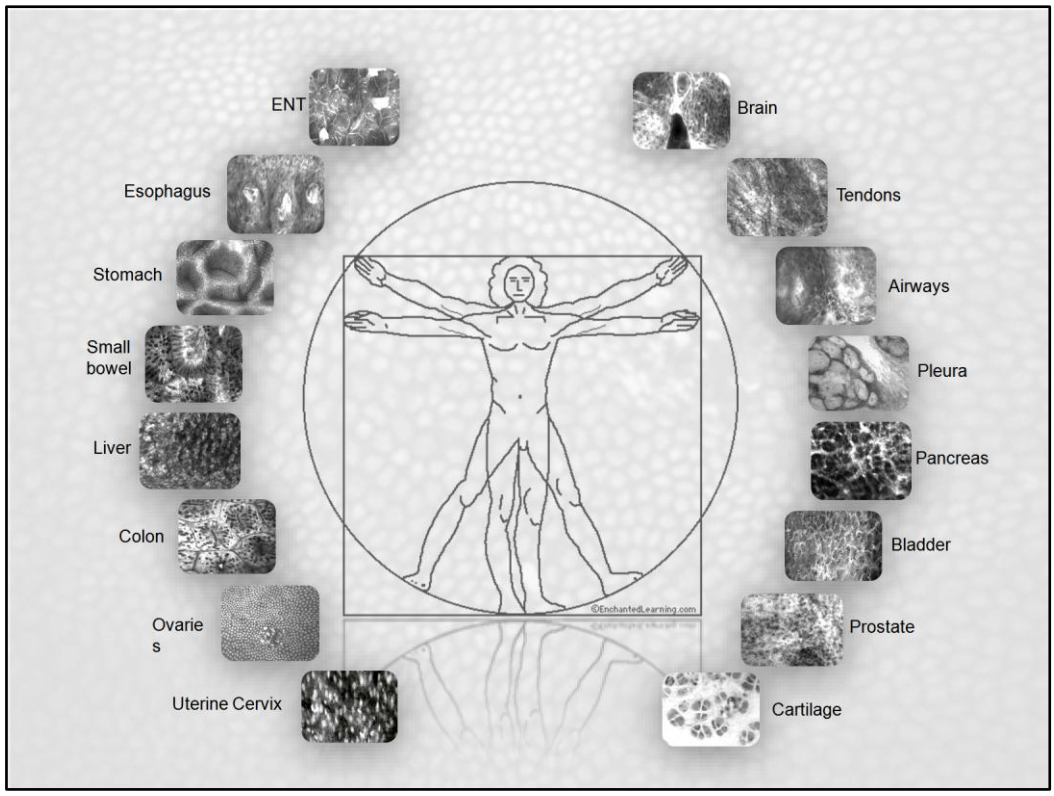
MR Solutions are already active in pre-marketing of the CellLIVE. As reported, market introduction occurred at the World Molecular Imaging Conference (WMIC) in Seoul, Korea in September 2014. I am pleased to report that this was followed by display of the system last week at Neuroscience in Washington DC, USA, one of the largest US conferences for scientific instruments attended by approximately 25,000 scientific delegates and over 5,000 exhibitor attendees. Reaction to the product has been very positive and MR Solutions have featured the product strongly in their online, print and push marketing. You can see the product on their website at the address listed on this slide.

It should be noted that while final development progress is being carefully managed against funding requirements, we have already achieved most of the engineering modifications for this product and as mentioned, expect to release this product well ahead of completion of the Zeiss product, slotting in a relatively short term revenue stream into our business profile. I would also like to re-emphasize that this is not a clinical medical device and as such there are no requirements for clinical trials or onerous regulatory hurdles.



Beyond the direct commercialisation activities I have reported, there are more opportunities in the medium term. This slide illustrates numerous viable applications with sample images from relevant tissues of the body. For example, we have rights to Ear Nose and Throat (ENT) assigned to Zeiss, experience form our earlier interest in Women's health, and longstanding collaborations with researchers investigating orthopaedic imaging to establish viability of cartilage and ligament damage and regeneration. The pursuit of these, and a range of other opportunities, is again a function of financial and management capacity going forward.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Formalities and Resolutions
Annual General Meeting
Notting Hill, VIC, Australia
25 November 2014
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Optiscan – AGM 2014

Resolution	No. of Proxy votes	% FOR & CHAIR	% AGAINST	% OTHER
1. Remuneration Report	44,502,748	99.7	0.2	0.1
2. Re-election Peter Delaney	44,502,748	98.9	1.0	0.1
3. Approval of prior issues	44,502,748	99.8	0.1	0.1
4.1 Director share purchase - Bruce Andrew	44,502,748	99.4	0.3	0.3
4.2 Director share purchase - Peter Delaney	44,502,748	92.2	0.3	7.5
4.3 Director share purchase - Angus Holt	44,502,748	67.0	0.3	32.7
5. Additional 10% Placement	44,502,748	89.2	10.7	0.1

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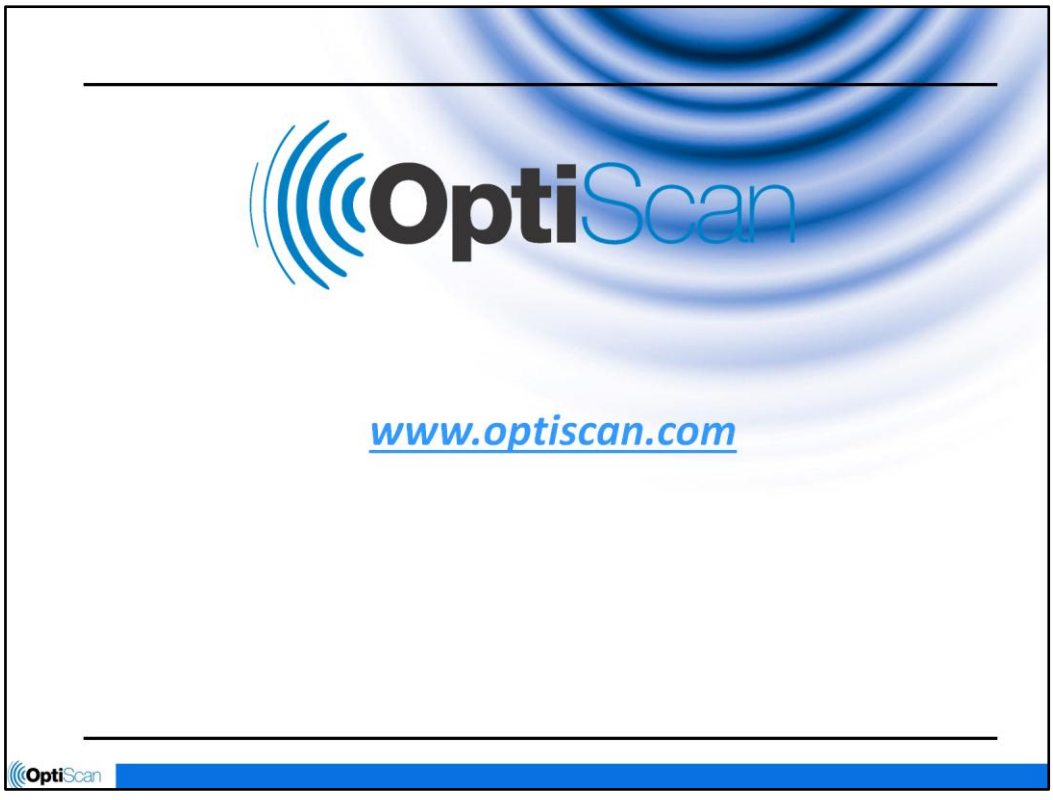
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