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CG² TO PARTNER WITH SCIENTIFIC RESEARCH CORPORATION ON PHASE II BAA FOR an IR / RF MULTI-SPECTRAL STIMULATOR

CG² to Continue Development Efforts on IR Scene Generator to Provide Superior Fidelity for Use in DoD

HUNTSVILLE, AL– August 24, 2004– CG², Inc., a wholly owned subsidiary of Quantum3D®, Inc., today announced it has been awarded a subcontract to support the Scientific Research Corporation (www.scires.com) on Phase II of a Broad Agency Announcement (BAA) contract from the U.S. Army Aberdeen Test Center, handled by the U.S. Army Robert Morris Acquisition Center in the development of the Multi-Spectral Stimulator.

Under the research effort, CG² will continue efforts initiated under the Phase I BAA contract for developing a PC-based IR scene generator that provides superior fidelity and lower costs compared with existing solutions. The IR scene generator is intended for integration with the Multi-Spectral Stimulator, used for stimulation of multi-mode sensor systems.

Advanced multi-spectral stimulation using the CG² IR scene generator and Scientific Research Corporation's Adaptive Radar Environment Simulator (ARES) has been developed into a PC-based stimulator. In addition to RF and IR simulation, the PC-based scene generation technology under development is also applicable to LIDAR, enhanced visible and near IR.

"Scene generation technologies and systems for IR, near IR and LIDAR hardware-in-the-loop applications are targeted market segments for CG² and Quantum3D," said Ross Q. Smith, Quantum3D co-founder and president. "This award validates the merit of our ongoing internal and government funded R&D efforts and will further position CG² and Quantum3D at the forefront of extreme fidelity PC-based sensor simulation. We are very excited to partner with Scientific Research Corporation and the DOT&E. This effort leverages our expertise in PC-based HWIL image generation and sensor simulation and Scientific Research Corporation's competency as a supplier of high quality research, management, provisioning and general expertise to government labs and agencies, which we believe will result in greater benefits for the U.S. military in this critical area of sensor research and testing.

About CG²

Founded in May 1995, CG², Inc., is a wholly owned subsidiary of Quantum3D, San Jose, a leading supplier of cost-effective services for government applications. CG² specializes in conducting research and development and developing and delivering turnkey solutions for institutional, appended and embedded synthetic environment training applications and the development, operation and support of "hardware-in-the-loop" sensor simulation applications. For more information about CG² services and solutions see www.cg2.com or contact salesinfo@cg2.com. For more information about Quantum3D products and solutions, see www.quantum3d.com or contacts salesinfo@quantum3d.com.

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