For Immediate Release

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CG² AWARDED SECOND ARMY RESEARCH CONTRACT TO ADVANCE MAN-WEARABLE EMBEDDED TRAINING

Research to Focus on Man-Wearable Embedded Combined Arms Team Training and Mission Rehearsal Objectives

AMSTERDAM, THE NETHERLANDS — April 26, 2005 — CG²®, Inc., a wholly owned subsidiary of Quantum3D®, Inc., announced today at ITEC that the company has received a contract from the U.S. Army Research Development and Engineering Command (RDECOM) for the Embedded Combined Arms Team Training and Mission Rehearsal Army Technology Objective (ECATT-MR ATO).

Realtime Screenshots from America's Army™ Captured on Quantum3D Expedition™

The contract represents the second research award for CG² and Quantum3D under RDECOM's man-wearable embedded training initiative. The initial award resulted in the development of the Distributed Advanced Graphics Generator and Embedded Rehearsal System (DAGGERS), a high-performance soldier-worn embedded system for dismounted infantry training research. The goal of the recently awarded contract is to develop and analyze new ECATT-MR related capabilities based on a next-generation DAGGERS platform.

"Quantum3D has long believed in and focused a significant part of its R&D efforts on the embedded training market, which is evidenced by our product offerings in this space and our successes," said Quantum3D president and co-founder Ross Q. Smith. "Our ongoing partnership with RDECOM is crucial to our continuing effort to advance the state-of-the-art in embedded training by working to prove new techniques and capabilities that will ultimately result in commercial products that provide deployable training and mission rehearsal for U.S. Army infantry, as well as for other military, first response, civilian, and industrial personnel."

Quantum3D Expedition™ Embedded Training Development and Deployment Platform

Key to the ECATT-MR ATO development effort will be leveraging the advanced technologies employed in Expedition™, Quantum3D's recently introduced, ruggedized wireless, immersive, self-contained, man-wearable, open-architecture COTS embedded training platform, and a commercial outgrowth of the original DAGGERS project. Expedition integrates the latest in binocular OLED helmet mounted display (HMD) technology with a correlated three degree-of-freedom head/body/weapon motion tracker system, a M4A1 training weapon with Quantum3D patent-pending wireless synthetic environment input controller, the Quantum3D THERMITE™ Tactical Visual Computer, and load-bearing vest.

CG² research will focus on incorporating the advancements from Expedition's powerful, man-worn computing platform into the original DAGGERS application, as well as integrating and enhancing the DAGGERS software to operate in conjunction with mounted vehicle simulators and command and control systems. This integration will address the requirement that embedded training for soldiers encompass both mounted/dismounted operations as well

as combined arms operations. DAGGERS and the ECATT-MR program will benefit from integration of state-of-the-art HMD technology in order to achieve enhanced visual fidelity and resolution and improve ease of use, as well as reduce power consumption, improve durability, and reduce weight. Under the terms of the contract, CG² will also develop a tablet-based, non-immersive interface to provide soldiers with an alternative mode of interaction. This capability will allow the DAGGERS system to be used in confined quarters such as while soldiers are mounted in vehicles.

In an effort to exploit the advancements in 3D game and mobile technology, as part of the ECATT-MR project, CG² will also explore the use of these technologies to compliment the DAGGERS system. This investigation will include exploring the performance characteristics of gaming technology, developing relevant training applications compatible with gaming software capability and mobile technology performance characteristics, and integrating those applications with other training devices and scenarios to provide a broad spectrum of capabilities for future force training.

"The power of DAGGERS, in addition to its performance and low power consumption, is its ability to easily incorporate new technology," said Pat Garrity, principle investigator Dismounted Embedded Simulation, RDECOM. "This capability facilitates the path to stage two of our research toward a combined arms embedded training platform. We are looking forward to this continued effort with CG² to develop this new system."

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 realtime visual and sensor computing applications. CG² specializes in conducting R & D regarding, and developing and delivering turnkey solutions for institutional, appended, and embedded synthetic environment training applications, "hardware-in-the-loop" sensor simulation applications, and embedded visual computing 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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