

MORRISTOWN, N.J., USA, 1 May 2006 – Overwatch Systems today announced that it has acquired Visual Learning Systems (VLS) of Missoula, MT. The purchase became effective on April 28, 2006.

Founded in 1999 by Dr. David Opitz and Stuart Blundell, VLS is the worldwide leader in automated feature extraction solutions (AFE) for geographic information systems (GIS). The company's innovative software applications provide assisted and automated tools for extracting geospatial features of interest from imagery with the highest measure of speed and accuracy. VLS' tools provide a key bridging technology between the raster based world of imaging and the vector based world of mapping. VLS's flagship product, **Feature Analyst®**, debuted in 2001 and quickly garnered industry-wide attention. Feature Analyst earned "Most Innovative Solution" in the 2002 ArcGIS Challenge Contest sponsored by ESRI, the world's leading provider of GIS software. In 2005, VLS introduced **LIDAR Analyst™** to automate the extraction of 3D terrain surfaces, buildings, trees, and forest areas from LIDAR.

The VLS product line is an outstanding extension of the current Overwatch Systems product offerings. Overwatch Systems was formed from the combined resources of five companies – Sensor Systems, Paragon Imaging, Austin Info Systems, ITSpatial and Federal IT – to provide a suite of integrated geospatial and intelligence fusion software tools for the defense/intelligence community. This toolset, known as the Overwatch Intelligence Center (OIC), focuses on providing situational awareness by enabling analysts to generate relevant, actionable intelligence faster and more effectively for the warfighter, first responder and decision maker. The Overwatch OIC will contribute to transforming the Intelligence Community with low-cost collaboration tools. The addition of VLS to the Overwatch OIC family will enhance analysts' productivity by streamlining the way they examine, evaluate, learn and record geospatial information.

The senior management of VLS has chosen to use a portion of its transaction proceeds to invest back into Overwatch Systems and will continue to manage the company. VLS will report to Kirk Brown, President of Overwatch Geospatial Operations, formerly Sensor Systems, based in Sterling, Va. Brown was a key advocate for acquiring VLS and expressed his enthusiasm for the transaction.

"Visual Learning Systems enables us to offer our customers market-leading feature extraction tools that fit well within our historical engineering design philosophy. VLS enhances analysts' productivity with feature extraction tools that are fast, accurate, and require only a minimum of user interaction and guidance. Their market offering will also deepen our customer relations with the growing cadre of geospatial analysts in the military and intelligence community both here in the US as well as in the international community. VLS helps Overwatch fulfill our mission to deliver collaborative analysis systems across the Intelligence Community that speed actionable intelligence to the warfighter," said Brown. "The VLS team is a strong addition to our Geospatial Operations. While VLS will continue to service their existing customer base, we are eager to offer our combined customers the synergy of VLS technology within our exiting Geospatial Operations product offerings."

Dr. David Opitz and Stuart Blundell the principal shareholders of VLS said at the time of the closing, "We're very pleased to become part of the Overwatch team. We could have taken VLS in any number of directions, but felt the Overwatch strategy of linking intelligence sources together with easy-to-use data extraction and analysis tools provides the greatest benefit for our customers and our employees."

Daroth Capital Advisors acted as exclusive Financial Advisor to Overwatch Systems in this transaction.