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PALCO LABS RELEASES NEW VERSIONS OF EZ-LANCE DISPOSABLE SAFETY LANCETS

"Super-soft" and "Normal" Versions Extend Options for Self-testing and Clinical Environments

SCOTTS VALLEY, Calif.—March 22, 2006—Palco Labs, Inc., a leading designer and manufacturer of lancing, assistive and sensing medical devices, today announced the general availability of two new versions of the EZ-Lance® disposable safety lancet. Available are the "Super-soft" and "Normal" versions, adding two new configurations to Palco's existing EZ-Lance family of "Soft" and "Ultra" disposable safety lancets, which were released in 2005.

Phlebotomy technicians, nurses and lab staff recently surveyed on perception of pain and ease-of-use in using disposable safety lancets noted a preference for EZ-Lance. Technicians commented: "The EZ-Lance was most consistent." "Your body wants to naturally recoil from [pressure-activated safety lancets], but with EZ-Lance that is lessened." "The EZ-Lance is far less painful and routinely produced adequate blood." "I much prefer the EZ-Lance – pain is less and that's important. EZ-Lance is my choice."

"Disposable safety lancets have been in the marketplace for a number of years now, but in my experience, none have cracked the code on reducing pain until now," said Paul Olver, principal at Chartech, Inc., a distributor for medical disposables, equipment, and textile products to hospitals and the homecare marketplace. "EZ-Lance brings a new level of technical expertise to disposable safety lancets while reducing the pain factor. These lancets are extremely cost-effective as well. You can't find a better solution for disposable safety lancets."

"Palco Labs focuses on developing advanced and dependably accurate disposable safety lancets for self-testing and clinical markets," said Jeff Smith, CEO. "Disposable safety lancets offer the perfect solution for clinics, labs and home healthcare environments that require single-use, convenient, contamination-free and low-cost blood sampling in testing for diabetes, cholesterol, allergies, thyroid, HIV and thrombosis. However, safety lancets must be intuitively easy-to-use

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while assuring a consistent single strike with the least amount of pain. We believe other safety lancets in the market today do not meet these performance criteria. Palco's products deliver precision engineering with a focus on built-in quality and significant reduction of pain."

Palco's full product line includes the auto-Lancet[™], EZ-Lancets[™], the Inject-Ease[®], and the Wet-Stop[®]2, a globally recognized bedwetting alarm for nocturnal enuresis.

About Palco Labs, Inc.

Palco Labs, Inc. designs and manufactures world-class medical device products for distribution in more than 40 countries. Founded in 1979, Palco Labs is known for its quality standards and innovative products for Lancing, Assistive and Sensing requirements. Palco Labs is a privately owned domestic manufacturer based in Scotts Valley, California. More information can be found at www.palcolabs.com.

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