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FOR IMMEDIATE RELEASE

PALCO LABS' EZ-LANCE DISPOSABLE SAFETY LANCET SELECTED BY DEPARTMENT OF VETERANS AFFAIRS

SCOTTS VALLEY, Calif.—March 27, 2006—Palco Labs, Inc., a leading designer and manufacturer of lancing, assistive and sensing medical devices, today announced its [EZ-Lance® disposable safety lancet](#) has been selected to supply a multi-year contract with The Department of Veterans Affairs. Palco's EZ-Lance product will be available beginning March 2006 through a national contract awarded to Chartech, Inc. of Centre, AL, with the standardized contract #V797P-2092.

"Chartech's business relies on providing exceptional customer service and superior, cost-effective products to federal healthcare facilities, such as Veterans Affairs," said Paul Olver, principal at Chartech, Inc. "After due diligence, it was clear that Palco's EZ-Lance disposable safety lancet far surpassed competitive products in the market today, with its modern technology and a focus on reducing pain. These disposable safety lancets are already attracting the attention of other federal offices and we expect distribution to scale into the millions of units before the end of the year."

"Our EZ-Lance disposable safety lancet now becomes available to multiple federal departments through this contract number," said Jeff Smith, CEO of Palco Labs, Inc. "We believe the EZ-Lance features and functionality outperform legacy lancets. All of Palco's lancing products are designed to improve the accuracy and consistency of [capillary testing](#) while reducing the pain associated with [lancing devices](#)."

About Chartech, Inc.

Chartech, Inc. is a Service Disabled Veteran Owned business located in Centre, Alabama. Chartech markets and distributes a variety of medical disposables, equipment, and textile products to the federal government and other healthcare providers. Chartech's mission is to provide quality products with superior service to the healthcare industry. Additional information can be found at www.chartech.net.

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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