



August 24, 2015

ProPhotonix Limited
("ProPhotonix" or "the Company")

**ProPhotonix Awarded a Three Year Supply Agreement
from an Optical Imaging Equipment Manufacturer**

ProPhotonix Limited, (London Stock Exchange - AIM: PPIX; OTC: STKR), a designer and manufacturer of LED illumination systems and laser diode modules with operations in Ireland and the United Kingdom, today announces the award of a three year supply agreement, for custom LED illumination devices and diode laser modules, from a leading global manufacturer of optical imaging and sensing equipment.

The custom LED illumination devices feature a unique design incorporating multi-wavelength configurations; innovative optics; and automated software to control spectral balance and the automated configuration of hardware deployment.

After the initial three year term, the supply agreement will renew biennially unless otherwise terminated. Although the supply agreement does not stipulate or require that the customer makes any purchases, the agreement has the anticipated potential to deliver up to \$1 million of annual revenue at the expected quantities. Preproduction units have shipped for evaluation and end customer field testing. Production deliveries will begin as early as the fourth quarter of 2015 and continue thereafter.

Commenting on the supply agreement, Tim Losik, President and CEO of ProPhotonix stated:

"The agreement is the culmination of nearly two years of work with our customer, ultimately delivering an innovative solution and capability that will provide them with a superior market solution. These solutions do more than just provide light – they communicate with the control features of the entire system through our custom software, and integrate with cameras and sensors. Every engineering discipline at ProPhotonix including optics, electronics, mechanics, materials, software and manufacturing, participated from concept to commercialization. With over 15 years' experience in Custom LED and Laser Module design, ProPhotonix delivers solutions across a wide range of industries including the dental, medical and pharmaceutical industries."

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About ProPhotonix

ProPhotonix Limited, headquartered in Salem, New Hampshire, is an independent designer and manufacturer of diode-based laser modules and LED systems for industry leading OEMs and medical equipment companies. In addition, the Company distributes premium diodes for Ushio (formerly Opnext), Osram, QSI, Panasonic, and Sony. The Company serves a wide range of markets including the machine vision, industrial inspection, security, and medical markets. ProPhotonix has offices and subsidiaries in the U.S., Ireland, U.K., and Europe. For more information about ProPhotonix and its innovative products, visit the Company's web site at www.prophotonix.com

Cautionary Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact, including without limitation, those with respect to ProPhotonix's goals, plans and strategies set forth herein are forward-looking statements. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: uncertainty that cash balances may not be sufficient to allow ProPhotonix to meet all of its business goals; uncertainty that ProPhotonix's new products will gain market acceptance; the risk that delays and unanticipated expenses in developing new products could delay the commercial release of those products and affect revenue estimates; the risk that one of our competitors could develop and bring to market a technology that is superior to those products that we are currently developing; and ProPhotonix's ability to capitalize on its significant research and development efforts by successfully marketing those products that the Company develops. Forward-looking statements represent management's current expectations and are inherently uncertain. All Company, brand, and product names are trademarks or registered trademarks of their respective holders. ProPhotonix undertakes no duty to update any of these forward-looking statements.

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