



PRECISION OPTICS CORPORATION  
22 EAST BROADWAY  
GARDNER, MASSACHUSETTS 01440-3338  
Telephone 978 / 630-1800  
Telefax 978 / 630-1487

***NEWS RELEASE***

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**FOR IMMEDIATE RELEASE**

**Thursday, August 4, 2011**

***Precision Optics Corporation Announces  
Agreement with Intuitive Surgical and Receipt of \$2.5 Million***

GARDNER, MA - Precision Optics Corporation, Inc. (OTCQB:PEYE) (the “Company”) today announced the receipt of \$2.5 million in connection with an agreement with Intuitive Surgical Operations, Inc. Pursuant to the agreement Precision Optics agreed to assign to Intuitive Surgical all of its currently issued and non-expired patents and pending patent applications, and Intuitive Surgical agreed to grant to Precision Optics a royalty-free, worldwide license to these patents in fields outside of medical robotics.

Precision Optics has immediate use of the \$2.5M in proceeds, and management believes the licensing rights will allow the Company to continue to move forward with existing and future products based on the Company’s unique world-class technology.

Commenting on the agreement, Joseph Forkey, Company President and CEO, said, “This sale and licensing agreement provides a unique opportunity for us to satisfy our immediate cash needs while maintaining the ability to pursue our core business objectives and preserve value for our shareholders. This influx of working capital revitalizes our financial position and greatly increases our prospects for the future. It puts us in an excellent position to take full advantage of our recent technological advances and associated new products and to continue our tradition of developing innovative technology solutions for our customers.”

With these new resources, the Company intends to build upon recent successes in operational results, technology development and new product introductions. Management believes the following technology areas continue to represent significant opportunities for future sales growth:

- Lenslock™ endoscopes and other minimally invasive surgical devices which provide significant benefits to surgeons and hospitals through better image quality and reduced lifetime ownership costs
- Microprecision™ optical elements and assemblies with sizes less than 1 mm that enable the introduction of imaging capabilities in locations in the body previously inaccessible
- Next generation handheld stereoendoscopes that provide high definition 3D images for use in minimally invasive surgery

### **About Precision Optics Corporation**

Precision Optics Corporation has been a leading developer and manufacturer of advanced optical instruments since 1982. The Company designs and produces next generation medical instruments, microprecision™ micro-optics with characteristic dimensions less than 1 millimeter, and other advanced optical systems based on the Company's state-of-the-art optical technologies. POC's innovative medical instrumentation line includes Lenslock™ laparoscopes, arthroscopes, and sinusscopes, as well as endocouplers and a world-class product line of 3D endoscopes for use in minimally invasive surgical procedures. The Company's website is [www.poci.com](http://www.poci.com). Investors can find Real-Time quotes and market information for the Company on [www.otcmarkets.com/stock/PEYE/quote](http://www.otcmarkets.com/stock/PEYE/quote).

For more information, refer to the Company's 8-K filed 8/3/11 and available on [www.sec.gov](http://www.sec.gov). This news release contains forward-looking statements that involve risks and uncertainties. You should not place undue reliance on these forward-looking statements. The Company's actual results could differ materially from those anticipated in the forward-looking statements for many reasons. Such risks are described in reports we file with the Securities and Exchange Commission including our annual report on form 10-k. Although the Company believes the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made. The Company does not intend to update any of the forward-looking statements after the date of this new release to conform these statements to actual results or to changes in our expectations, except as required by law.

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