

***For Immediate Release***

## **Cantronic Shares for Debt Transaction Accepted by TSXV**

May 29, 2007 – Vancouver, British Columbia - Cantronic Systems Inc. (TSXV – CTS) announced that the TSX Venture Exchange has approved the Shares for Debt transaction with the California Institute of Technology (“Caltech”), whereby Cantronic will issue 538,053 Commons Shares (“Debt Settlement Shares”) of the Corporation at a deemed price of \$0.141 US to Caltech to settle outstanding debt of \$75,865.46 US. The Common Shares issued will be subject to a four-month hold period from the date of closing. The Debt Settlement Shares will be held in escrow pursuant to a pooling agreement (“Pooling Agreement”), the terms of which are to include that the trustee under the Pooling Agreement will hold the share certificates for release as to one-quarter of the Debt Settlement Shares every three months starting on the date which falls three months from the date of the Pooling Agreement. The issuance of the Debt Settlement Shares will not result in a change of control.

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### About Cantronic Systems Inc.

Cantronic is a leader in infrared night vision technology, specializing in passive and active Infrared cameras, infrared illuminators, low light infrared sensitive CCD cameras and long-range night vision surveillance systems for demanding homeland security applications. Cantronic’s products have achieved breakthrough performance characteristics, including viewing distances of 800 meters for its active infrared night vision camera. Cantronic has formed strategic relationships with various world-class electro-optic companies, integrators, software and network designers to enable Cantronic to offer an effective alternative to conventional cameras and surveillance systems. Cantronic serves a rapidly expanding worldwide base of military, government, commercial and residential customers. Cantronic has also been approved by Health Canada as a Medical Device manufacturer and is working on using imaging as a diagnostic tool for breast cancer screening. In addition, Cantronic’s Fever Scan M3000 is currently being used in several airports around the world for detection of fever-borne illness such as SARS and the Avian Flu. Cantronic’s technology has been widely featured by national and local media.

Cantronic, through its US subsidiary QWIP Technologies, Inc. (“QWIPTECH”), holds a worldwide exclusive license from the California Institute of Technology (“Caltech”) to produce and sell infrared detectors and sensors based on Caltech’s Quantum Well Infrared Photodetector technology. This technology, developed by the renowned NASA Jet Propulsion Laboratory in Pasadena, California, has many applications in defense as well as in the field of security and surveillance. The technology was inducted into the NASA Space Technology Hall of Fame in April of 2001. QWIPTECH is currently developing an aerial land mine detection system for the US Army Research Laboratory. It has also been contracted by SELEX (formerly BAE Systems), a world-renowned leader in infrared systems, to supply infrared detectors for their Sigma Hunter large format infrared camera.

Cantronic is a Tier 1 issuer on the TSXV trading under the symbol CTS. For further information about Cantronic and QWIPTECH, please visit our websites at [www.cantronics.com](http://www.cantronics.com) and [www.qwip.com](http://www.qwip.com).

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