



Cantronic Second Quarter Revenues Increase 74% with Net Earnings

Vancouver, British Columbia – October 2, 2007. **Cantronic Systems Inc.** (“**Cantronic**”) (TSXV – CTS) is pleased to announce its second quarter revenues of \$1.08 million as compared to \$0.62 million for the same period last year, which resulted in 74% revenue growth. Net earnings were \$16,000 as compared to a loss of \$346,000 for the comparable quarter last year. Gross margins for the quarter increased to 49% from 30% for the comparable period.

The first six months revenues for Cantronic were \$2.86 million compared with \$1.08 million for the same period last year. This represented a 163% increase. The first six months recorded net earnings of \$123,000 as compared to a loss of \$507,000 for the same period last year. Gross margins for six months increased to 47% from 26%.

In announcing these results, Cantronic President/CEO James Zahn said that “These results are a healthy reflection of incremental gains, and are in line with our plans for sales expansion.” Mr. Zahn also pointed out that Cantronic has recorded three consecutive quarters of net earnings, marking an excellent turnaround in our operations.

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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 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.

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. 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 and www.qwip.com.

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