

FOR IMMEDIATE RELEASE

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**Boulder Nonlinear Systems closes Series A,
Partners with Coherent Investments, LLC.**

LAFAYETTE, Colorado, August 27, 2007 –Boulder Nonlinear Systems, Inc. (BNS), a market leader in liquid crystal technologies and products today announced it has successfully closed its series A financing with Coherent Investments, LLC. (CI). The proceeds will be used to accelerate the development and deployment of new products for rapidly emerging applications in the biotech, consumer electronics and government defense industries.

For the past 19 years, BNS has developed state-of-the-art electro-optic modulator devices and systems based on the diverse properties of liquid crystal materials and the continuous advancement of the semiconductor industry. To date, these devices have been used to provide researchers unique control over optical energy in order to precisely affect the critical properties of imaging and non-imaging photonic systems.

The maturation of this technology along with the development of new opportunities in the medical, 3D display, communications, security and surveillance industries led the company to seek a strategic investment partner in order to capture a significant share of these markets. “This investment is important for advancing our unique liquid crystal capabilities and products,” said Steve Serati, President of BNS. “We are delighted to work with Milton Huffaker and his team of industry veterans with the experience and vision to take this technology forward.”

“Under Steve Serati’s leadership, BNS is the recognized leader in liquid crystal technologies and beam control. Steve and his team have done a great job maturing their platform technologies while managing their business,” states Milton Huffaker, Manager of CI, “We are excited about our new partnership and the potential opportunity of these new markets”.

Terms of the transaction will remain undisclosed.

About Coherent Investments

Established in 2006, Coherent Investments, LLC., focuses its investments on early development stage technologies and companies in the Rocky Mountain region. Coherent’s market and application interests span the semiconductor, telecommunications, biotechnology, defense, healthcare and energy industries and it is comprised of industry

professionals with successful track records in building and transitioning technology businesses in these areas. For more information, contact rob@coherentinvestments.com.

About Boulder Nonlinear Systems

Boulder Nonlinear Systems, Inc. makes liquid crystal devices for optical computing, telecommunications, medical imaging, and research applications. Boulder Nonlinear Systems' research and manufacturing facility includes a fully equipped optics lab and a Class 10 clean room. BNS sells off-the-shelf products and custom devices to meet the most demanding requirements. Boulder Nonlinear Systems is a privately held company founded in 1988. For more information, visit www.bnonlinear.com or call 303-604-0077.

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