



FOR IMMEDIATE RELEASE

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**COMBINED SYSTEMS, INC. ANNOUNCES EXCLUSIVE MANUFACTURING, SALES
AND LICENSE AGREEMENT FOR FRAG-12™ HIGH EXPLOSIVE AMMUNITION**

Combined Systems, Inc. (CSI), a premier manufacturer and marketer of less-lethal crowd control systems, launchers, pyrotechnics and tactical munitions to law enforcement, homeland security and armed forces worldwide recently announced that it has completed an exclusive manufacturing, sales and license agreement with the FRAG-12 USA, The Special Cartridge Company, Ltd., and Olympic Tech, Ltd.

Under the terms of the agreement, CSI will exclusively manufacture, market and sell FRAG-12™, a patented 12-gauge system of high-explosive ammunition to all defense, security and law enforcement markets worldwide. "We are very pleased to have completed this agreement," said Richard Edge, COO of Combined Systems, Inc. "We believe FRAG-12™ is a game changing technology for the warfighter engaged in urban combat."

Originally developed in the 1990's for special forces to defeat targets protected by hardened or reinforced materials, the FRAG-12™ was recently tested by the UK Ministry of Defense. "We are excited about this partnership with CSI," said Michael Alculumbre, Chief Executive Officer of Special Cartridge Company, Ltd. "Their involvement with FRAG-12™ will bring tremendous value to this unique ammunition technology."

Currently, the ammunition is undergoing rigorous safety assessment testing at the Naval Surface Warfare Center, Dahlgren, VA and operational effectiveness testing by the United States Marine Corp. FRAG-12™ will benefit the operator by increasing standoff capabilities and terminal effects for door breaching, remote probing capabilities against IEDs, and engaging targets behind reinforced materials with the ability to rapidly fire multiple high explosive rounds. CSI will initially produce two versions of the round: HE (High-Explosive), and HE-AP (High-Explosive, Anti-Personnel); each of which are compatible with a standard 12-gauge, 3-inch (76mm) cartridge cases and propellant and interoperable with standard smooth bore 12-gauge shotguns.

For more information contact CSI at (724) 932-2177 or email Paul Ford, VP of Sales and Marketing at PaulFord@combinedsystems.com.

About Combined Systems, Inc.

Founded in 1981, CSI is a leading manufacturer and marketer of tactical munitions, pyrotechnics, less-lethal crowd control and launching systems sold under the CTS and Penn Arms Brands supporting armed forces and law enforcement globally. CSI is also delivering the highest quality rocket components and hand grenade fuzes in the world. The Company's well respected engineering capabilities have distinguished it within the industry providing each and every customer with products tailored to support their requirements and missions.