

News Release

Photon Control Update Litigation Proceedings Involving Former President

Burnaby, B.C., August 2, 2011 ~ Photon Control Inc. (the "Company") (TSX-V: **PHO**), a leading developer of innovative measurement technologies, announces that the Supreme Court of British Columbia has released a decision in the litigation involving the Company and John Kidder, who was formerly the President of the Company. The Company had commenced an action against Mr. Kidder for a declaration that it had properly rescinded a loan agreement between the Company and Mr. Kidder dated March 5, 2001 (the "Loan Agreement") and that the debt owed to Mr. Kidder (the "Kidder Debt"), being \$340,887 as at the date of the Loan Agreement, was repayable in shares of the Company at a rate of one share per dollar of debt. The Court decided that the Company did not have the right to rescind the Loan Agreement and that this debt is repayable in accordance with the Loan Agreement. The amount of the Kidder Debt payable is \$374,562 including interest as at September 30, 2010 plus interest thereafter.

A charge for the Kidder Debt in the amount of \$310,499 was previously taken by the Company for long term liability on its financial statements and will now be a short-term liability. Appropriate adjustments to the charge will be made to reflect the decision of the Court in the Company's Q3 financial statements.

The Court also ruled that Mr. Kidder was dismissed without cause in 2001 and awarded 18 months notice at \$130,000 per year in salary plus the value of the benefits payable to him.

The Court has not made a decision on the issue of the costs to be paid in relation to this litigation and accordingly, is unable to confirm the final charge to be taken on its Q3 financial statements.

The Company is considering its options regarding the decision.

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About Photon Control Inc. www.photon-control.com

Photon Control Inc. commercializes and develops innovative measurement technologies specializing in Oil & Gas, Semiconductor, Power and Manufacturing industries world wide. Photon Control's products have competitive advantages in both performance and cost. Photon Control's mission is to preserve and improve human life through the creation of innovative measurement technologies. Headquartered in Burnaby, BC, Photon Control Inc is listed on the TSX Venture, trading under the symbol "PHO." Additional information about the company can be found at www.photon-control.com/investorrelations and www.sedar.com.

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