

Photon Control Adopts Shareholder Rights Plan

Burnaby, B.C., August 21, 2012 ~ Photon Control Inc. (“Photon Control”) (TSX-V: **PHO**), a leading developer of innovative measurement technologies, announces that its Board of Directors has adopted a shareholder rights plan (the “Rights Plan”) effective August 20, 2012. The Rights Plan is designed to maximize shareholder value and protect shareholders’ interests in the event of a take-over bid that may result in a change of control of Photon Control.

The Rights Plan is similar to plans adopted by other Canadian reporting issuers. The Rights Plan is not intended to prevent take-over bids that treat shareholders fairly. Bids that meet certain requirements intended to protect the interests of all shareholders are deemed to be “Permitted Bids” under the Rights Plan. Permitted Bids are offers to acquire common shares of Photon Control made by way of take-over bid circular and which must, among other requirements described in the Rights Plan, remain open for at least 60 days.

Photon Control is not adopting the Rights Plan in response to any specific take-over bid. Photon Control has, however, received from time to time unsolicited expressions of interest from third parties regarding a possible acquisition of or business combination with Photon Control.

The Rights Plan is subject to acceptance by the TSX Venture Exchange and to ratification and approval by Photon Control’s shareholders at the next annual general meeting of shareholders which is scheduled to be held on September 18, 2012. Further information on the Rights Plan will be contained in the Information Circular for this annual general meeting.

If ratified and approved by shareholders of Photon Control, the Rights Plan will expire at the termination of Photon Control’s annual general meeting in 2015, unless extended upon reconfirmation by shareholders at that meeting. If so reconfirmed, the Rights Plan will terminate upon the earlier of the close of Photon Control’s annual general meeting held in 2018 and any earlier event of termination under the Rights Plan.

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

Photon Control Inc. designs and manufactures a wide range of optical sensors and instruments to measure temperature, pressure, position, and flow. These products are used by original equipment manufacturers (OEM) as well as end-users in the Semiconductor, Oil and Gas, Power, Life Science, and Manufacturing industries. Photon Control’s products provide high accuracy and reliability in extreme conditions and are supported by a team of experts that offer onsite installation, training, and support. Photon Control Inc. also provides engineering services for customized optical measurement systems. Headquartered in an ISO 9001:2008 manufacturing facility in Burnaby, BC, Photon Control Inc. is listed on the TSX Venture Exchange, trading under the symbol “PHO”. Additional information about the company can be found at <http://www.photon-control.com/investorrelations.html>

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