DEVELOPER OF WIRELESS HOMELAND SECURITY SYSTEMS RECEIVES MIPS GRANT

Annapolis, MD January 26, 2007

Mobile Digital Systems, Inc. (MDS) announces the receipt of a Maryland Industrial Partnerships (MIPS) award issued by the Maryland Technology Enterprise Institute of the University of Maryland. The award, in the amount of $69,000, will be used to fund product testing and preparation for market, of its advanced technology wireless sensor and video products for Police, Fire, and Military vehicles at the University of Maryland-Center for Advanced Life Cycle Engineering (CALCE).

"We are excited that MIPS has awarded us this opportunity to work with Dr. Michael Pecht and the University of Maryland. The tests allow Dr. Pecht, the University's Primary Investigator and Director of CALCE, to provide valuable feedback on harsh environment testing on the products.", MDS' President, Angela Corrieri states, "Dr. Pecht is the leader in providing support to private and public sector on product quality improvement and extension of product life. The CALCE Center is equipped with the most skilled Director, Team, and Facilities available."

Mobile Digital Systems, Inc., a resident company of the Chesapeake Innovation Center (CIC), is a developer of software and advanced video technology used in wireless environments for vehicles and on-personnel in Police, Fire, and Military applications.

Laura Neuman, Interim Director of the Chesapeake Innovation Center states" The CIC is all about generating successful companies, and MDS provides a great example of the kinds of companies that are developing within the CIC, all of which have the potential to be dynamic, long-term members of Anne Arundel County's and the State of Maryland's business community."

MIPS provides funding - matched by participating companies - for University of Maryland-based re-search projects that help Maryland companies develop new products. More than 680 project awards have been made since 1987, worth a total of $119 million. MIPS-supported projects have generated more than $300 million in sales, added jobs to the region, and infused state-of-the-art technology into the global marketplace.

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