



Significant Market Developments for EOS Space Services

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Electro Optic Systems (ASX: EOS), acting through its EOS Space Systems subsidiary is a global provider of data for the surveillance of space. This data is used for the protection of space assets from natural hazards such as space debris, and for preventing or mitigating the impact of anti-satellite activity.

In the past 72 hours global media has reported a series of significant developments in the market for EOS space data. Representative media articles are:

- 1. Bloomberg 11 February 2019**
<https://www.bloomberg.com/news/articles/2019-02-11/china-s-space-debris-cleanup-may-be-cover-story-pentagon-says>
- 2. Space News 11 February 2019**
<https://spacenews.com/pentagon-budget-proposal-funds-space-force-headquarters-as-a-starting-point/>
- 3. The New Daily 12 February 2019**
https://thenewdaily.com.au/news/world/2019/02/12/china-russia-space-capabilities/?utm_source=Adestra&utm_medium=email&utm_campaign=Morning%20News%20-%2020190213
- 4. Independent 13 February 2019**
<https://www.independent.co.uk/life-style/gadgets-and-tech/news/space-war-us-china-russia-military-attack-dia-government-us-defense-intelligence-a8775856.html>

The key elements in the increased media coverage of the strategic developments in the space environment are:

- **US Transparency.** US Department of Defense has been increasingly transparent about the US military reliance on space assets, and the vulnerability of those assets to countermeasures by strategic competitors and rogue states. This transparency has largely extended to consideration of solutions by Congress.
- **Space Force Formation.** The US government has recently announced the imminent formation of a US Space Force to focus on space as a domain for national security. US Space Force will have a nominal budget of around US\$14 billion annually when fully established in 2-3 years. A complementary Space Development Agency will also be established to accelerate adoption of new military technologies for space.

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Commenting on these developments, the Group CEO of EOS, Dr Ben Greene said:

“Defence of space assets is an asymmetric process, requiring much more investment for defence than for attack. As space capability proliferates to more nations the cost of protecting national security assets in space is escalating.”

“There is a very high value in the installed asset base in space. Threats to these assets are proliferating rapidly. Even with expanding outlays by the US and its allies, the cost of space asset protection is not sustainable with current tools.”

“The first requirement for space asset protection is more accurate information about the space environment. EOS sensors providing information to support defensive space operations are less expensive and more capable than legacy technology. The price and performance of EOS sensors, proven through extensive trials, can make a significant contribution.”

“In addition, EOS space sensors are based on lasers so they are particularly well qualified for defensive activities against the current weapon-of-choice against most satellites – high power lasers.”

“The precision data capacity of EOS’ private space sensor network already exceeds that of most countries. Recent public disclosures of the issues emerging in military space enhance EOS confidence that these issues will be coherently addressed, and that negotiations currently in process will lead to a commercial role for EOS in implementing solutions.”

Further information:

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ABOUT ELECTRO OPTIC SYSTEMS (ASX:EOS; OTC:EOPSY)

EOS operates in two sectors: Defence Systems and Space Systems.

- EOS Defence Systems specialises in technology for weapon systems optimisation and integration, as well as ISR (Intelligence, Surveillance and Reconnaissance) for land warfare. Its key products are next-generation vehicle turrets and remote weapons systems.
- EOS Space Systems specialises in applying EOS-developed optical sensors to detect, track, classify and characterise objects in space. This information has both military and commercial applications, including managing space assets to avoid collisions with space debris, missile defence and space control.