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Kasten Chase and Optica Technologies Announce First Channel-Based Encryption Solution for Mainframe Storage

Leaders in storage security and mainframe connectivity partner to deliver the first native channel encryption solutions for mainframe tape systems

TORONTO, Ontario and BOULDER, Colorado – January 10, 2006 – Kasten Chase (TSX: KCA) and Optica Technologies Incorporated today announced their technology partnership to develop high-performance encryption solutions for mainframe tape storage. These new solutions integrate Kasten Chase's award-winning encryption and key management technologies with Optica's proven mainframe connectivity solutions.

The new encryption offerings will leverage Kasten Chase's universal storage key management platform, Assurency® Keystone, to ensure scalability and long-term recovery for encrypted mainframe storage tapes. Keystone has been designed to interface with third party security applications including interoperability with IBM's mainframe-based encryption services through the Integrated Cryptographic Services Facility (ICSF). This provides customers with the flexibility, scalability, and trust they require when implementing enterprise security strategies.

Providing robust, fully transparent data encryption for ESCON and FICON communication channels, the new solutions can be deployed without consuming mainframe processing cycles, disrupting existing storage infrastructures or introducing open systems protocols. These solutions enable enterprises to secure data stored on tape while preserving their significant investment in legacy ESCON and FICON tape drives. Optica and Kasten Chase are working closely with leading mainframe tape storage and infrastructure vendors to ensure complete interoperability.

"Until recently, storage security solutions for open systems have garnered all the attention, however data security and encryption are just as important in the mainframe world," said Jon Oltsik, Senior Analyst at Enterprise Strategy Group. "People may not realize that the vast majority of publicized security breaches this past year were due to lost or misplaced mainframe tapes. With this announcement, mainframe users will now have access to a comprehensive storage security solution with key management and performance characteristics designed specifically for their environments."

"Many companies today rely upon mainframe computers to process confidential customer transactions and to manage sensitive financial information," said Robert Amatruda, Research Manager at IDC. "And while IT managers recognize that the sensitive data on mainframe backup and exported tapes require additional levels of security, key management and encryption's impact on performance have been limiting factors on encryption's use. The solution jointly developed by Kasten Chase and Optica Technologies is designed to address both of these factors, by simplifying key management and delivering high-performance encryption."

For nearly four decades, Optica has been a leading provider of enterprise-class connectivity products and currently delivers ESCON and FICON protocol conversion solutions to customers and channel partners such as IBM Global Services via Anixter International and McDATA Corporation. A leader in storage encryption and key management, Kasten Chase was awarded "Best Storage Security Solution" in 2005 by Network Computing magazine and has been a principal partner with the National Security Agency in its Remote Access Security Program (RASP) for the past eight years.

"We are extremely excited about our partnership with Optica Technologies and the opportunity to provide robust mainframe encryption solutions for enterprise customers," said Michael Milligan, President and CEO of Kasten Chase. "By combining our respective areas of expertise, the companies are developing solutions that address the unique security requirements of long-term data storage, and deliver the performance and reliability that mainframe users demand."

"Our partnership with Kasten Chase is a terrific example of how best-of-breed technologies can be integrated rapidly to meet customer needs," said Greg Collins, Chairman and CEO of Optica Technologies. "Kasten Chase's storage security technologies are a perfect complement to our existing ESCON and FICON connectivity solutions. The integrated technologies will result in a suite of high performance encryption appliances that fit seamlessly into existing mainframe storage infrastructures."

The two companies have set up an early adopter program to support the significant interest being expressed by a large number of enterprise-class data centers and to help them evaluate, plan and implement mainframe encryption solutions in 2006. Product development has been underway for some time with a beta release targeted for second quarter 2006. For more information on the Mainframe Security Early Adopter Program, please call Kasten Chase at 877-873-7277 or Optica Technologies at 800-953-4773.

About Kasten Chase
Kasten Chase (TSX: KCA) delivers innovative data storage security solutions to mitigate information security risks, meet compliance obligations and reduce the cost and complexity of data storage operations. The core of the Company's award-winning, enterprise-class, storage security solution, is Assurency Keystone, a centralized, standards based key management platform that provides the capacity, scalability and interoperability to centrally manage encryption keys over distributed storage infrastructures, while integrating key management policies with data management processes for the protection, retention and sharing of information assets. Kasten Chase complements its award-winning technology with business services that assess information risk and audit compliance practices for enterprise storage. Kasten Chase is headquartered in Mississauga, Ontario and is a certified ISO 9001:2000 company.

About Optica Technologies Incorporated
Optica Technologies, a privately-held corporation, is headquartered in Boulder, CO with sales and marketing offices located in Ohio and Arizona. Founded as Digital Controls Corporation, Optica has been developing, producing and marketing high-quality computer connectivity products since 1967. Optica is a recognized leader in designing and manufacturing computer connectivity products, including channel switches and protocol converters. In addition, the company markets a full-range of fiber optic infrastructure products and services. Optica's products can be found in the largest data centers worldwide.

For further information please contact:

Kasten Chase	Optica Technologies Incorporated
Steve Ducat	Sean Seitz
877-365-3131	800-953-4773
info@kastenchase.com	information@opticatech.com