

## National Scientific Corporation Notes Accomplishments in Investor Update

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Scottsdale, AZ, Aug. 18, 2008 -- In an update for investors and other stakeholders, National Scientific Corporation (OTC BB:NSCT.OB – News), provider of wireless security solutions, including Travado IBUS™ Digital Video Recorder and Rider Authentication System and the newly introduced IMPACT and SENTINEL Digital Video Recording Systems for school buses, notes that it reached important milestones for the first three quarters of fiscal year 2008 (ended June 30, 2008) including releasing two new products, a 32.3% increase in revenue and a net profit of \$18,707 for the third quarter of the fiscal year.

Chairman and Chief Executive Officer Michael Grollman says, “Based on order flow and a \$204,000 backlog for our newly released products as discussed in our August 10Q report, we believe that we will be close to achieving a number of our import goals this fiscal year. Demand for our DVR products is strong and we expect the new products to build that demand over the next quarter and into fiscal year 2009.”

Significant events during the first 3 quarters of fiscal year 2008 include:

- Release of the IMPACT Digital Video Recorder System for school buses, providing school districts with a highly reliable substitute system with robust features and options.
- Release of the SENTINEL Digital Video Recorder System for school buses, providing school districts a highly reliable wireless system with robust features and options, including student authentication.
- An order from a new school district in Southern Arizona for our SENTINEL product for their entire fleet.
- An order for a new GPS-only product for a large Phoenix-area school district for delivery later this year.

“Customers have provided positive feedback for the new products and sales continue to grow,” says Graham Clark, company president. “We are working with two new school districts in Arizona and most current customers have ordered additional units as they add onto their fleet.” One of our newest customers is adding the SENTINEL product to their existing fleet of buses.” “In addition, we are expanding our distributor network and have seen a greater number of our sales through distributors the past nine months. This in itself provides us a greater opportunity to grow sales and make stronger inroads with customers.”

The IMPACT is a direct substitute for existing VHS and DVR systems already installed on school buses, while SENTINEL takes advantage of the latest technology to provide a price competitive advantage. Both systems use solid-state secure data (SD) cards as the recording media, thus removing the hard drive usually found in DVRs and eliminating that reliability issue. SD cards are vibration tolerant, temperature resistant and virtually

indestructible. Coupling the SD card technology with the latest h.264 video encoding technology allows National Scientific Corp. to offer a DVR with extremely high quality video and excellent compression – providing school bus transportation administrators over 30 hours of high quality recording time.

Both the IMPACT and the SENTINEL support one or two cameras; optional GPS location and speed for routing planning and management for fuel savings and other efficiencies; an index button so the driver can index incidents; and optional bus sensors to monitor standard bus functions including stop arm deployment, brake lights, etc.

The SENTINEL comes standard with a Wi-Fi communications system, which provides automatic download of video and data when a bus returns to the bus yard. This eliminates the need to go out to the bus to obtain the video and data, freeing up school transportation personnel. The SENTINEL also provides an optional student tracking system to allow school personnel to know who got on and off the bus when and where. Not only is there a student manifest, the student names can be also superimposed onto the video as they enter and exit the bus. The student tracking system can use several identifying methods including RFID cards, bar codes and biometrics.

#### About National Scientific Corporation

National Scientific Corporation is a holding company whose technologies and products are aimed at making the world safer and more efficient. Its current portfolio is focused on wireless sensor technologies that location-enable important commercial and non-commercial activities, such as the safe and secure movement of people and goods. The Company's products blend semiconductor design, Wi-Fi, GPS, Linux, RFID, mesh, satellite, cellular, video technologies and more, into cost-effective platforms. National Scientific Corporation devices are smaller, faster and safer. "We take cost out and put safety in.(tm)" Information at <http://www.nsct.info>, or 480-948-8324.

#### Contact:

National Scientific Corporation  
Michael Grollman  
480-948-8324

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Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to have been correct. Actual results could differ materially based upon a number of factors including, but not limited to, the state of economy, competition, unanticipated business opportunities, availability of financing, market acceptance, government regulation, dependence on key personnel, limited public markets and liquidity, shares eligible for future sale, continuation and renewal of contracts and other risks that may apply to the Company, including risks that are disclosed in the Company's Securities and Exchange Commission filings, including its Form-10K report for year ending September 30, 2006, and associated Form 10Q filings.///