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MagiQ Technologies, Silicon Graphics, Qucor, and the University of Melbourne Form Joint Venture to Enable Next Generation Quantum Cryptography Devices

The Quantum Communications Victoria – Industry Development Initiative (QCV-IDI) was awarded \$2.5M USD to Fund Activities

NEW YORK, NY – JANUARY 23, 2006 – MagiQ Technologies, Inc., the quantum information processing (QIP) company, today announced the formation of a joint venture to commercialize diamond encrusted single photon (single particles of light) sources, which are a crucial component of quantum cryptography systems. Under terms of the agreement, all members of the joint venture will share in the development of intellectual property and commercialization of photon sources.

The group was awarded \$2.5M USD (\$3.3m Australian Dollars) from the Victoria government of Australia toward the designing of communication devices capable of producing and using single photons for storing and transferring vast amounts of information with impenetrable encryption. The Quantum Communications Victoria – Industry Development Initiative (QCV-IDI) is a University of Melbourne-led STI program.

"The creation of great wealth based on a new industry leveraging quantum mechanics will be enabled by bringing together the public and private sectors" said Artur Ekert, Professor of Quantum Physics at the University of Cambridge. "MagiQ, the University of Melbourne, and the other participants in the Quantum Communications Victoria joint venture are doing just that today."

"All the participants in the joint venture bring unique and valuable capabilities to the table," said Dr. Shane Huntington, CEO of QCV-IDI. "The Joint Venture places Victoria as a recognized centre of activity in the rapidly expanding global area of quantum communications and is expected to open new avenues of

research in nanotechnology and photonics. We expect great advances, both scientific and economic, out of the Joint Venture.”

“MagiQ is pleased to partner with world leaders in pushing the envelope for quantum cryptography functionality,” said Andrew Hammond, Vice President of Marketing and Business Development at MagiQ. “We believe that partnering is the best way to accelerate the development of an ecosystem around quantum cryptography. A quantum cryptography ecosystem will lead to the monetization of a new and important industry.”

About MagiQ Technologies, Inc.

MagiQ Technologies (www.magiqtech.com) is the quantum information processing (QIP) company and has been recognized as such through its many awards. Through its unique blend of science, business and engineering expertise, the Company is the first to commercialize the advancements in quantum information to benefit forward-looking organizations seeking competitive advantage through technology. Founded in 1999, MagiQ is a privately-held company headquartered in New York City with research & development laboratories in Somerville, Mass.

About Melbourne University – School of Physics

The School of Physics at the University of Melbourne is one of Australia’s leading Physics departments. The School boasts a strong and long standing research program in diamond and related materials. The new QCV program involves a substantial injection of government funding for additional staff and infrastructure, with the ultimate goal of producing packaged single photon sources.

About Qucor

Qucor Pty Ltd is a start-up company activated in 2003 to commercialize pathway technologies developed from quantum computing research undertaken in Australia. Qucor is backed by the very substantial technical expertise and infrastructure of Australia’s Centre for Quantum Computer Technology, headquartered at the University of New South Wales and headed by Professor Robert Clark.

About SGI

SGI, also known as Silicon Graphics, Inc. (OTC: SGID), is a leader in high-performance computing, visualization and storage. SGI's vision is to provide technology that enables the most significant scientific and creative breakthroughs of the 21st century. Whether it's sharing images to aid in brain surgery, finding oil more efficiently, studying global climate, providing technologies for homeland security and defense or enabling the transition from analog to digital

broadcasting, SGI is dedicated to addressing the next class of challenges for scientific, engineering and creative users. With offices worldwide, the company is headquartered in Mountain View, Calif., and can be found on the Web at www.sgi.com.

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