

VUANCE ANNOUNCES CRIME SCENE SECURITY AND EVIDENTIARY TRACKING DEVELOPMENT PROJECT

VUANCE to Partner with Delaware State University and Delaware State Law Enforcement to Develop Crime Scene Security System through Federal Grant

Total Project Valued at More Than \$900,000; Will Generate Nearly \$700,000 in Revenue to VUANCE

Franklin WI, – December 9, 2008 – VUANCE, Ltd. (NASDAQ: VUNC), a leading provider of innovative Radio Frequency Verification Solutions, including active RFID, electronic access control, credentialing, accountability and incident response management, today announced that it has been awarded a stake in a government-funded project to develop a crime scene security and evidentiary tracking system. The project, which is the result of a grant sponsored by Vice President-elect Joseph Biden, was awarded to Delaware State University, the Delaware State Police and the Delaware Department of Safety and Homeland Security. The total project value exceeds \$900,000 for the first year, with opportunity for follow-on projects and annual maintenance in future years. VUANCE's portion of the project is nearly \$700,000 for the first year, with initial development fees expected to be received during the quarter ended December 31, 2008.

This project is intended to address the increasing demand of secure smart card identification and access control solutions together with RFID technology for law enforcement accountability, emergency management, personnel control, and evidence/property control (Chain of Custody), and develop new technologies to address the operational challenges nationwide. Key to accountability is maintaining the integrity of a crime scene, accounting for who has entered, when, and when they left, plus maintaining a demonstrable chain of evidence.

As a result of the federal grant, VUANCE, the University and Delaware law enforcement will create an advisory board and collaborate to develop a solution utilizing VUANCE's technology. The solution is expected to include Active and Passive RFID technologies, including RFID chips implanted in secure credentials and portable readers which can be quickly and easily set up to secure crime scenes. These credentials will accurately track and log access to and from crime scenes. In addition, the project is expected to create evidence tracking solutions, allowing law enforcement to track the collection and chain of custody for evidence gathered at crime scenes. Tablet-based technologies will be used to capture images and collect information, and a biometrically secure evidence container will be created, linking evidence gathered to the specific law enforcement person who collected the evidence through fingerprints or other secure biometric methods. In this way, law enforcement, as well as prosecuting and defense attorneys, can accurately see who had access to crime scenes, who collected evidence and who had access to the evidence throughout the chain of custody.

Thomas Connell, VUANCE's Vice President for Government Solutions, commented, "Modern investigators have to deal with the new phenomenon being called the 'CSI Effect,' a new term used to explain the unreasonable expectations juries now have regarding forensic investigations due to the popularity of shows like the CSI franchise, Crossing Jordan, and the Forensic Files. This solution will provide new levels of accuracy and increased confidence in the security of crime scenes and evidence collected from them. In addition, the various federal initiatives for credentialing and scene control in the wake of 9/11 and the hurricanes on the Gulf Coast have created a significant need for an end-to-end solution. VUANCE's comprehensive technology provides the basis for this solution, and we look forward to working closely with law enforcement and experts at the University to develop a robust solution to address this growing problem."

"We believe this is an important development project, and an initiative particularly well suited for the wide-range of technologies in which VUANCE specializes," said Eyal Tuchman, Chief Executive Officer of VUANCE Ltd. "We have the capability to integrate active and passive RFID technology, sophisticated portable readers and simple but effective software to manage the overall solution. This represents a unique new application for our existing technologies, integrated in an innovative way to meet the needs of law enforcement. As a result of this development project, we will emerge with a new solution to meet a large and growing need. In addition, this solution will have been fully funded by a government grant. We believe there are approximately 200 municipalities in the U.S. alone which would be ideal targets for this solution."

Public private partnerships like the one between VUANCE and Delaware State University are able to leverage the experience and advantages of both worlds," said James Overton chief of Police and Associate Vice President for Public Safety at Delaware State University. "DSU is pleased to be able to work with VUANCE on a project with the potential to have a national impact on law enforcement. Bringing together the resources of the academic community, the technological development experience of VUANCE, and the operational experience of Delaware's Department of Safety and Homeland Security and the State Police provides us with all the elements of a leading edge team."

The program is being funded through the COPS office of the Department of Justice and funding was awarded through legislations sponsored by Vice President-elect Biden when he was a member of the United States Senate from Delaware.

About VUANCE Ltd.

VUANCE Ltd. develops and markets state-of-the-art security solutions for viewing, tracking, locating, credentialing, and managing essential assets and personnel. VUANCE solutions encompass electronic access control, urban security, and critical situation management systems as well as long-range Active RFID for public safety, commercial, and government sectors. The Company's comprehensive range of products enable our business partners to offer their customers end-to-end solutions that can overcome the most difficult security challenges. Its Incident Response Management System (IRMS) is the industry's most comprehensive mobile credentialing and access control system, designed to meet the needs of Homeland Security and other public initiatives. VUANCE is serious about security.

VUANCE Ltd. is headquartered in Rockville, MD. Its common stock is listed on the NASDAQ Capital Market under the symbol "VUNC". For more information, visit www.vuance.com.

Safe Harbor

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The Company also disclaims any duty to comment upon or correct information that may be contained in reports published by the investment community.

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