

TACTEX REPORTS 2006 Q2 RESULTS

Victoria, BC, August 29, 2006

Tactex Controls Inc., the manufacturer of innovative fiber optic tactile sensors announced its financial results for the quarter ended June 30, 2006.

David Lokhorst, President & CEO, was pleased to report that Tactex added several new customers this quarter. "Tactex continued to deliver our Bed Occupancy Sensor to our Canadian distributor, we signed a distribution agreement with Ambulatory Monitoring Inc, and we made our first deliveries to two other companies with channels into the US long-term-care market." He went on to say, "We are ramping up our sales and marketing activities. We have started to advertise more widely, we have revised our website, and we are hiring more sales staff. This was the first quarter in which Tactex spent more on sales and marketing than on R&D—it underlines our commitment to focus on sales."

Tactex ended the quarter with \$1,397,127 in working capital.

ABOUT TACTEX

Tactex develops and manufactures sensors based on a patented technology called Kinotex®. Tactex provides off-the-shelf and custom sensor solutions for consumer products, medical, and industrial applications, as well as product development services to help clients realize their concepts. Tactex is publicly traded on the TSX Venture Exchange (TSX-V:TTX).

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**STATEMENT OF OPERATIONS AND DEFICIT
FOR THE PERIOD ENDED JUNE 30**

(Excerpt from unaudited financial statements – see interim financial statements for full details)

	Three month period ended <u>June 30, 2006</u>	Three month period ended <u>June 30, 2005</u>
SALES	25,298	171,117
COST OF SALES	46,651	33,760
GROSS MARGIN	(21,353)	137,357
OTHER INCOME:		
Grants and tax credits	27,040	-
Interest and other income	12,170	2,367
	39,210	2,367
EXPENSES:		
Marketing	107,211	58,065
Research and Development	106,132	91,580
Administration	162,475	181,328
Interest – long term debt	12,833	-
Amortization – property, plant and equipment	11,808	14,127
	400,459	345,100
NET INCOME (LOSS) FOR THE PERIOD	(382,602)	(205,376)
DEFICIT – Beginning of period	(3,095,754)	(1,925,249)
DEFICIT – End of period	(3,478,356)	(2,130,625)
Earnings (loss) per share – basic and fully diluted	(0.02)	(0.01)

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

