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sp3 Offers DiaTip Freestanding Diamond Tips and Tipping Services to Global Market

Wear, Durability Benefits of Diamond and Low Cost of Ownership Make Product Ideal for Cutting Tools

SANTA CLARA, Calif. — October 25, 2005 — sp3 Diamond Technologies, Inc., a leading supplier of diamond film services, equipment and products, today brought its DiaTip™ freestanding diamond tool tips and tipping services to the global cutting tool market. sp3's freestanding diamond enables unparalleled performance, with DiaTip inserts capable of achieving a wear life two to three times that of polycrystalline diamond (PCD) while maintaining edge sharpness longer. DiaTip is available as insert tips and carbide-backed cartridge tips or as a custom tip applied to customer-supplied carbide inserts and cartridges.

"DiaTip has a significant impact on our customers' tool performance and overall cost of ownership," said Jim Herlinger, chairman and CEO of sp3 Inc. "While tool costs comprise only 3 percent of overall machining costs, DiaTip users will see longer tool life, at higher machining speeds and with fewer tool changes. This increased tool performance, which affects the other 97 percent of machining costs, significantly lowers the cost of ownership thanks to the wear, dimensional stability and total cost benefits of diamond tipped tools."

sp3 has significant expertise in the application of DiaTip having manufactured and internally used the tips for several years. Due to the benefits realized from the implementation of DiaTip, the company has decided to move into the mass market and offer it as an independent product.

"We have come to realize the value tool customers gain when they implement the DiaTip product and are looking to offer those benefits to the global cutting tool market," stated Dwain Aidala, president and COO of sp3 Diamond Technologies. "With its unmatched strength and durability DiaTip's performance exceeds that of PCD by 100 to 200 percent at a price point that is typically only 30 percent more than PCD, making it a very attractive proposition for our customers."

sp3's DiaTips are fabricated from a stand-alone sheet of thick film diamond, which is grown in a chemical vapor deposition (CVD) reactor. Typical films are 500 microns thick. The diamond sheets are laser cut into DiaTips, which are then brazed to customer supplied carbide or steel inserts and cartridges. DiaTip features a cutting surface of pure diamond, with no binder. Absence of a binder avoids chemical interaction with coolant or work piece materials.

For further information on the process, pricing and delivery times, please contact Steve Waite directly on +1 866 250 9984 or DiaTip@sp3inc.com.

About sp3 Diamond Technologies, Inc.

Diamond is hard, durable, stiff, thermally conductive and electrically insulating. These are just some of the many qualities that diamond offers making it ideal for a wide variety of applications, from cutting tools to advanced semiconductor manufacturing. sp3 Diamond Technologies makes CVD (chemical vapor deposition) diamond for a broad range of applications where current materials have reached their limit. Our ability to make and deposit diamond is a direct result of our proprietary chemical vapor deposition diamond reactor technology and our coating services capability. It is this technology that allows us to deposit uniform thin-film diamond and do it cost-effectively. Consistent and cost-effective manufacture of CVD diamond is in turn

broadening the material's appeal throughout multiple industries where diamond could be considered the material of choice.

Based in Santa Clara, California, USA, the company provides diamond products for advanced thermal applications, diamond coating and material services, hot filament CVD reactors, and deposition consulting services. sp3 Diamond Technologies is a subsidiary of sp3 Inc., a full service provider of products and services relating to thin-film and freestanding diamond deposition and other diamond materials. For more information about the company and its products and services please visit www.sp3inc.com.

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