



PRECISION OPTICS CORPORATION

22 EAST BROADWAY
GARDNER, MASSACHUSETTS 01440-3338
Telephone 978 / 630-1800
Telefax 978 / 630-1487

NEWS RELEASE

FOR IMMEDIATE RELEASE

Tuesday, September 25, 2012

Precision Optics Corporation, Inc. to Raise \$2.5 Million in Private Placement

GARDNER, MA, September 25, 2012 – Precision Optics Corporation, Inc. (OTCQB: PEYE) (the “Company”) announced today that it has entered into definitive agreements with institutional and accredited investors for the sale and purchase of units consisting of (i) an aggregate of approximately 2,777,795 shares of common stock, and (ii) 5-year warrants to purchase up to approximately 1,944,475 shares of common stock. The unit price is \$0.90. The warrants have an exercise price of \$1.25 per share, subject to adjustment and a call provision if certain market price targets are reached, and are exercisable in whole or in part, at any time prior to expiration.

The Company will receive approximately \$2.5 million in gross proceeds from the offering. The offering is expected to close on or about September 28, 2012, subject to customary closing conditions. Net proceeds from the offering will be used for working capital needs and for general corporate purposes including funding of start-up costs associated with the Company’s previously-announced order for micro endoscopes as well as other recently received orders for new products.

Loewen, Ondaatje, McCutcheon USA LTD acted as the exclusive placement agent for the offering.

This press release is neither an offer to sell, nor a solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

About Precision Optics Corporation

Precision Optics Corporation has been a leading developer and manufacturer of advanced optical instruments since 1982. The Company designs and produces next generation medical instruments, Microprecision™ micro-optics with characteristic dimensions less than 1 millimeter, and other advanced optical systems based on the Company’s state-of-the-art optical technologies. The Company’s innovative medical instrumentation line includes Lenslock™ laparoscopes, arthroscopes, and sinusscopes, as well as endocouplers and a world-class product line of 3D endoscopes for use in minimally invasive surgical procedures. The Company’s website is www.poci.com. Investors can find Real-Time quotes and market information for the Company on www.otcmarkets.com/stock/PEYE/quote.

About Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements related to our future activities or future events or conditions. These statements are based on current expectations, estimates and projections about our business based, in part, on assumptions made by our management. These statements are not guarantees of future performances and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks discussed in our annual report on Form 10-K and in other documents that we file from time to

time with the SEC. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this report, except as required by law.