

For Immediate Release:

VERGE MAKES PRIVATE EQUITY INVESTMENT IN ZTEC INSTRUMENTS

ZTEC to use funds for expansion in \$8B Test and Measurement equipment market.

ALBUQUERQUE, New Mexico – September 21, 2004: The Verge fund announced today that it has closed an investment in ZTEC Instruments, Inc. (“ZTEC”), of Albuquerque. The Verge commitment completes a \$750,000 financing round for ZTEC, a New Mexico business providing next-generation modular instrumentation products for the \$8B Test and Measurement industry. Verge partner Jim Higdon will join the Board of Directors as a result of the transaction.

“We are excited to be working with Verge. The funds from this financing will allow us to accelerate the sales growth of our modular instrument products and to establish a strong market position in several emerging areas of the Test and Measurement market” said Christopher Ziomek, President of ZTEC. “We are particularly pleased to have Jim Higdon join our Board of Directors. His experience in developing and growing technology businesses will be invaluable in helping ZTEC become a prominent industry player.”

ZTEC is a leader in the emerging area of intelligent modular instrumentation. With the ever-increasing use of electronic components in end products that range from airplanes to washing machines, manufacturing companies need reliable, configurable solutions for testing and evaluating their products and components. The embedded intelligence in ZTEC’s products allows for greater processing capability at the instrument level, providing customers with more flexibility in design and configuration of both test and evaluation systems.

“There are a number of reasons why we feel ZTEC is an excellent investment,” said Tom Stephenson, Verge General Partner. “As with all investments, we are looking first at the quality of the people, and we feel that Chris has assembled an excellent core team, one whose skills we can augment with the experience and knowledge that the Verge partners – particularly Jim Higdon in this case – can bring to the company. We also believe that the need for *intelligent* modular instrumentation will grow dramatically in the coming years, and ZTEC’s embedded intelligence puts them in a strong position to capitalize on this trend.”

The financing round represents the first outside investment activity for ZTEC; the proceeds will be used accelerate product development and increase brand awareness, including the expansion of both ZTEC’s engineering and sales staffs. It is also the first investment made from the newly-formed Verge fund.

About Verge: Verge is a seed and pre-seed venture capital fund, investing in promising technology opportunities in New Mexico. With over 80 years experience in New Mexico as investors and operators, the six Verge partners work closely with entrepreneurs and

technologists to develop promising opportunities in successful commercial ventures. Focusing on technology investments in New Mexico, Verge invests at the earliest stages of a company's development, typically placing \$100,000 - \$500,000 in first round investments. www.vergefund.com

About ZTEC Instruments, Inc.: ZTEC Instruments is a pioneering instrument design and manufacturing company whose products include modular digital oscilloscopes, waveform generators, RF frequency counters, RF power meters and timing references. Embedded intelligence allows these products to significantly reduce test time and complexity. Both PXI and VXI instruments are available, providing seamless integration with commonly used computing systems. From commercial manufacturing to military and aerospace applications, ZTEC products empower users to develop custom test and measurement solutions. www.ztec-inc.com

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