

eMagin Wins \$2.4M R&D Contract from U.S. Navy for High Brightness 2,000 by 2,000 Pixel OLED Microdisplay

BELLEVUE, Wash., August 2, 2012 - eMagin Corporation (NYSE Amex: EMAN), a leader in OLED microdisplays and virtual imaging technologies, announced today that it has received a \$2.4 million contract from the U.S. Navy for research and development of a high-brightness 2,000 x 2,000 pixel OLED microdisplay. The \$1.1 million Phase I of the project will begin immediately and run through September 2012 when the \$1.3 million Phase II option period, which runs an additional 12 months, begins. The proposed work in this program will leverage the accomplishments of prior Night Vision and Electronic Sensors Directorate (NVESD) OLED programs and further improve the OLED performance. It is contemplated this work will facilitate the use of eMagin's OLED microdisplays in environments requiring a very high brightness display such as aircraft cockpits.

"This is a key award for eMagin as it is expected this work will result in the ability to produce a greatly improved microdisplay solution and therefore increase the use of eMagin's OLED microdisplays in demanding avionics applications with potential commercial applications as well," remarked Andrew Sculley, president and chief executive officer of eMagin. "The brightness, resolution and the color gamut will be outstanding and a significant upgrade from what is currently available from any microdisplay producer. eMagin is very pleased to continue this important work with the NVESD and the U.S. Navy."

About eMagin Corporation

A leader in OLED microdisplay technology and display systems, eMagin produces and integrates high-resolution OLED microdisplays with magnifying optics to deliver virtual images comparable to large-screen computer and television displays in portable, low-power, lightweight personal displays. eMagin microdisplays provide near-eye imagery in a variety of products from military, industrial, medical and consumer OEMs. More information about eMagin is available at www.emagin.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including those regarding eMagin Corporation's expectations, intentions, strategies and beliefs pertaining to future events or future financial performance. Actual events or results may differ materially from those in the forward-looking statements as a result of various important factors, including those described in the Company's most recent filings with the SEC. Although we believe that the expectations reflected in the forward-looking statements are reasonable, such statements should not be regarded as a representation by the Company, or any other person, that such forward-looking statements will be achieved. The business and operations of the Company are subject to substantial risks which increase the uncertainty inherent in forward-looking statements. We undertake no duty to update any of the forward-looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, readers are cautioned not to place undue reliance on such statements.
