



Contact: Mark Murphy, Chief Executive Officer  
(714) 241-4411

Jeff Stanlis, Investor Relations  
Hayden Communications, Inc.  
(602) 476-1821

*For Immediate Release*

## **PRO-DEX, INC. ANNOUNCES PLANS TO RELOCATE SANTA ANA OPERATIONS**

*New 28,000 Square Foot Facility in Irvine, Calif. To Enable Growth, Improve Operational Efficiency*

SANTA ANA, CA, August 23, 2007 - PRO-DEX, INC. (NASDAQ: PDEX) a developer and manufacturer of embedded motion control systems, miniature rotary drive systems and fractional horsepower DC motors, which enables speed-to-market for customers who serve the medical, dental, factory automation, scientific research, aerospace and military markets, announced today that it has entered into a 10-year lease agreement for a new 28,180 square foot engineering, manufacturing and corporate headquarters facility in Irvine, California. The Company plans to transition from its current facility in Santa Ana to its new home toward the end of calendar 2007.

Mark Murphy, Pro-Dex's Chief Executive Officer commented, "Securing new development projects that ultimately lead to incremental and recurring manufacturing revenue remains one of management's top priorities and we have begun to improve our execution against this goal. Given the sales growth we have enjoyed in the last several quarters and the opportunities we see for continued growth, we believe this facility is the right move for Pro-Dex. The increased space will far better support our investments in Engineering, Quality, and other areas that are necessary for us to consistently deliver on our value proposition."

Management estimates that the new facility will increase the Company's annual costs by \$365,000 beginning in early calendar 2008. This estimate includes monthly lease payments, amortization of tenant improvements, and all financing costs associated with such improvements.

"This move is an investment in the long-term growth and profitability of Pro-Dex," Mr. Murphy added. "On the list of key initiatives required to transform the Company, this is an important one that will support and even enable several others. I look forward to providing our shareholders with more context regarding this decision on our year-end conference call next month."

Pro-Dex Inc., with operations in Santa Ana, California; Beaverton, Oregon and Carson City, Nevada, specializes in bringing speed to market in the development and manufacture of technology-based solutions that incorporate embedded motion control systems, powered rotary drive systems and fractional horsepower DC motors, serving the medical, dental, semi-conductor, scientific research and aerospace markets. Pro-Dex's products are found in hospitals, dental offices, medical engineering labs, scientific research facilities, commercial and military aircraft, and high tech manufacturing operations globally.

For more information, visit the Company's website at [www.pro-dex.com](http://www.pro-dex.com).

Statements herein concerning the Company's plans, growth and strategies may include 'forward-looking statements' within the context of the federal securities laws. Statements regarding the Company's future events, developments and future performance, as well as management's expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements within the meaning of these laws. The Company's actual results may differ materially from those suggested as a result of various factors. Interested parties should refer to the disclosure concerning the operational and business concerns of the Company set forth in the Company's filings with the Securities and Exchange Commission.