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NEWS ANNOUNCEMENT

For Immediate Release

CHARACTELL ANNOUNCES AGREEMENT WITH FESA S.A.

Boston, MA – April 6, 2007 - CharacTell™, a leading provider of advanced and innovative optical character recognition (OCR) products, today announced that FESA S.A, a subsidiary of Carvajal S.A, a multinational company that contributes to client productivity and individual self-improvement, have entered into an agreement for FESA to use FormStorm Enterprise to process nearly 90 million form pages.

FESA provides data capture services to the Columbian government. It uses CharacTell's FormStorm Enterprise software to scan, extract automatically, and verify data from a variety of form types, including national census forms, years old civil registration records, national elections forms, etc.

To support this high volume of forms, FESA has established a dedicated processing center that utilizes several parallel systems that consist of multiple high speed scanners, up to a total of 300 FormStorm stations, and includes 30 OCR processing stations and as many as 270 data verification seats. The systems operate 24 hours a day, sometimes seven days a week.

Company Information

CharacTell Ltd was founded in 1998 with the express mission of developing the world's most accurate recognition engines. The company has developed Advanced Character Recognition™ (ACR™) as the strategic technology platform on which it has based its progressive product line. ACR-based products from CharacTell are in extensive use in demanding data entry applications and systems worldwide.

CharacTell markets a variety of products, including FormStorm™ Enterprise, a powerful and easy to use system to extract OCR, ICR, OMR, and Bar-coded data from forms, and other related products. For more information, contact CharacTell, or visit the CharacTell web site at www.charactell.com.

CharacTell™, the CharacTell logo, Advanced Character Recognition™, ACR™, FormStorm™, the FormStorm logo, SemiForm™, the SemiForm™ logo, CheQueStorm™, TableStorm™, AutoForm™, AddressStorm™, SofiWriting™, FormCliQ™, and iREAD Forms™, are trademarks of CharacTell Ltd.(c) 1998-2007.

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