

BLAZE INTERNATIONAL LIMITED

ACN 074 728 019

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The Manager
Company Announcements Office
Australian Stock Exchange Ltd
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir

COMMUNICATIONS WORLD FIRST ANNOUNCED BY OKI IN JAPAN USING BLAZE'S FAMOUS3D TECHNOLOGY

Blaze International Limited (BLZ) is pleased to advise the launch of the world's first real time communications through 3D characters by OKI in Japan, which is one of the world's biggest communications equipment companies.

OKI has licensed Blaze's Famous3D character animation engine, which is the key to animating live characters in real-time, through a revenue sharing agreement.

OKI launched the PC based "FaceCommunicator®-BBE (Broad Band Edition)" product on November 1, for sales to communication carriers and ISPs which provide Internet services. OKI also plans to introduce software for camera-equipped mobile phones, home electronics, game console markets and aims to license one million copies over the next three years.

Attached is the full text of the official OKI press release.

Yours faithfully

Patrick Flint
Director

Oki Launches Real-time Communication Software
“FaceCommunicator®-BBE using Facial Expressions of 3D characters
- First in the industry, just add on to the existing videoconference software -

Tokyo, Japan, October 23, 2003 -- Oki Electric Industry Co., Ltd. (TSE: 6703) today announced that the company has developed “FaceCommunicator®-BBE” software which enables real-time communications through facial expressions of 3D characters. The software provides comfortable, enjoyable, privacy secured visual communication environment for internet-enabled video chats where huge numbers of unspecified people communicate, as well as for net games and videoconferences, etc. As the first product, Oki will launch PC based “FaceCommunicator®-BBE (Broad Band Edition)” on November 1, for sales to communication carriers and ISPs which provide Internet services. Oki also plans to introduce software for camera-equipped mobile phones, home electronics, and game console markets, and aims to license one million copies over the next three years.

The trial version of “FaceCommunicator-BBE”, which will be available in November, generates real-time animations in which expressions of 3D characters changes according to the facial images of speakers on screen, as well as at the push of a button. The software enables facial animation generation using a camera driver, which could not be done by the conventional products, and allows the use of existing video transmission software such as IP-TV with a camera without making any modification to it. These features enable transmission of 3D facial animation to the receiver instead of the real facial image by simply selecting “FaceCommunicator-BBE” mode using the selection feature of a video camera if there are a camera for PC and video conference software.

Oki will actively provide “FaceCommunicator-BBE” to communication carriers and ISPs as a product that helps ensure privacy and create a rich communication style in an era of broadband network. Oki will also introduce software for camera-equipped mobile phones, home electronics, and game console markets. The features will be expanded to include a facial animation generation feature that synchronizes with texts and synthetic voices, as well as a sensor fusion feature that generates facial animations by integrating voice and facial information, catering for various usages and applications.

Major features of this software are as follows:

1. Provide a comfortable and enjoyable communication environment

The software provides a solution to privacy issues that have been raised for videoconferences by converting an image of a speaker into an animated 3D character. In addition, “FaceCommunicator-BBE Ver1.0”, available in February 2004, will support “text sensor option”, which enables lips of characters to move in sync with texts input, as well as transmissions of synthetic voices that synchronize with the lips. This feature allows users to enjoy comfortable conversations with huge numbers of unspecified, unknown friends on the internet without letting them know not only the users’ faces but also the voices as well as sounds around the users.

2. Express feelings that cannot be put into words

Some expression animations are prepared for each character. Users can transmit to the other party exaggerated expressions such as a burst into laughter. It also allows users to visually convey emotions that cannot be expressed by faces or words.

3. Provide entertainment

The 3D characters and backgrounds can be switched at any time, and users can choose any characters they like based on places and occasions. In addition to head movements of a speaker, eyebrows and lips can be animated to provide a virtual reality experience as if users are actually talking to the characters.

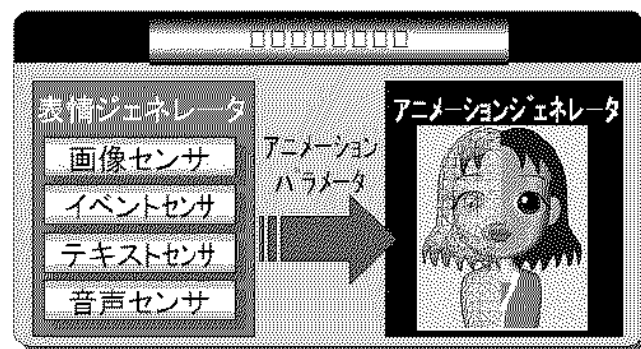
Sales Plan

Product Launch: FaceCommunicator-BBE Trial Version (Video input)	November 2003
FaceCommunicator-BBE Ver1.0 (Video and text input)	February 2004
Pricing: Open Price	
Sales Target: One million licenses over the next three years	

Technical Overview

As shown in the figure below, "FaceCommunicator" comprises two software modules, one is Expression Generator and the other is Animation Generator. Animation Generator in the right side generates animations of expressions by transferring and transforming face model parts (e.g. eyes, eyebrows, lips, etc.) represented as 3D shape data. Expression Generator calculates how to transform face model parts based on users' face images, voices, or text information, and delivers parameters to Animation Generator. For example, if a user makes an angry face, image sensor analyzes real-time movements in the face such as raised eyebrows and tightly closed lips, and delivers the information to Animation Generator.

One of the advantages of "FaceCommunicator" is that it can integrate multiple sensor information. It is easy to synchronize the movements of eyes and eyebrows with image sensor (i.e. real expression in front of the camera), and at the same time synchronize the movements of lips with text information read aloud.



System Requirements

Hardware

- CPU Intel® Celeron™ 1GHz or faster
- Memory 256MB or more recommended
- Video Microsoft® DirectX® 8.1 3D rendering feature
- USB camera Microsoft® DirectShow® Video Capture Device
- LAN Connectivity to IP networks using 10/100Base LAN card

Software

- OS Microsoft® Windows® 2000 Professional SP3 or later
Microsoft® Windows® XP Home Edition/Professional SP1 or later
(Japanese version)
- Communication Software IP-TV videoconference software supporting Microsoft® DirectShow®
- Others Microsoft® DirectX® 8.1 or later

Notes:

*FaceCommunicator is a trademark of Oki Electric Industry Co., Ltd. in Japan.

*Celeron is a trademark of Intel Corporation in the United States and other countries.

*Microsoft® Windows2000 / Windows XP ® DirectX® DirectShow are trademarks of Microsoft in the United States and other countries.

*All other company and product names are trademarks or registered trademarks of their respective owners.

About Oki Electric Industry Co., Ltd.

Founded more than a century ago in 1881, Oki Electric Industry Co., Ltd. is Japan's first telecommunications manufacturer, with its headquarter in Tokyo, Japan. With the corporate vision, "Oki, Network Solutions for a Global Society," Oki Electric provides top-quality products, technologies and solutions to its customers through its telecommunications systems, information systems and electronic devices segments. All three segments are integrated into one effective organization that functions as a collective force to create exciting new products and technologies, including information and telecom converged solutions. Through its business activities, Oki Electric satisfies a spectrum of customer needs in various markets.