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For Immediate Release

PRO-DEX, INC. PROVIDES UPDATES ON KEY DEVELOPMENTS

*Company announces signing of new Development and Supply Agreement
Company expands Business Development capability*

SANTA ANA, CA, April 16, 2008 - PRO-DEX, INC. (NASDAQ: PDEX) announced today the completion of two key objectives that keeps the Company on a path to accelerated sales growth.

The Company announced that it has recently entered into a new Development and Supply Agreement with an existing customer in the orthopedic market. This is the same customer that the Company announced last year would be taking over the manufacture of its own product, a decision the customer subsequently reversed. Revenue from the development services to be provided by Pro-Dex are estimated at \$250,000 over the next 12 months. Upon successful completion of the development services, Pro-Dex expects first-year sales of the newly developed device to be approximately \$2.4 million. Launch of the new product is targeted for the next annual meeting of the American Academy of Orthopedic Surgeons in March of 2009.

Commenting on the Agreement, Pro-Dex's Executive Vice President, Patrick Johnson said, "We're pleased to announce the signing of our third major agreement this fiscal year. It is further confirmation that Pro-Dex's value proposition is attractive to the medical device market, and that we can effectively identify and capitalize on new opportunities. The signing of this Agreement is particularly satisfying as it marks a new beginning for a long-time customer relationship, a relationship that had become strained over the years but has been revitalized through powerful collaboration."

The Company also announced the re-hiring of James McKenney as its new Regional Director of Business Development. Mr. McKenney had previously worked for the Company in the position of Director of Sales and Marketing for its Santa Ana business group. "We are really excited about Jim re-joining Pro-Dex," commented Mr. Johnson. "He was a great contributor in the five years he previously worked for the Company and we are confident that he will make a significant contribution in this new role. Jim will be based in Florida where we already have several important medical device customers and where there are several other major potential new customers. Jim will focus on the accelerated growth of our medical device business, including the sales of motors designed and manufactured by our Carson City business unit."

Commenting on these developments, Mark Murphy, Pro-Dex's Chief Executive Officer said "Over the last 18 months, we have invested in engineering, quality, and manufacturing to improve our ability to deliver on our value proposition. The signing of this third major agreement and the hiring of Jim McKenney are evidence of our intent to grow the top line. As we move into our new Irvine, California facility on April 28th, we will have a strong platform (both human and physical assets) from which to build the size and profitability of Pro-Dex."

Pro-Dex Inc. specializes in Accelerating Possibilities in the development and manufacture of technology-based solutions that incorporate embedded motion control, miniature 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 world-wide in hospitals, dental offices, medical engineering labs, scientific research facilities, commercial and military aircraft, and high tech manufacturing operations. For more information, visit the Company's website at <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.