



Press Release

For Immediate Release

OTI Awarded \$4 Million Contract for a Limited Scale First Stage eID System for Ecuador

OTI's Magna™ Platform, Offers an End-to-End Turnkey National eID Solution

Fort Lee, NJ – January 26, 2009 - On Track Innovations Ltd, (OTI) (NASDAQ-GM: OTIV), a global leader in contactless microprocessor-based smart card solutions for homeland security & eID Systems, payments, petroleum payments and other applications, announced today that it has signed a contract with the Registro Civil (Registry Office) of the Government of Ecuador to implement a limited scale pilot project for the country's National eID system, which will serve as the first stage of the national eID system. The project includes issuance of new biometric-based electronic ID cards and other public certificates (birth, death, marriage, etc.) for the citizens of Ecuador. The value of this first stage project to OTI is estimated at \$4 million, with deliveries scheduled for the first half of 2009.

OTI will supply its end-to-end turnkey solution, based on its proprietary state-of-the-art, field-proven eID Magna™ platform. The project includes supply of both stationary and mobile stations for data enrollment, creating a central registry database and issuing contactless, highly-secured smart ID cards. The solution also incorporates a Biometric Automatic Fingerprint Identification System (AFIS), which detects and prevents multiple registration attempts.

OTI's secured ID solution supports both online and offline communication, thereby allowing every citizen, from cities to rural areas to apply for an ID card, regardless of the area's communication infrastructure. This user-friendly solution is designed to provide maximum accuracy and security.

Oded Bashan, Chairman and CEO of OTI, stated, "OTI's end-to-end Magna™ field proven solution, complemented by the company's broad experience, technologies and IP portfolio, creates an unbeatable value proposition for countries wishing to implement a quick and cost effective secured identification and verification solutions, regardless of the country's size and telecommunication infrastructure."

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About OTI

Established in 1990, OTI (NASDAQ-GM: OTIV) designs, develops and markets secure contactless microprocessor-based smart card technology to address the needs of a wide variety of markets. Applications developed by OTI include product solutions for petroleum payment systems, homeland security solutions, electronic passports and IDs, payments, mass transit ticketing, parking, loyalty programs and secure campuses. OTI has a global network of regional

offices to market and support its products. The company was awarded the Frost & Sullivan 2005 and 2006 Company of the Year Award in the field of smart cards.

For more information on OTI, visit www.otiglobal.com, the content of which is not part of this press release.

Safe Harbor for Forward-Looking Statements:

This press release may contain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995 and other Federal securities laws. Whenever we use words such as "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions, we are making forward-looking statements. Because such statements deal with future events and are based on OTI's current expectations, they are subject to various risks and uncertainties and actual results, performance or achievements of OTI could differ materially from those described in or implied by the statements in this press release. For example, forward-looking statements include statements regarding our goals, beliefs, future growth strategies, objectives, plans or current expectations, such as those regarding the expected income to be generated from the pilot project for Ecuador's National eID System or regarding the superiority of our technology and solutions, or anything that may be implied by the project being a first stage of a national eID system (including the possibility of expanding the pilot to a full scale system). Forward-looking statements could be impacted by market acceptance of new and existing products and our ability to execute production on orders, as well as the other risk factors discussed in OTI's Annual Report on Form 20-F for the year ended December 31, 2007, which is on file with the Securities and Exchange Commission. Although OTI believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. Except as otherwise required by law, OTI disclaims any intention or obligation to update or revise any forward-looking statements, which speak only as of the date hereof, whether as a result of new information, future events or circumstances or otherwise.

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