



Press Release

For Immediate Release

HuaDa-ZhiBao and OTI Win Supply Contract for China's Ministry of Foreign Affairs Electronic Passport Chips

This Award is in Addition to the Inspection Equipment Award Reported Last Week

Iselin, NJ – November 2, 2009 - On Track Innovations Ltd, (OTI) (NASDAQ: OTIV), a global leader in contactless microprocessor-based smart card solutions, for homeland security, payments, petroleum payments and other applications, today announced that its Chinese partner HuaDa-ZhiBao Electronic Systems Ltd is part of the winning bid to supply the Ministry of Foreign Affairs' (MFA) electronic passport booklet, and will be responsible for the supply of Integrated Circuit (IC) modules to be used in such. HuaDa-ZhiBao is OTI's Chinese local partner, providing a local Chinese product for the MFA program. HuaDa-ZhiBao and OTI have reached an overall profit sharing agreement in addition to product revenues. The Ministry of Foreign Affairs issues passports to diplomats and entry visas to China. The MFA issues about one (1) million passports annually. This award is in addition to the inspection equipment award reported last week.

China's MFA electronic passport is based on the International Civil Aviation Organization (ICAO) and ISO 14443 standards. Earlier this year, HuaDa-ZhiBao and OTI delivered initial quantities for this program, which successfully passed rigorous testing for product performance including security, durability, communications, personalization and more. The MFA is planning to start issuing electronic passport in 2010.

Oded Bashan, Chairman & CEO of OTI said: "We are honored to be a part of the Chinese MFA electronic passport program. The cooperation with HuaDa-ZhiBao has proven to be successful, professional and positions us to provide best-in-class ID solutions to the Chinese government."

Mr. Bashan continued: "As we have indicated, in our view, the Chinese opportunity is comprised of a series of projects and initiatives which are governed by different governmental regulations and agencies. Each one of these initiatives is large, complex, sophisticated and involves the integration of multiple sub systems, and thus takes long time. In recent years OTI has been working with strong local partners in order to be able to establish local products which support the Chinese opportunity."

About OTI

Established in 1990, OTI (NASDAQ: 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 and loyalty programs. 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.

Safe Harbor for Forward-Looking Statements:

This press release contains forward-looking statements within the meaning 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 revenues to be generated from orders from the Chinese MFA’s electronic passport program, our ability to establish local products which support the Chinese opportunity or those related to the superiority of our electronic passport solutions or the potential market or revenues thereof. 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, 2008, 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. 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.

OTI Contact:

Galit Mendelson
Vice President of Corporate Relations
201 944 5200 ext. 111
galit@otiglobal.com

Investor Relations:

Miri Segal
MS-IR LLC
917-607-8654
msegal@ms-ir.com