



NEWS RELEASE for January 25, 2007

**BIOLASE SIGNS DEFINITIVE LICENSE AGREEMENT
WITH PROCTER & GAMBLE FOR CONSUMER PRODUCTS**

IRVINE, CA (January 25, 2007) . . . BIOLASE Technology, Inc. (NASDAQ:BLTI), the world's leading dental laser company, announced today that it has signed a definitive license agreement with The Procter & Gamble Company (NYSE:PG) ("P&G"). Under the terms of the agreement, BIOLASE has granted P&G rights to certain BIOLASE intellectual property for use in the development of consumer products in a number of different areas. As previously announced, the companies entered into a binding letter agreement in June 2006 setting forth the terms and conditions that would be incorporated into a definitive agreement.

Upon execution of the binding letter agreement, P&G paid BIOLASE an upfront fee of \$3.0 million. As contemplated in the binding letter agreement, the definitive license agreement provides that P&G will pay BIOLASE royalties based on product sales, milestone payments, and quarterly payments of \$250,000 until the first product is launched, a portion of which will be credited against future royalties.

BIOLASE President and CEO Jeffrey W. Jones said, "This agreement with Procter & Gamble opens the door for BIOLASE to participate in the consumer market alongside a proven leader in consumer products. We look forward to P&G bringing to the market new consumer products through this relationship."

Further details of the agreement will be included in a corresponding filing by BIOLASE with the Securities and Exchange Commission.

About BIOLASE Technology, Inc.

BIOLASE Technology, Inc. (<http://www.biolase.com>), the world's leading dental laser company, is a medical technology company that develops, manufactures and markets lasers and related products focused on technologies for improved applications and procedures in dentistry and medicine. The Company's products incorporate patented and patent pending technologies focused on reducing pain and improving clinical results. Its primary product, the Waterlase® system, is one of the best selling dental laser systems. The Waterlase system uses a patented combination of water and laser to precisely cut hard tissue, such as bone and teeth, and soft tissue, such as gums, with minimal or no damage to surrounding tissue. The Company also offers the LaserSmile™ system, which uses a laser to perform soft tissue and cosmetic procedures, including teeth whitening. The Company is also developing a laser for use in the field of ophthalmology.

This press release may contain forward-looking statements within the meaning of safe harbor provided by the Securities Reform Act of 1995 that are based on the current expectations and estimates by our management. These forward-looking statements can be identified through the use of words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions. Forward-looking statements are based on management's current, preliminary expectations and are subject to risks, uncertainties and other factors which may cause the Company's actual results to differ materially from the statements contained herein, and are described in the company's reports it files with the Securities and Exchange Commission, including its annual and quarterly reports. No undue reliance should be placed on forward-looking statements. Such information is subject to change, and we undertake no obligation to update such statements.

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