



For: Touchstone Applied Science Associates Inc.
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NEWS RELEASE

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FOR IMMEDIATE RELEASE

TASA AWARDED NEW \$1.8 MILLION CONTRACT WITH STATE OF IDAHO

- **Company Will Assess English Language Learners**
- **Backlog of Future Booked Business Reaches \$25 Million**
- **\$6.2 Million in New Contracts Booked Since May 1, 2005**
- **Award Validates Strategy of Having Four Integrated Operating Units**

Brewster, NY, July 21, 2005 -- Touchstone Applied Science Associates, Inc., (OTCBB: TASA) announced today that it has been awarded a three-year, \$1.8 million contract with the State of Idaho to assess English Language Learners. Each of TASA's four operating units will be involved in the execution of the contract. Under terms of the contract, TASA will perform the printing, distribution and scoring tasks; BETA will do item development and standard setting; AEC will perform the alignment study; and newly acquired ADI will provide web-based reporting.

"Winning this contract with the State of Idaho is a landmark event for TASA," said Andrew L. Simon, president and chief executive officer. "It validates our strategy to provide customers with a comprehensive suite of assessment products and services. Initial steps in that strategy were taken in January of this year when we acquired Assessment and Evaluation Concepts, Inc. and again in June when we acquired Achievement Data, Inc., to round out our assessment services capabilities. The Idaho contract is the first instance since those acquisitions in which TASA and all of our units will have a role in a contract."

"With this new contract award, our backlog of future booked business through 2009 has reached \$25 million. We are also gaining momentum in our new business efforts. We have added \$6.2 million in new business since May 1, the beginning of our fiscal third quarter, and \$13.2 million in new business since February 1, 2005," Simon added.

Simon noted that TASA is continuing to bid aggressively on business and is optimistic that its expanded capabilities and resulting enhancements to its competitive position will yield additional contract awards by the end of its October 31, 2005 fiscal year.

TASA, based in Brewster, N.Y., designs, develops, calibrates, publishes, markets and sells educational assessment tests primarily to elementary and secondary schools throughout the United States. TASA also provides scanning, scoring and reporting services for all of its tests to states, schools and districts as well as to third parties. Through its custom assessment unit, the company provides consulting services, including test design and development, and psychometric services to states, school districts and textbook publishers. Visit the company's website at www.tasa.com.

Statements contained in this release that are not historical facts are “forward-looking” statements as contemplated by the Private Securities Litigation Reform Act of 1995, as amended. Such forward-looking statements are subject to risks and uncertainties, which are enumerated in the company’s reports filed with The Securities and Exchange Commission. These risks and uncertainties could cause actual results to differ materially from those projected or implied in the forward-looking statements.

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