

FRANTIC FILMS SET TO GROW AGAIN FOLLOWING SIGNIFICANT EQUITY INVESTMENT

FOR IMMEDIATE RELEASE

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WINNIPEG, MB – Frantic Films is pleased to announce it has secured a \$5 million equity investment from Toronto-based Priveq Capital Funds. The proceeds will be used to fund the growth of all Frantic's divisions through acquisitions and investment in current operations.

"We are thrilled to have the Priveq team on board as we look to expand our business – again," said Jamie Brown, Frantic's CEO and Executive Producer. "There are many more opportunities for growth we can access with this extra leverage behind us."

Frantic's management is excited by the chance to expand all four of its major divisions, including visual effects, television/film production, and commercial production. "We also will use these funds to propel the company's software development division forward," said Frantic COO, Ken Zorniak.

Commenting on the Frantic transaction, Brad Ashley, Managing Partner of PRIVEQ Capital Funds, said "PRIVEQ is delighted to be an investor in Frantic. We are very impressed with the management team and the multitude of critically acclaimed successes the Company has been able to realize to date." Mr. Ashley also noted that "PRIVEQ is looking forward to supporting the Company's efforts to realize on its tremendous growth opportunities."

About Frantic Films Corporation

Since 1997, Frantic's founders Zorniak and President Chris Bond, along with partner and CEO Brown, have propelled Frantic forward to be the company it is today: an internationally acclaimed visual effects and film and television production facility, with offices in Winnipeg, Vancouver, Los Angeles and Sydney. The company has numerous business and entertainment awards reflecting its strong growth and creative excellence

About PRIVEQ Capital Funds

Founded in 1994, PRIVEQ manages a private equity portfolio with assets of \$85 million. In April 2006, PRIVEQ completed the final closing of PRIVEQ III Limited Partnership, the firm's third private equity fund. Led by BDC Venture Capital, Teachers' Private Capital and Export Development Canada, total committed capital for PRIVEQ III Limited Partnership is \$57 million.

PRIVEQ provides tailor-made equity solutions to profitable and growing companies through a highly expedited investment approach coupled with real value-added assistance post-investment. PRIVEQ invests initial equity capital of **\$3 - \$7 million** for expansion capital purposes as well as to facilitate management buy-outs and buy-ins.

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