

Ascalade

News Release

For Immediate Release

Ascalade Communications Inc. Completes 100% Distribution to Creditors

VANCOUVER, BC –August 13, 2009 – Ascalade Communications Inc. (the “Company”) announces that a final distribution to all of its proven creditors will be paid. The Company is subject to proceedings under the *Companies' Creditors Arrangement Act* (the “CCAA”). To facilitate the realization of the Company's assets and the winding-up of the Company and its business, on March 3, 2008 Deloitte & Touche Inc. was appointed Monitor of the Company pursuant to the Company's CCAA filing. In June 2008 the Company's Plan of Compromise or Arrangement (the “Plan”) was presented to the Company's creditors, who voted in favour of accepting the Plan. As a result of the creditors' acceptance of the Plan, a court order was obtained on June 26, 2008 whereby the Supreme Court of British Columbia sanctioned the approval of the Plan.

The Company's Plan called for distribution to occur to the proven creditors upon assets being realized both in Canada as well as Hong Kong and China. Upon receipt of an interim distribution from Ascalade Communications Limited (“ACL”) in November 2008, an interim distribution was completed to the Company's creditor's equivalent to 80% for each proven dollar.

The Monitor has received a further distribution from ACL and is in position to pay the remaining 20% of the proven creditor's claims. This final distribution represents a 100% payment of all proven creditors' claims, and therefore there will be no further distributions to the creditors.

The Company's only remaining significant unsold asset is the factory located in the Peoples Republic of China (“the PRC”). This asset continues to be listed for sale, and there has been an expression of interest with respect to the purchase of the factory by two separate parties. The proposed purchase price is significantly lower than ACL and the Scheme Administrator had anticipated, as a result of the highly depressed market for factories in the PRC, coupled with significant regulatory challenges surrounding exiting the PRC.

In accordance with the Plan, any further distributions from ACL related to the Company's pro-rata share from any potential future sale of the factory would be distributed to shareholders and the Company would ultimately be wound down.

Any recovery in the CCAA proceedings for shareholders is uncertain and is highly dependent upon a number of factors, including the recovery from the sale of the factory in the PRC and the outcome of the Scheme of Arrangement for ACL in Hong Kong.

For more information about the Company or the CCAA proceedings,
see:http://www.deloitte.com/view/en_CA/ca/specialsections/insolvencystandstructuringproceedings/ascaladecomunicationsincandascaladetechnologiesinc/index.htm