



**IMMERSIVE  
MEDIA**

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*Press Release*

**IMMERSIVE MEDIA CORP. ACQUIRES FREESTONE SYSTEMS INC.**

**Calgary, AB – February 15, 2007** – Immersive Media Corp. (TSXV:IMC) ("IMC" or the "Company") is pleased to announce that it has acquired all of the issued and outstanding shares of Freestone Systems, Inc. ("Freestone Systems"), a corporation incorporated under the laws of Texas. Freestone Systems is the parent company of Light Speed Labs, L.P. and Light Speed Mobile, LLC, and the companies specialize in imaging product design for the security and asset management markets, mobile display and video conferencing industries. Pursuant to the terms of the definitive merger agreement (the "Merger Agreement"), IMC completed the acquisition through a wholly-owned subsidiary, IMC Merger Corporation, a corporation incorporated under the laws of Texas.

The acquisition strengthens IMC's engineering expertise, expands its product offerings, and accelerates its product development cycle. This brings together two leaders in the advanced digital video industry that are changing the way people interact with visual information. The engineers at Freestone Systems have diverse backgrounds with experience ranging from guided military systems to consumer digital camera chip design. Freestone Systems' technical strength in sensors, displays, networking, video recording and processor design have established it as a leading innovator in digital video markets.

Neal Cooper, former managing director of Freestone Systems said, "Immersive Media's proven spherical video platform is a natural and needed evolution in our existing mobile data acquisition and security solutions. We believe in IMC's vision and together we can continue to change peoples' perspective and revolutionize the visual communications market worldwide. The Freestone's team is excited about becoming part of IMC and working hand in hand to bring the best solutions to the industry."

"The acquisition of Freestone Systems enables IMC to deliver a unique, end to end solution," stated Myles M. McGovern, president & CEO of Immersive Media Corp. "We understand that our clients require different data acquisition, management and information solutions based on the end user needs. With the amalgamation of Freestone Systems and IMC we are able to provide the next generation visual intelligence solution."

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Consideration for the acquisition consists of an aggregate of 575,000 IMC shares and the payment of cash consideration in the amount of US\$825,222 and the assumption of Freestone Systems' debt outstanding in the amount of US\$1,174,777. The parties to the agreement are IMC, IMC Merger Corporation, Freestone Systems and Alan Neal Cooper as the representative of the shareholders of Freestone Systems. No finder's fee was paid in connection with the acquisition.

On the basis of unaudited financial statements for the fiscal year ended December 31, 2006, Freestone Systems had total revenue of US\$1.18 million, total assets of US\$289,000, total liabilities of US\$937,000, working capital of US\$22,000, a net loss of US\$673,000 and a shareholder deficit of US\$649,000.

Freestone Systems had 909,913 shares outstanding at the time of the acquisition. All options to purchase common shares of Freestone Systems that were outstanding at closing were terminated and canceled without payment of any consideration therefor. There were no warrants, rights, agreements or commitments to which Freestone Systems was a party or which were binding upon Freestone Systems providing for the issuance or redemption of any of its capital stock.

The directors and senior officers of IMC remain unchanged after the acquisition. Alan Neal Cooper, President of Freestone Systems, will become an Insider of the Company as he will be appointed a Director of IMC Merger Corporation along with current directors, David Anderson and Myles McGovern. In addition, Myles McGovern is the President and Chief Executive Officer of IMC Merger Corporation and David Anderson is the Chief Financial Officer.

#### **About Freestone Systems, Inc.**

Freestone Systems, Inc. is a leader in specialized imaging product design for the security/asset management, mobile display, and video conferencing industries. From design and development to marketing integrated, specialty video imaging, and display products and solutions, Freestone Systems, Inc.'s technologies and designs support a progressive range of visual solutions from ultra high resolution image capture (digital sensors and cameras), audio & visual signal high-speed transmission protocols and microprocessor programming to digital image recording and storage, and digital video displays (LCDs.) For more information, please visit [www.lsmobile.com](http://www.lsmobile.com)

#### **About Immersive Media Corp.**

IMC is an advanced digital video imaging company. Using eleven video streams arranged according to geodesic geometry, Immersive video captures an almost complete spherical image; a high-resolution 360 degree view of surroundings that is seamlessly stitched together. IMC's immersive movies can integrate GIS coordinates and other metadata producing our GeoImmersive™ video. IMC's open platform design easily interfaces with industry standard databases providing viewers with greater visual detail for timely, fact-based decision-making.

IMC's offerings include hardware, software, camera and post-production services, and immersive imagery available for licensing. Applications include: urban planning, oil and gas resource management, emergency response and first responder operations, and commercial media. IMC is a publicly traded company that is listed under the symbol "IMC" on the TSX Venture Exchange. For more information please visit [www.immersivemedia.com](http://www.immersivemedia.com)

*ADVISORY: Certain information in this press release constitutes forward-looking statements under applicable securities law. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “plan”, “may”, “should”, “anticipate”, “expects”, “opportunity” and similar expressions. Forward-looking statements in this press release include, but are not limited to, statements with respect to IMC’s intention to increase mapping of cities in North America and internationally, the benefits of the license agreement to IMC, and IMC’s opportunity to license updates and new images under the agreement. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with IMC’s ability to capitalize on the opportunities created by the license agreement, IMC’s ability to execute its business plan, and the inability of IMC to access sufficient capital from internal and external sources. Readers are cautioned that the foregoing list of factors is not exhaustive.*

*Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

*Additional information on these and other factors that could affect IMC’s operations or financials results are included in IMC’s reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), IMC’s website ([www.immersivemedia.com](http://www.immersivemedia.com)) or by contacting IMC. Furthermore, the forward-looking statements contained in this new release are made as of the date of this news release, and IMC does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities laws.*

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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