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ENTROPIA UNIVERSE ENTERS CHINA TO CREATE THE LARGEST VIRTUAL WORLD EVER

One of the World's Largest Virtual Economies Partners with Chinese Cyber-Giant to Create a New Network Capable of Handling 7 Million Concurrent Users and \$1 Billion in Commerce Annually

(Gothenburg, Sweden) – May 30, 2007 – Entropia Universe, the safest virtual world utilizing a real cash economy, has been chosen by the Beijing Municipal People's Government supported online entertainment company Cyber Recreation Development Corp. (CRD) to create a cash-based virtual economy for China. The landmark deal was negotiated for almost a year and will bring an outside virtual world into China for the very first time. Entropia Universe was chosen over several other proposals, including one by Second Life.

The new project will permit up to 7 million concurrent users logged into the virtual universe with an overall aim to attract some 150 million users from all over the world. Entropia Universe, a 3-dimensional universe on the Internet intended for entertainment, work, commerce, community building, culture, and much more, is expected to generate over \$1 billion annually in commerce from this partnership.

David Liu, the CEO of Cyber Recreation Development Corp. says, "It is estimated that the project will generate some 10,000 qualified job opportunities in China. An important aspect for this project is also the positive effects on our environment that we foresee. People will actually be able to work from home inside Entropia Universe, as many people do today, even from rural areas, thereby decreasing the amount of pollution generated by travel. Entropia Universe's highly secure system and open-ended approach is suitable for a variety of exciting developments, from trade to cultural exchange, to environmental saving and historic preservation. All in all, Entropia Universe is absolutely the best choice on the market for us to achieve the set goals."

Jan Welter Timkrans, the CEO of MindArk PE AB, says: "The scope that follows from this agreement is truly grand in vision but also great for the continual development of Entropia Universe. The ideas presented during our mutual talks with CRD are mind-boggling and show the potential that lies within Entropia Universe as a safe, stable and trusted platform, both for real cash commerce, as well as gaining culture and education for Entropia participants. On the technical side, the server structure running the Entropia Universe will be one of the fastest on Earth. I am also very pleased that MindArk has been able to quickly come to a mutual agreement, as this journey began when MindArk joined the delegation surrounding the East-India ship Gotheborg's arrival in Shanghai in August 2006, and the celebrations around this. The Swedish Royal family and esteemed members of China's upper political echelon were present at the celebrations."

The technology introduced with this project will enable other companies within media, film, music and gaming industries, or other content providers, to acquire their own planet within Entropia Universe. In turn, this will provide a diverse, entertaining and interesting three dimensional virtual universe of vast proportions for participants to explore. A number of the world's largest corporations within the aforementioned business sectors are currently in negotiations to purchase their own planet within Entropia Universe.

The heart of Entropia Universe today lies in a distant planet named Calypso, encompassing two continents with large expanding cities that offer a variety of entertainment and social interaction for its citizens. The cooperation agreement with China will generate hundreds of new planets and open up space for travel between the planets.

Entropia Universe offers opportunities in numerous professions which are unique and completely different from that of the members' real life occupations. Entropia uses a system based on skills and experience which allows for occupational proficiency in areas ranging from event promotions and store ownership to hunting and mining. Entropians have the chance to buy and sell property, become financially successful, and even find a mate in their virtual world.

Entropia Universe is the only virtual gaming community that actively supports sales of virtual products with actual cash value within its real economy system. The economy offers the user a secure and safe way to make purchases, sales and exchange real-life currency into PED (Project Entropia Dollars) and back again into real money, at a fixed exchange rate to the US Dollar, guaranteed by MindArk PE AB. PED allows members to invest in personal development and growth through the acquisition of goods, buildings, and land in the virtual universe.

About Cyber Recreation Development Corp.

Cyber Recreation Development Corp. is a leader of cyber entertainment in China. Beijing Municipal People's Government has selected CRD as the source for culture and digital entertainment and as part of the "the Eleventh Five-Year Plan for Economic and Social Development in Beijing." By combining digital entertainment with recreation facilities, CRD brings out new opportunities for traditional economy and will stimulate the economic development of the growing Beijing capital area. More information about CRD is available at: <http://www.crd.gov.cn>.

About Entropia Universe

The heart of Entropia Universe is a distant planet named Calypso, which encompasses two continents with animal-filled wildernesses and large expanding cities that offer a variety of entertainment and social interaction for its participants. In Entropia, participants can create their own persona, or avatar, via a character-generation system, and then have the option of choosing a suitable life and virtual existence for their avatar. Characters are able to enter the evolving worlds of Entropia Universe, which are full of unexplored and uncultivated lands. Participants can join a community or even create a civilization of their own. Entropia offers a new avenue for individuals to pursue dreams, fantasies, and adventures in an astoundingly 'real' virtual universe.

In December 2004, Entropia Universe set a world record certified by the Guinness Book of World Records, when it sold a virtual Treasure Island for US \$26,500, the largest virtual dollar amount spent, to 22-year-old Australian David Storey, a.k.a. "Deathifier." In October 2005, the sale of an asteroid-based space resort for US \$100,000 to famed gamer, Jon 'NEVERDIE' Jacobs, set a new

record for the most valuable virtual item. In May 2007, MindArk sold five virtual banking licenses for over US \$400,000 and among the buyers are real world banks and financial establishments, alongside with Entropia participants.

Entropia Universe is a registered trademark of MindArk PE AB. MindArk supports and monitors the services and maintenance of the Entropia Universe site. MindArk began in April of 2003 in Sweden, and has expanded to have partners throughout the world. Entropia Universe was launched in 2003 and has reached over 580,000 registered accounts. MindArk offers the Entropia Universe software to users free of charge with no monthly costs or associated subscription fees. For more information or to download the free Entropia Universe software please visit www.entropiauniverse.com. For more information about Entropia Universe's developer, MindArk, please visit www.mindark.com.