



## NEWS RELEASE

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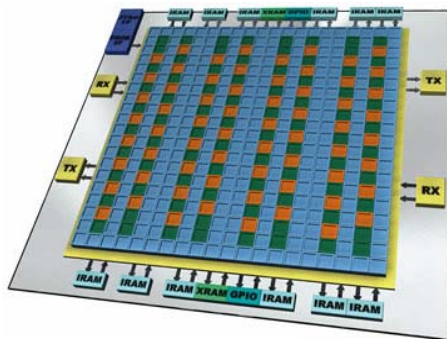
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### FOR IMMEDIATE RELEASE

#### CORE CAPITAL'S ESG SIGNS AGREEMENT WITH MATHSTAR™ *M&A firm to sell Intellectual Property for MathStar*

**COLORADO SPRINGS, Colorado – October 16, 2008** – Core Capital Group, through its Electronics and Semiconductor Group (ESG), has signed an agreement with MathStar, Inc. (NASDAQ: MATH) to sell their intellectual property (IP). Core Capital Group's ESG, a specialty investment banking practice focused on middle market electronics and semiconductor companies, recently successfully completed an in-depth analysis of MathStar's IP. ESG will now conduct a search for appropriate interested buyers for the unique technology of MathStar, a fabless semiconductor company specializing in high-performance programmable logic.

MathStar offers best-in-class, high-performance programmable logic solutions for a variety of industries. MathStar's Arrix family of field programmable object arrays (FPOA) is a second generation of FPOAs that offers high performance and reprogrammability meeting a wide variety of application needs.



Arrix FPOA Architecture

The agreement engages ESG's resources to represent the MathStar FPOA products and technology. "In completing our recent analysis of the IP, the ESG team concluded that the MathStar technology is fully proven and well developed, including complete product qualifications, a powerful suite of software support tools and custom demonstrations," said Mr. Loren Lancaster, managing director of Core Capital's Electronics and Semiconductor Group.

“We have also identified specific market channels where the MathStar technology could enable disruptive new solutions. We will be discretely approaching key players in these markets.”

Mr. Doug Pihl, chairman and CEO of MathStar, explains, “The depth of ESG’s detailed analysis of the MathStar technology greatly exceeded our expectations. They thoroughly probed all key technology and market aspects to complete a well-formed evaluation. We are pleased that ESG has concluded to commit to MathStar’s future.”

### **Core Capital Group**

Core Capital’s Electronics and Semiconductor Group focuses exclusively on providing M&A services to middle market electronics and semiconductor companies. Core Capital is a member company of the International Network of M&A Partners (IMAP), a global partnership of 60 leading merger & acquisition advisory firms located in over 40 countries worldwide. For more information, go to [www.ESGibank.com](http://www.ESGibank.com).

### **MathStar, Inc.**

MathStar, Inc. (NASDAQ: MATH) is a fabless semiconductor company specializing in high-performance programmable logic. MathStar’s field programmable object arrays (FPOA) can process arithmetic and logic operations at clock rates of 1-gigahertz, which is up to four times faster than even the most advanced FPGA architectures in many applications. For more information, go to [www.mathstar.com](http://www.mathstar.com).

### **Forward-Looking Statements**

*Statements in this press release, other than historical information, may be “forward-looking” in nature within the meaning of Section 21E the Private Securities Litigation Reform Act of 1995 and are subject to various risks, uncertainties and assumptions. These statements are based on management’s current expectations, estimates and projections about MathStar and its industry and include, but are not limited to, those set forth in the section of MathStar’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 14, 2008 under the heading “Risk Factors.” MathStar undertakes no obligation to update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.*