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For Immediate Release:

**BACKBONE ENTERTAINMENT AND THE COLLECTIVE MERGE
TO FORM FOUNDATION 9 ENTERTAINMENT, INC.**

The New Company is the Largest Independent Game Developer in North America

LOS ANGELES and NEWPORT BEACH, CA – March 29, 2005 – The Collective, Inc., and Backbone Entertainment today announced their intention to merge, forming the largest independent developer in North America, Foundation 9 Entertainment, Inc. The new company offers publishing partners better technology, greater production capabilities, and deeper development resources across a comprehensive range of platforms and genres, including next-generation platforms. In addition, the company will be better positioned to invest in acquiring, creating, and further developing intellectual properties to bring to game publishers as well as partners outside of the videogame industry.

“The decision to join together and form the largest independent development company in North America was easy given our shared vision for the interactive entertainment market,” said Jon Goldman, CEO of Foundation 9 Entertainment, Inc. “With the increasing complexity of next-generation platforms, we see great opportunities that can only be addressed by pooling talent and financial resources. We will be able to better invest in technology, processes and creative opportunities that will make us a key player in the future of game development and beyond.”

“We’ll be rolling out our strategy through upcoming partnerships that will foster new media opportunities for our publishers and other existing relationships,” said Douglas Hare, co-president of Foundation 9 Entertainment. “Our intention is to continue to focus on our existing opportunities and expand our current game development business substantially through our increased capabilities.”

The new management of Foundation 9 Entertainment includes Jon Goldman as CEO, Andrew Ayre and Douglas Hare as co-presidents, and Gary Priest and Mark Loughridge as co-chairmen. Richard Hare will serve as chief creative officer, and Jeff Vavasour will continue as vice president of Canadian operations. Steven Sardegna will serve as CFO and Larry Kelly as COO.

Foundation 9 Entertainment’s labels have developed more than 250 titles, including more than 50 in 2004 alone. The company employs more than 300 employees in North America, and has offices in Los Angeles, Newport Beach, the San Francisco Bay Area, Vancouver, and Boston.

Foundation 9 Entertainment develops games for a wide variety of platforms including handheld, PC, online, PSP™ handheld entertainment system, Sony PlayStation®, Sony PlayStation®2 computer entertainment system, the Xbox® video game system from

Microsoft, Nintendo GameCube™, Game Boy® Advance and DS video game systems. The company has developed multiple million-unit sellers on the Game Boy Color, Game Boy Advance, PlayStation, PlayStation 2, Xbox and PC platforms. Foundation 9 Entertainment has also won numerous awards for children's and online products through its ImaginEngine brand.

Foundation 9 Entertainment's core brands include Backbone Entertainment, The Collective, and Digital Eclipse. The company also retains the ImaginEngine brand which specializes in the development of children's and value titles.

Since being founded in 1997, The Collective's track record for developing critically acclaimed, high-profile games is unmatched. It has developed top selling titles based on *Men in Black*, *Star Trek*, *Buffy the Vampire Slayer*, and *Indiana Jones*. Current development efforts include *Marc Ecko's Getting Up: Contents Under Pressure* and a game based on the forthcoming *Star Wars Episode III: Revenge of the Sith*. These successes have made The Collective one of the most sought-after independent development groups in the world. The Collective will continue to be a key developer of high-profile licensed and AAA titles under Foundation 9 Entertainment.

Backbone Entertainment was formed in 2003 from the merger of Digital Eclipse and ImaginEngine. Digital Eclipse and ImaginEngine have shipped hundreds of titles since their founding in 1992 and 1994 respectively. Digital Eclipse has grown to be the most dominant brand in bringing classic games to new generations of gamers and is the leading player in the fast growing handheld market, specializing in creating original games from high profile licenses. ImaginEngine's education and value development remain a key part of the Foundation 9 development strategy.

Backbone will be Foundation 9 Entertainment's original IP label, with the company developing merchandising opportunities in diversified entertainment genres. Foundation 9 Entertainment's first original IP through the Backbone label is *Death Jr.*, which was the first title ever shown for PSP and is being published by Konami in 2005. *Death Jr.* has already been licensed for comic books, t-shirts, action figures and other merchandizing categories.

The transaction is subject to final board and shareholder approval.

About Foundation 9 Entertainment, Inc.

Foundation 9 Entertainment is a premier developer of interactive entertainment products and properties, and the largest independent games developer in North America. With studios in the San Francisco Bay Area, Vancouver, Boston, Los Angeles, Newport Beach, Eugene, and Honolulu, Foundation 9 is a development powerhouse, positioned to maximize the value of entertainment properties across all entertainment genres.

Through its studios and core brands, Backbone, The Collective, Pipeworks, ImaginEngine, and Digital Eclipse, Foundation 9 Entertainment has worked with the largest names in the game publishing world. The company creates titles for all age groups and all platforms, through licensed and original IP, as well as contract development and its studios have developed more than 300 titles, including more than 30 in 2005 alone. For more information, please visit: www.F9E.com.