



## **PRESS RELEASE**

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## **FOR IMMEDIATE RELEASE**

### **MathStar, Inc. Files 2006 Annual Report on Form 10-K**

**Hillsboro, Ore., March 16, 2007** – MathStar, Inc. (Nasdaq: MATH), a fabless semiconductor company specializing in high-performance programmable logic, announces today that it has filed its Annual Report on Form 10-K for the year ended December 31, 2006 with the Securities and Exchange Commission. As a part of this process, the material weakness reported in its Annual Report on Form 10-K for the year ended December 31, 2005 has been remediated. However, the report of its independent auditor included in the Annual Report on Form 10-K for 2006 contains a paragraph expressing substantial doubt as to the company’s ability to continue to meet its obligations over the next 12 months.

MathStar said that its cash balances and planned cash utilization over the next 12 months, coupled with its limited operating history, were reasons cited by its independent auditors for issuing a going concern opinion.

“During our quarterly earnings conference call, we addressed the issue of raising additional funds before the end of the year,” stated Douglas M. Pihl, chief executive officer and president of MathStar. “We believe we will be successful in raising any additional capital required to fund the ongoing operations of MathStar.”

### **About MathStar, Inc.**

MathStar is a fabless semiconductor company offering best in class, high-performance programmable logic solutions. MathStar’s field programmable object array (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. MathStar’s Arrix™ family of FPOAs are high-performance programmable solutions that enable customers in the machine vision, high-performance video, medical imaging, security & surveillance and military markets to rapidly and cost effectively innovate and differentiate their products. FPOAs are available now and are supported by development tools, IP libraries, application notes and technical documentation. For more information, please visit [www.mathstar.com](http://www.mathstar.com).

*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 31, 2006 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.*

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