



PRESS RELEASE

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FOR IMMEDIATE RELEASE

MathStar Announces Third Quarter 2007 Financial Results

HILLSBORO, Ore., November 7, 2007 – MathStar, Inc. (Nasdaq:MATH), a fabless semiconductor company specializing in high-performance programmable logic, today announced results for its third quarter of 2007, ended Sept. 30, 2007. Revenues in the third quarter were \$63,000, compared with \$28,000 in the same period last year. During the three months ending Sept. 30, 2007, the company completed and invoiced the first phase of a multiple element arrangement for \$78,000. The amount was not recognized as revenue during the quarter as not all of the criteria for revenue recognition were met. The company will recognize the full value of the arrangement, totaling \$156,000, upon completion of the remaining elements, which is expected to occur in the fourth quarter.

Net loss per share was \$0.10 in the third quarter of 2007, compared with a loss of \$0.39 per share in the same quarter a year ago.

"We are starting to see the revenue ramp on our Arrix™ FPOA products" said Doug Pihl, president and chief executive officer. "We believe that 2008 will be the year we prove to the programmable logic market that a new player has arrived," he said.

For the quarter ended Sept. 30, 2007, research and development expenses decreased \$1.6 million or 38 percent to \$2.7 million, from \$4.3 million reported in the same quarter a year ago. The decrease was a result of reductions in engineering material of \$1.3 million due to the tapeout of the Arrix chip last year, combined with lower outside development costs and lower administrative costs. The decrease was partially offset by the increase in employee related expenses.

Selling, general and administrative expenses decreased \$0.4 million or 16 percent to \$2.2 million, compared with \$2.5 million in the same quarter a year ago. The decrease was a result of lower non-cash charges related to restricted stock issued in earlier periods offset by increased employee recurring charges.

The company will present a full business update during a conference call today, Wednesday, Nov. 7, at 1:30 p.m. PST. To listen to the call, please dial 303-262-2050 or

800-257-6607 (toll free). A replay of the call will be available on the company's website at [http:// www.mathstar.com](http://www.mathstar.com).

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 at 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 and 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.

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, 2007 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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