PRESS RELEASE

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FOR IMMEDIATE RELEASE

MathStar, Inc. Announces World's Fastest Reprogrammable JPEG 2000 Encoder for the Field Programmable Object Array™ (FPOA™)

HILLSBORO, Ore., July 10, 2006 – MathStar, Inc. (Nasdaq: MATH), the field programmable object array (FPOA) leader, today announces its JPEG 2000 Encoder Core for the Field Programmable Object Array (FPOA), a new class of high-performance logic platform chips. The JPEG 2000 Encoder Core is the industry's fastest commercially available encoder implementation on a reprogrammable logic device, and is MathStar's newest addition to its recently announced Machine Vision and Pro Video libraries.

MathStar's JPEG 2000 Encoder for the FPOA supports rates up to 200 megapixels per second for monochrome images and up to 100 megapixels per second for color images. As a point of reference, an encoding rate of 200 megapixels per second corresponds to a rate of 190 frames per second for a 1024 by 1024 pixel image sensor.

Because the FPOA is a reprogrammable device, operating at speeds up to 1 gigahertz, it is ideal for machine vision, medical imaging, video conferencing and other demanding applications in which performance is critical. These performance-demanding applications require logic platform chips that can be reconfigured in the field to support different types of video decoders and encoders.

"MathStar's JPEG 2000 Encoder Core demonstrates the industry-leading performance of MathStar's reprogrammable FPOA," said Dan Sweeney, MathStar COO. "The 1-gigahertz MathStar FPOA provides a substantial performance advantage over FPGAs, allowing our customers to achieve increased image resolution and frame rates."

The JPEG 2000 Encoder will be available directly from MathStar in the fourth quarter of 2006. For pricing and delivery options, please contact MathStar at www.mathstar.com or info@mathstar.com.

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About MathStar, Inc.

MathStar is a fabless semiconductor company that designs, manufactures and markets a new class of programmable logic chips called Field Programmable Object Arrays™ (FPOAs). FPOAs are high-performance, reprogrammable integrated circuits based on proprietary Silicon Object™ technology. MathStar's reprogrammable Field Programmable Object Array can process logic functions at a clock rate up to 1 gigahertz, much faster than current commercially available programmable logic devices. MathStar's flagship product, the MOA1400D FPOA, represents a powerful solution that is ideal for digital signal processing and filtering applications in the machine vision, video processing, medical imaging and military/aerospace markets. FPOAs are available now and supported by a wide range of development tools, 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 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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