

FOR IMMEDIATE RELEASE
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PROCAPS ENCAPSULATION INC. ACQUIRED BY IMPERIAL CAPITAL ACQUISITION FUND III

MARCH 7, 2005 - Montreal, Canada.

Imperial Capital Corporation of Toronto, through Imperial Capital Acquisition Fund III (Imperial), today completed the acquisition of Procaps Encapsulation Inc. (Procaps) of Montreal, Quebec, the world's largest manufacturer of paintballs. Imperial acquired a majority interest in Procaps, while management and the current owners have retained a significant minority position. Commenting on the acquisition, Robert Molyneux, Principal of Imperial, stated, "We are backing the industry leader, and its highly respected management team, in supplying innovative and leading products to one of the world's fastest growing sports". Imperial and its new partners intend to develop Procaps as a growth platform within the paintball industry.

Procaps will continue to be led by its President and CEO, Richmond Italia, a former World Champion paintball player. Mr. Italia created the X-Ball™ game and was instrumental in rallying industry leaders around the concept; culminating in the creation of the National X-Ball League®. "We are excited about teaming up with Imperial to take Procaps to the next level within the industry", commented Mr. Italia.

Paintball has grown rapidly to become the third largest extreme sport in North America with over 10 million participants. With new media coverage of the National X-Ball League® and the release of the first paintball video game, the industry is expected to continue to grow significantly.

PROCAPS

Since its founding in 1998, Procaps has expanded rapidly to its current industry-leading position. The Company has achieved an annual compound average growth rate of over 30% over the last four years. It has accomplished this through the delivery of superior quality products, constant technical innovation and leading edge advertising and promotions. Procaps developed and owns the DraXxuS™ and the new X-Ball™ families of paintball brands, V-Force™ masks, as well as a number of other well-known paintball brands.

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