



Municipal Software

FOR IMMEDIATE RELEASE

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MUNICIPAL SOLUTIONS ANNOUNCES NEW FINANCING AND REORGANIZATION OF PREVIOUSLY ISSUED SECURITIES

Victoria, British Columbia, April 27, 2006—Municipal Solutions Group Inc. (“**Municipal**” or the “**Company**”) (TSX-V: MSZ), a provider of business process automation solutions for government, announced today the completion of a new \$1,871,191 financing (the “**Financing**”) as well as the reorganization (the “**Reorganization**”) of securities previously issued to Pender Growth Fund (VCC) Inc. (“**Pender**”) and Iain McLean (“**McLean**”).

Under the terms of the Financing, Municipal issued a total of 5,670,276 common shares in a non-brokered private placement at an issue price of \$0.33 per share for total gross proceeds of \$1,871,191. The shares issued in the Financing are subject to a hold period and may not, subject to certain exceptions, be traded until August 28, 2006.

In addition, the Company is working towards completing a second tranche of the Financing (on substantially the same terms described above) which could raise additional gross proceeds of up to approximately \$228,000. All or some portion of this second tranche is expected to be completed in the next two weeks.

Under the terms of the Reorganization, a total of:

- (a) \$1,725,000 principal amount of convertible debentures previously issued to Pender; and
- (b) \$25,000 principal amount of convertible debentures previously issued to McLean,

together with all interest accrued thereon, was converted into a total of 5,311,038 common shares at a deemed price of \$0.33 per share. Concurrently with that conversion, a total of 3,738,905 common



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share purchase warrants held by Pender and 62,500 common share purchase warrants held by McLean have been cancelled.

Accordingly, the Company no longer has any convertible debentures outstanding and a total of 3,801,405 common share purchase warrants previously outstanding have now been cancelled.

Iain McLean, CEO of Municipal, stated, “This financing is a key step for the Company. We have secured the funding that was essential for us to grow and expand our solution for local government. The Company has made great progress recently. We are excited about the opportunities and the level of support we are receiving from investors. This transaction has the added benefit of removing most of the debt from our balance sheet, improving our financial position significantly.”

Robert Bennett, President and Founder of Municipal added that, “Over the past few quarters the Company has undergone a transition to become more product and service focused. The changes have equipped Municipal for growth and we are looking forward to expanding the reach of the CityView product offering.”



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About Municipal Solutions Group Inc.

Municipal Solutions Group Inc was formed in January 2002 as the public financing arm for Municipal Software Corporation.

About Municipal Software Corporation

Municipal Software Corporation (TSX-V:MSZ) provides easily installed, packaged software solutions that manage the everyday business processes of local governments. The solutions are based on 24 years of experience with a product platform that easily adapts to the changing practices of clients. Branded under the CityView name, the company provides a number of out of the box solutions automating practices in Property Information, Permits and Inspections, Planning, Code Enforcement, Licensing and Cashiering. CityView Application Builder is a set of application development tools that allows the client to develop unique applications to match specific needs. Municipal Software offers a complete range of services from training and customer support of its suite of products to custom development for unique applications

About Pender Growth Fund (VCC) Inc.

Pender Growth Fund (VCC) Inc. is an established, diversified venture capital fund that invests in technology companies within the province of British Columbia with the objective of long-term capital appreciation. Pender Growth Fund is now the first fund of its kind in British Columbia to focus specifically on expansion and restructuring opportunities within the technology sector that offer investors the potential for liquidity through either existing public listings or near term liquidity events. Pender Growth Fund is an investment vehicle with significant tax incentives for retail investors to participate in the recovery and growth of the British Columbia technology sector. The Fund has over \$20 million of assets under management.

For further information regarding Pender Growth Fund please contact David Roberts at (604) 688-1511 or droberts@penderfund.com.

Forward-Looking Statements

Certain statements in this news release are not historical and may constitute forward-looking statements reflecting Municipal Solutions Group Inc's current expectation in the local government sector. These statements are subject to important risks, uncertainties and assumptions concerning future conditions that may ultimately prove to be inaccurate and may differ materially from actual events or results.

If you would like to be included on our regular distribution please email us at press@municipalsoftware.com or fax to (250) 475-6080.

For further information please visit www.municipalsoftware.com or contact Iain McLean at 1-800 665 5647 or imclean@municipalsoftware.com