



Municipal Software

FOR IMMEDIATE RELEASE

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MUNICIPAL SOLUTIONS ANNOUNCES COMPLETION OF SECOND TRANCHE OF FINANCING

Victoria, British Columbia, May 12, 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 the second tranche of its previously announced financing and raised additional gross proceeds of approximately \$230,350.

Municipal previously announced the issuance of 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 second tranche of this financing consisted of the issuance of an additional 698,031 common shares also at an issue price of \$0.33 per share for total additional gross proceeds of approximately \$230,350. The shares issued in the second tranche of the financing are subject to a hold period and may not, subject to certain exceptions, be traded until September 13, 2006.

Iain McLean, CEO of Municipal Software stated, “This completes a very successful financing round for the Company. The investor support we have received for the plan we have developed is very exciting.”

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***The TSX Venture Exchange has not reviewed and does not accept responsibility
for the adequacy or accuracy of this press release.***



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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.

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