



Municipal Software

FOR IMMEDIATE RELEASE

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MUNICIPAL SOFTWARE ANNOUNCES GO LIVE OF LOCAL GOVERNMENT MANAGER™ CLIENTS

Victoria, BC, July 31, 2007 - Municipal Software (TSX-V:MSZ) announced the go-live of several inaugural clients to its new Local Government Manager™ solution.

Clients already operating with the Local Government Manager™ service include Beaver Borough and Whitehall Borough in Pennsylvania, the Village of Canal Winchester in Ohio, the City of Beaumont in California and the Town of Yarrow Point in Washington. When asked what he likes most about Local Government Manager™, David Hagen of Beaver Borough said this, “In two words, it is ‘user friendly’. It really gives me a feeling of ownership and control that I've never felt with 'canned' software loaded on my hard-drive.”

Local Government Manager™ was developed by Municipal Software for municipalities that require a low-maintenance, configurable, ready-to-use solution. There are three fully integrated modules available with Local Government Manager™ including permits & inspections, planning and code enforcement.

“We have been very pleased with the initial response to Local Government Manager™ and believe that it meets a critical need for municipalities to improve their operations and service levels”, said Iain McLean, CEO and President of Municipal Software. “By the end of our second quarter we were not only able to recruit several new clients, but also have five fully implemented with the solution”.

As an on-demand software solution, Local Government Manager™ is easy to implement as resources do not have to be dedicated to installation and maintenance, no capital investment is



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required and users can be up and running in weeks. The Apex™ platform used by Local Government Manager™ is world-class and delivers a secure and reliable service for local jurisdictions.

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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.

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 25 years of experience with product applications that easily adapt to the changing practices of clients. We have solutions for both large and small municipalities, from our on-premise software called CityView to our ready-to-use web-based Local Government Manager. Local Government Manager was launched for municipalities that require a low-maintenance, configurable, ready-to-use solution. The software-as-a-service platform used by Local Government Manager delivers a secure and reliable online service for business process management, including Permits & Inspections, Code Enforcement and Planning.

For further information about Municipal Software and Local Government Manager, please contact Iain McLean, CEO, at 1-800-665-5647 ext 243 or via email at Media@MunicipalSoftware.com.