



Intrinsic Software Inc. 604 801 6461 Telephone
700 West Pender St 604 801 6417 Facsimile
10th floor www.intrinsic.com
Vancouver BC
Canada V6C 1G8

Intrinsic to Acquire Certain Assets of Destinator Technologies

Acquisition delivers assets to enhance Soleus™ software business and accelerate growth of Intrinsic's wireless software revenues and customer base

Vancouver, BC – Tuesday, May 20, 2008 – Intrinsic Software International, Inc. (TSX: ICS), a global wireless software solutions provider, today announced that it has entered into an asset purchase agreement to acquire certain assets and operations of Destinator Technologies Inc. (Destinator), a provider of wireless software for global positioning system (GPS) devices and navigation software for wireless handsets. The acquisition is subject to court administered restructuring proceedings in Canada and the United States involving Destinator and certain of its affiliates and is expected to take six to eight weeks to complete.

The assets which, upon approval, Intrinsic will acquire include a highly skilled wireless software development center in China, an advanced development center in Israel, existing navigation and wireless software products and seventeen patents granted or pending. Under the terms of the agreement Intrinsic will only assume facilities for Destinator's two development locations, Beijing, China and Herzliya, Israel, and will not assume other financial liabilities of the company. Intrinsic plans to integrate these technical operations, as well as selected key personnel in other functions, within the existing Intrinsic leadership structure, thereby lowering operating costs and capturing synergies quickly.

"This transaction delivers critical engineering and development resources that will lower Soleus development costs and increase engineering capacity that will accelerate Intrinsic's growth as a wireless software solution provider," said Glenda Dorchak, Chairman and Chief Executive Officer of Intrinsic Software. "Destinator has built a deeply talented technical team which has a proven track record in delivering wireless and handheld navigation software products. With the acceleration of the transition from standalone personal navigation devices (PNDs) to navigation in wireless phones and connected PNDs, we see a tremendous opportunity to marry their navigation technology with our Soleus software such that it will increase our addressable market and accelerate Intrinsic's wireless software revenues. We also expect synergies with Destinator and Soleus customers which will expand the market opportunity for both product families."

Destinator's customers include tier one Original Equipment Manufacturers (OEMs), such as Motorola, Inc., with whom they have collaborated in the development of navigation technologies for the MOTO Ming and MOTO ROKR E6 series mobile phones. Destinator navigation software is compatible with all major operating systems and can be easily customized to work on any hardware vendor's platform across the Windows® Embedded CE, Windows Mobile®, Symbian®, and Linux operating systems.

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Ms. Dorchak concluded, "This transaction structure enables Intrinsic to assume specific strategic assets and customer engagements, along with key personnel, that are a strong complement to our own operations. Intrinsic's experienced leadership team is able to improve the value capture of the combined products and technologies, grow the customer base for both the Soleus and Destinator products and improve our software revenues and gross margins faster than our current resources allow. We have structured a transaction to enable us to maintain a healthy balance sheet which will support integration and ongoing operations of the collective business. We expect to provide further information on financial assumptions following successful completion of the auction process and the deal closing."

Terms of the Agreement

Under the terms of the transaction, Intrinsic will pay CDN \$8.5 million in cash or assume of liabilities of Destinator, as well as issue 11.0 million Intrinsic common shares from treasury. All common shares issued pursuant to this transaction will be subject to a six-month lock-up agreement.

To assist Destinator in meeting its working capital requirements during the restructuring process, prior to the close of the transaction, Intrinsic will advance up to U.S. \$2.0 million to Destinator in the form of debtor in possession interest-bearing financing secured by a court-ordered super-priority charge on Destinator's Canadian and U.S. assets. The amount advanced by Intrinsic under the facility is to be credited against the purchase price on closing or repaid from the proceeds of sale should Intrinsic not be the successful bidder.

The acquisition is subject to higher bids to be solicited in an auction process (in which Intrinsic may participate) that will be administered by the courts in Canada and the United States overseeing Destinator's restructuring process. The acquisition is also subject to customary closing conditions and the issuance of court orders vesting Destinator's assets in Intrinsic. Accordingly, the closing of the acquisition is not expected to occur until July 2008. If unsuccessful in its offer, Intrinsic is eligible to receive a break fee equal to three per cent of the purchase price and the reimbursement of certain transaction-related expenses.

Subject to transaction approval by the courts, Intrinsic intends to integrate each of Destinator's development teams and utilize a portion of Destinator's business operations to build out Intrinsic's wireless software solution capabilities globally.

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Conference Call and Slide Presentation Information

Intrinsic will host a conference call on Tuesday, May 20, 2008 at 5:30 a.m. Pacific Time (8:30 a.m. Eastern Time). This conference call will be broadcast live over the Internet with a slide presentation and may be accessed by all interested parties on the Investor section of Intrinsic's web site. On the call, Glenda Dorchak, Chairman and Chief Executive Officer, and George Reznik, Chief Financial Officer, will discuss the proposed Destinator transaction. Investors and analysts are invited to participate on the call. To listen to the live call, please go to the Investor section of Intrinsic's web site at least fifteen minutes prior to the start of the call to register, download, and install any necessary audio software.

When: Tuesday, May 20, 2008
Time: 5:30 a.m. PT / 8:30 a.m. ET
Dial In: 1-866-400-2280; outside of the U.S. 416-850-9143
Live web cast: http://www.intrinsic.com/investors/conference_calls.aspx

For those unable to participate in the live conference call, a replay will be available shortly after the completion of the call and will be available on Intrinsic's web site for approximately 3 days. The replay number is 1-866-245-6755 with a pass code of 766543. International callers should dial 416-915-1035 and enter the same pass code at the prompt.

About Destinator

Destinator develops, markets and sells software that enables GPS navigation functionality in a variety of devices such as mobile phones, smart phones, personal digital assistants (PDAs), PNDs and in-dash after-market automobile navigation systems. Destinator's software is compatible with all major device operating systems and can be easily customized to work on any hardware vendor's platform. Its leading software products – Destinator PND, Destinator SDK and Destinator TrafficSam – offer flexibility and customization potential to OEMs and wireless vendors. In addition to its software products, Destinator offers full marketing and sales support on a global basis. Founded in 2003, Destinator maintains offices in the United States, Canada, Germany, Israel, Taiwan and China. Destinator was awarded for the second time the "BEST Partner Award 2007" by Motorola's China R&D Centre for the development of tailor-made navigation software for Motorola at the fourth annual Motorola China Technology Symposium in October 2007.

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About Intrinsic Software International, Inc.

Intrinsic provides wireless software solutions that enable next-generation handheld products, including mobile handsets, smartphones and converged devices. The company's software products, engineering services, and years of expertise help device makers, service providers, and silicon providers deliver compelling wireless products with faster time-to-market and improved development cost. Intrinsic is the licensor of the Soleus™ software platform based on Windows® Embedded CE for consumer handset development. Intrinsic is a Microsoft® Windows® Embedded Gold Partner, the 2007 Windows Embedded Excellence Award winner for System Integrator, a Symbian Competence Center and a Symbian Platinum Partner. Intrinsic is publicly traded on the Toronto Stock Exchange (symbol: ICS) and headquartered in Vancouver, Canada with offices in the United States, United Kingdom, Taiwan and Barbados. For more information, please visit www.intrinsic.com.

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Forward-Looking Statements

This press release contains statements, which to the extent that they are not recitations of historical fact, may constitute forward-looking information. Such forward-looking statements may include financial and other projections as well as statements regarding the Company's future plans, objectives, performance, revenues, growth, profits, operating expenses or the Company's underlying assumptions. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "predicts," "potential," "targeted," "plans," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. These forward-looking statements include, without limitation, statements about the Company's market opportunities, strategies, competition, expected activities and expenditures as the Company pursues its business plan, the adequacy of the Company's available cash resources and other statements about events, conditions or results that may occur in the future. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including the risks and uncertainties set out in the Company's Annual Information Form. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, persons reading this press release should not place undue reliance on forward-looking statements.

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