



FOR IMMEDIATE RELEASE

ePals® Launches Learning Platform and Media Business in China

Chinese joint venture NeuPals launches “sister classroom” pilot program to promote cross-cultural exchange and authentic language practice between schools in China and the United States

Washington, DC — March 26, 2013 — ePals Corporation (TSX-V: SLN), an education media company and the world’s leading Global Learning Network, today announced that it has commenced operations of its Platform and Media businesses in China through its NeuPals joint venture and in collaboration with Neusoft Publishing. The launch of both Platform and Media businesses comes after fourth quarter approval of business licenses by Chinese authorities, followed by successful completion of initial technology transfer, product adaptation and localization, and establishment of facilities in Dalian, Shanghai and Shenyang. NeuPals technical operations have been successfully established within China in collaboration with NeuEdu Co., Ltd. NeuPals has been capitalized by its partners, ePals and NeuEdu, and a seasoned management team is on board, led by CEO Tao Wang, who brings 15 years of experience working with international and language learning companies, as well as a Masters in Computer Science from University of Massachusetts and a Bachelors from WuHan University.

Platform Offers Unique Collaborative Learning for Students from China and the United States

On March 17, 2013, NeuPals launched an initial pilot of its localized, Mandarin-language version of ePals’ safe and secure Global Community for use in Chinese classrooms and seamless connection to classrooms throughout the Global Community (www.neupals.com). The new service provides safe collaborative learning experiences tailored for Chinese schools and classrooms, as well as direct pairing between classrooms in China and ePals classrooms in 200 countries and territories around the world. The focus of the NeuPals community is initially on English language learning. Through ongoing exchanges and interactions with native English language students around a wide variety of subjects and activities, NeuPals will provide students in school and at home with a unique opportunity for authentic language learning and reinforcement within the context of first-person cultural exchange. NeuPals intends to begin selling paid subscription language learning services in China later this year.

This initial offering has been carefully designed to align with the Chinese Ministry of Education’s (MOE) Medium and Long-term National Educational Reform and Development Plan (2010-2020), a strategy to strengthen the internationalization of the Chinese education system, and promote global awareness to the younger generation. This 10-year initiative will impact more than 200 million Chinese students from primary through secondary levels representing a market that Deloitte estimates at approximately RMB 960 billion (approx. USD 160 billion). The plan also encourages private organizations to play a greater role in the education system. According to The Blue Book of Education: Report on the development of China’s education market 2012 published by the Chinese Academy of Social Sciences, the e-learning market is growing by 150% in China annually.

“This launch reflects nearly a year of research with users, and Chinese teachers in our pilot are excited to participate in the sister classroom program. Their students will develop international skills through

collaborative exchanges and will have access to award-winning global educational content from leaders such as The Smithsonian Institute,” says Tao Wang, CEO of NeuPals. “NeuPals anticipates expansion of our value added service to ultimately include participation from teachers and students in both city and rural areas across all Chinese provinces and metropolitan areas which can be supported by the highly-scalable ePals platform.”

The pilot matches “sister” classrooms in China with classrooms in the United States interested in participating in collaborative project-based learning experiences, cultural exchanges and language practice over the course of the semester. The pilot service includes over 20 customizable projects for teachers to choose from, as well as online activities and forums that feature leading international education content such as the ePals’ Smithsonian Institute Learning Center. Teachers outside of China can find out more about the pilot program and express interest to join at <http://bit.ly/ChinaPals>.

“The Mandarin localization of ePals’ collaborative pedagogy, high-quality content and social learning network provides an important first step in building a robust nationwide Chinese learning community that functions as a contributing member of the global ePals network of learning communities,” says David Meredith, President of ePals International. “We are enthusiastic about the response from both Chinese classes and their partner classrooms from around the world, and for the opportunity to responsibly grow an important, large-scale media business around this unique service.”

Launch with Neusoft Publishing Features ePals’ Quality Children’s Media

In addition to the recent launch of the NeuPals service through its joint venture, ePals has also launched production of Mandarin-language versions of its award-winning children’s books and magazine content in partnership with Neusoft Publishing. Neusoft Publishing is creating authentic, Chinese-language versions of ePals Media publications such as *Babybug*, *Ladybug*, *Spider*, *Click*, *Appleseeds*, and *Ask*. The first of these products debuted at the Beijing Book Fair this year and Neusoft Publishing anticipates beginning distribution of these products in China in April. ePals Media plans to commence distribution of physical and digital versions of these Chinese language products throughout the rest of the world later in 2013.

These products satisfy a significant and growing market both inside China and around the world for “hybrid” physical and digital versions of culturally appropriate, Mandarin language versions of high quality children literature. In addition, it is expected that NeuPals will be using portions of the localized publishing content threaded through the projects for the sister classroom pilot in support of structured language learning practice activities for teachers and students.

About ePals Corporation

ePals Corporation (TSXV: SLN) is an education media company and the leading Global Learning Network. Focused on the K-12 market, ePals offers elementary and secondary school administrators, teachers, students and parents worldwide a safe and secure platform for building educational communities, providing quality digital content and facilitating collaboration for effective 21st century learning. ePals’ award-winning products include: the ePals Global Community®; Learn365™; In2Books®, a common core eMentoring program that builds reading, writing and critical thinking skills; and popular children’s media brands including Cricket® and Cobblestone®. ePals customers and partners include the International Baccalaureate, Microsoft Corporation, Dell Inc., National Geographic and leading school districts across the United States and globally. ePals serves approximately 1 million classrooms and reaches millions of teachers, students and parents in approximately 200 countries and territories. Visit www.epals.com. For In2Books, visit www.in2books.com.

About NeuEdu Co., Ltd.

Founded by Neusoft Holdings, NeuEdu is a leading provider of educational products and services. Benefiting from its more than 20 years of practical IT industry experience and profound insight into IT education, NeuEdu is committed to providing cutting- edge educational resources and products from Neusoft and its strategic business partners worldwide by advocating for interactive learning methodologies supported by Internet and cloud computing technologies. NeuEdu provides life-cycle online and offline educational services targeted to preschool, K-12, and vocational segments. Its portfolio includes preschool enlightenment, international SLN and vocational skills promotion. Advocating that “information technology serves the future of education,” NeuEdu integrates the scientific learning approach with leading learning technology for educational purpose to improve individual learning abilities and continuously reinforce ethical social values. For more about NeuEdu Co., Ltd., visit www.neuedu.com

About Neusoft Publishing

Neusoft Publishing (“NP”) is an authentic and fast- growing house of publishing recognized by the State General Administration of Press and Publication of P. R. in China. NP provides quality content in the subject of IT- related textbooks for college students nationwide, child- targeted learning materials, popular books and English learning software for young Chinese learners. NP also operates Software Engineer, a national key periodical. NP provides readers with both physical and digital reading experiences plus apps for lower age groups. Based on its strategic partnership with the Key Laboratory of China’s Ministry of Education on Child Development & Science Learning, NP provides a monthly theme package of publications focusing on lower-age readers. NP’s science- related publications are based on inquiry theory, with 84 theme packages and 420 publications distributed to approximately 300 colleges and millions of students across 20 provinces in China.

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