

PRESS RELEASE

Tangarine Payment Solutions Corp.

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Tangarine Releases 1st Quarter Consolidated Results – October 31, 2006

January 02, 2007 – St. Catharines, Ontario – Tangarine Payment Solutions Corp. (“Tangarine”) released its first quarter consolidated results, which are in line with management’s expectations given the write-off of one time restructuring charges.

Consolidated Statement of Operations (\$000)	Oct-06	Oct-05
Net sales	\$1,883	\$1,740
Operating Income (loss) before other items	(100)	95
Net Income (Loss)	(618)	(564)
Earnings per share	\$(0.03)	\$(0.03)
Weighted average number of shares outstanding during the year	20,531	27,839

Net loss for the period ended October 31, 2006 was \$0.6 million compared to a net loss of \$0.6 million for the period ended October 31, 2005. The loss was due to the recognition of certain non-recurring other expenses including one-time restructuring costs of \$532,194 as well as the net deferral of \$250,109 from the sale of POS terminals. Similarly, the loss for the period ended October 31, 2005 resulted from the write off of \$588,334 development costs.

Gross revenue increased to \$1.9 million, up 8% from \$1.7 during the same period last year. Gross profit declined to 33% of sales and fees compared to 41.6% for the comparative period last year. The sales and fees in 2005 included MyCard™ licenses without any related costs. Without these contributing items including the deferral of \$250,109 from the sale of POS terminals as mentioned above, gross profit is consistent on a comparative basis.

Financial Position (\$000)	Oct-06
Working capital (deficit)	\$(1,341)
Merchant contracts	15,762
Total assets	22,222
Long term debt (including current portion)	76
Book value per common share	\$0.47

Tangarine had a working capital deficiency of \$1.3 million as at October 31, 2006 compared to a working capital deficiency of \$2.5 million as at October 31, 2005, an improvement of \$1.2 million due to the repayment of obligations to terminal owners during the year. Tangarine’s cash and cash equivalents position at the end of the period was \$0.3 million reflecting the impact of re-paying long term debt.

“The financial results of company reflect the impact of our restructuring as evidenced by the one-time financial restructuring charges” said Keith Turner, President and Chief Executive Officer of Tangarine. “We have been meeting our strategic targets especially with respect to our internal software development to improve communication with our retailers and save on processing costs.”

About Tangarine Payment Solutions Corp.

Tangarine Payment Solutions Corp., through its wholly-owned operating subsidiary Tangarine Concepts Corp., markets consumer-initiated electronic financial payment solutions to small and

medium sized retail businesses, such as convenience stores, small specialty stores, bars, restaurants and gas stations. It uses state-of-the-art equipment and software applications to process transactions at retail points of sale. Tangarine operates over 8,200 point of sale terminals across Canada divided between wired (70%) and wireless (30%) terminals. The wireless terminals are marketed under the brand name "fleetX" and are located primarily in taxis operating in Ontario and Quebec.

Tangarine also sells a prepaid MasterCard® under the brand name MyCard© (www.mycard.ca). The prepaid card has a preset spending limit that is determined by the amount of cash that has been loaded onto the card. The prepaid card eliminates the need for consumers to carry cash and it provides an alternative payment method to traditional credit cards, cash, cheques, money transfer services, retail cards and gift certificates. Tangarine has sold over 10,600 cards into the Canadian market.

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