

Alliance Media Holdings Announces Strategic Initiatives and the Acquisition of Zachtronics LLC

NEW YORK, NY May 25, 2016 – Alliance Media Holdings Inc. (ADTR.PK), a distributor, developer and publisher of interactive video games and gaming products, announced today partnerships and initiatives that reflect its strategy to enter into alliances with independent game developers to publish, market and own equity interests in multi-platform video games. At the same time Alliance will continue to focus on growth opportunities in its traditional video game distribution business.

In furtherance of its strategy, Alliance has partnered with two indie studios, PixelMetal and Venture Moon Industries, to publish two original games for PC and digital consoles. PixelMetal's *Sombrero* is a spaghetti western multiplayer shootout game scheduled for release on PC this summer. Players grab treasure and have shootouts, and can play specialized modes such as "Capture the Flag" and an Indiana Jones-like mode called "Banditos." Venture Moon Industries' game *Duke Grabowski, Mighty Swashbuckler* is a point-and-click comic adventure game about the biggest, roughest pirate in the Azurbbean and his struggle to become a noble swashbuckler. Alliance expects the first episode of *Duke Grabowski* to be released on Steam and Xbox One in November 2016.

"We're thrilled to work with a publisher that understands and is able to provide the kind of support independent game developers need," said Nick Robalik, founder of PixelMetal. "Thanks to their decades of experience with the video game industry, I'm confident Alliance will help us reach a larger audience than we'd be able to on our own. We look forward to the impact that Alliance will make as we bring *Sombrero* to market."

Bill Tiller, President and Creative Director of Venture Moon, said "The deep game industry experience at Alliance ensures our collaboration is going to result in Venture Moon making the best game possible. In addition, they bring the PR, marketing and distribution expertise that will get the game in front of the largest possible global audience. This may sound hyperbolic, but they really are a dream come true for a small developer like us."

Jay Gelman, Chairman and CEO of Alliance, commented "*Sombrero* and *Duke Grabowski* are great examples of creative, fun, engaging and high quality indie games. We're excited about working with PixelMetal and Venture Moon to launch these games."

Gelman continued, "While we're still bullish on traditional distribution, there's a growing sea change in how games are delivered and how and where people play games. We recognize that we need to be forward-thinking on how best to position our company for these changes as they come about. Our initiative to become more vertically integrated is a direct response to this objective. It moves us into the indie game market that is brimming with talented developers who want to concentrate on what they do best—developing great games—without dealing with funding, quality control, promotion, advertising and marketing and related areas. Based on our experience and market position, we're well-situated to address these challenges."

Alliance also announced today that it has purchased the video game assets of Zachtronics LLC, an independent video game development studio based in Redmond, WA. These assets include *SpaceChem*, *Ironclad Tactics*, *Infinifactory* and *TIS-100*, all of which have proven track records. Zachtronics was founded by Zachary Barth, a developer who was most recently employed by Valve in the virtual reality area and who is known for engineering puzzle games and creating building block mechanics that are used in many popular games. Mr. Barth will join Alliance as its studio manager and will head the team that he brings with him to Alliance.

Gelman said “Zach and his team have excellent reputations as quality developers with good market sense. We’re confident that they will play a big part in our future development of new and exciting gaming products.” Mr. Barth commented “This is a great opportunity for us to focus on what we do best—making the kinds of games that only we can make. We can’t wait to get started!”

Gelman concluded “The partnerships and the acquisition announced today move us more deeply into the indie servicing market, significantly increase our video game content, and powerfully augment our internal development capability.”

About Alliance

Alliance Media Holdings Inc., formerly Alliance Distributors Holding Inc., (www.alliancemediaholdings.com) is a vertically-integrated video game company. Its Alliance Distributors operating division is a full-service wholesale distributor of video games, hardware and accessories, with a special concentration in value video games. Alliance is a licensed publisher for Sony Computer Entertainment of America, Microsoft and Nintendo, and, as Alliance Digital Media®, publishes both originally created and third party licensed games in console, mobile, and PC/Mac formats. Alliance develops both original and third-party video games as Alliance Game Studios.

About PixelMetal

PixelMetal (www.pixelmetal.com) is an independent game development studio located in New York City. Their first game is *Sombrero*, a 2-4-player competitive 2D platformer currently in development for multiple gaming platforms. PixelMetal was founded in 2013 by Nick Robalik, who comes to games from a professional career spanning over 17 years of art & creative direction in the advertising and marketing industries, including work for Audi, Coca-Cola, Google, M&M’s and Samsung. His goal with PixelMetal is to make fun, entertaining games for people of all ages.

About Venture Moon Industries

Venture Moon Industries is a game development studio located in the heart of wine country, Sonoma County, California. Their first game at VMI is a classic LucasArts-inspired point-and-click graphic adventure called *Duke Grabowski, Mighty Swashbuckler*, in which the player takes on the persona of Duke Grabowski, a lonely but super-strong pirate trying to find acceptance among a crew of disreputable “bilge rats” who want nothing to do with him. Founded in 2015 by several adventure game veterans, Venture Moon’s team has worked on a slew of popular franchises and games including Monkey Island, Spielberg’s *The Dig*, *The Godfather*, *Lord of the Rings*, *Star Wars*, *Indiana Jones*, *Spy Hunter*, *Guild Wars*, and *Skylanders*. They have also worked on small independent games such as *A Vampyre Story*, *Ghost Pirates of Vooju Island*, *Smuggle Truck*, *Bounty Bots*, *Alcatraz 1954*, *Perils of Man and Jack Lumber*. Their goal is to make fun, funny, stylized animated games that have intriguing characters and stories.

Safe Harbor

Certain statements contained in this press release may contain forward-looking statements including without limitation, statements concerning our operations, economic performance, and financial condition. The words “estimate,” “believe,” “expect,” “should” and “anticipate” and other similar expressions generally identify forward-looking statements, which speak only as of their dates.

Investors are cautioned that all forward-looking statements, which are based largely on our current expectations, involve risks and uncertainty. Actual results, events and circumstances (including future performance, results and trends) could differ materially from those set forth in such statements due to various factors, risks and uncertainties, including without limitation, risks associated with technological change, competitive factors and general economic conditions, including the related impact on discretionary consumer spending, changes in marketing and distribution strategies by manufacturers, timely development and release of video game products we produce, potential cost overruns in our development of video games, ability to protect our intellectual property rights, potential claims that we have infringed the intellectual property rights of others, market acceptance of games we develop and / or publish, ability to realize anticipated benefits of acquisitions, potential undiscovered liabilities of companies that we acquire, changes in our business or growth strategy, the emergence of new or growing competitors, various other competitive and technological factors. There can be no assurance that the results referred to in the forward-looking statements contained in this release will occur. The Company has no duty and undertakes no obligation to update any forward-looking information, whether as a result of new information, future developments or otherwise.

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