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LUCID ENTERTAINMENT INC.

FOR IMMEDIATE RELEASE **05-03**

TORONTO, February 28th, 2005 - Lucid Entertainment Inc. LUC : TSX-V

LUCID ENTERTAINMENT INC. ANNOUNCES COMPLETION OF US$6 MILLION FINANCING IN NEW YORK

Mr. Michael Wilkings, Chairman and CEO of Lucid Entertainment Inc., announced to day that the company has completed a US$6 million financing with a New York based institutional investor.

Mr. Wilkings said, "We are obviously delighted to have completed this important financing. An international company such as ours, operating in the mixed-use indoor entertainment sector, needs to explore financial markets beyond Toronto, and may be more naturally suited to the investment climate of New York or London. We see this as a first step in expanding and strengthening our financial and other relationships in the United States and the UK, where much of our long term growth will occur."

This New York based financing comprises a USD$6,000,000 3-year secured convertible note, 8,400,000 2-year term common share purchase warrants and an option to purchase 2,656,725 common shares. The secured convertible note has an interest rate equal to the Wall Street Journal prime rate plus 2%, reducible to as low as zero if the company's share price rises in accordance with certain benchmarks and convertible at the option of the holder into common shares at a price of approximately $0.715 (or exactly US$0.58) per common share, with a provision that the investing institution cannot hold more than 19.99% of the Company's common stock at any time. Each warrant entitles the holder to purchase one common share at a price of approximately $0.593 (or exactly US$0.48) per common share. The option term is twenty years and entitles the holder to purchase 2,656,725 common shares at a price of USD$0.01 per common share. The secured convertible note is secured by a pledge of shares of certain operating subsidiaries and by providing a floating charge over the assets of the Company and certain of its operating subsidiaries, which have also guaranteed the Company's obligations under the Note.

For further information, please contact Michael Wilkings, Chairman and Chief Executive Officer or Tita Gonzalez, Director, Investor Relations.

Per: Michael Wilkings
Chairman and C.E.O.

This news release may contain forward-looking statements, which are not historical facts, but are based on certain assumptions and reflect LEI's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. LEI disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

Lucid Entertainment Inc. is a leading operator and developer of branded entertainment and hospitality venues internationally. Corporate information is available by request to Ms. Tita Gonzalez at Tel. (+1) 905 470 7117, Fax (+1) 905 470 0900, tgonzalez@lucidworld.com or on the Internet at www.lucidworld.com or by mail to: Lucid Entertainment Inc., 100 Allstate Parkway, Suite 600, Markham, Ontario, L3R 6H3, Canada.

TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.