



SoMedia Networks Inc. Arranges Private Placement to Institutional Investors for Gross Proceeds of C\$2 Million

VANCOUVER, British Columbia, May 7th, 2015 – [SoMedia Networks \(TSX-V:VID\)](http://somedia.net), (“SoMedia” or the “Company”), pioneer of scalable video production solutions, announces that it has entered into an agreement with Euro Pacific Canada Inc. (“EPC”), pursuant to which EPC has agreed to act as agent for the sale of 8,000,000 special warrants of SoMedia (the “Special Warrants”) at a price of C\$0.25 per Special Warrant, representing aggregate gross proceeds of C\$2 million (the “Offering”).

Each Special Warrant entitles the holder thereof to acquire at any time after the closing date of the Offering (the “Closing Date”), for no additional consideration, one unit of SoMedia (a “Unit”), with each Unit comprised of one common share of SoMedia (a “Common Share”) and one-half of one common share purchase warrant of SoMedia (each whole common share purchase warrant, a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of C\$0.35 per Common Share for a period of 24 months following the Closing Date.

All unexercised Special Warrants will be deemed to be exercised, without payment of additional consideration or further action, on the earlier of: (i) the third business day following the day upon which SoMedia obtains a receipt for a final prospectus (the “Final Prospectus”) qualifying the underlying Common Shares, the underlying Warrants, the common shares of the Company underlying the Warrants, the Broker Warrants (as defined below) and the common shares of the Company underlying the Broker Warrants (collectively the “Underlying Securities”) from the securities regulatory authority in each jurisdiction where the Final Prospectus is filed; and (ii) the date that is four months and one day following the Closing Date. It is intended that the Final Prospectus will be filed in Ontario, Alberta, British Columbia (the “Qualifying Jurisdiction”) and such other jurisdictions as SoMedia and EPC may agree.

SoMedia will use its commercially-reasonable efforts to file and obtain a receipt for the Final Prospectus in the Qualifying Jurisdictions as soon as reasonably practicable. If SoMedia fails to obtain a receipt for the Final Prospectus by the date that is 60 days from the Closing Date, the holders of Special Warrants resident in the Qualifying Jurisdictions will be entitled to receive 1.085 Common Shares (instead of one Common Share) and 0.5 of a Warrant on the deemed exercise of the Special Warrants, subject to approval by the TSX Venture Exchange.

The Offering is expected to close on or about May 15, 2015. Completion of the Offering remains subject to certain conditions, including receipt of all necessary regulatory approvals.

In consideration for their services, EPC and any member of the selling group will be entitled to receive: (i) a cash commission equal to 6% of the gross proceeds of the Offering; and (ii) such number of Special Warrants (the “Broker Warrants”) as is equal to 6% of the number of Special Warrants sold in connection with the Offering. Each Broker Warrant entitles the holder thereof to acquire at any time after the Closing Date, for no additional consideration, one Unit.



FOR IMMEDIATE RELEASE

SoMedia plans to use the net proceeds from the Offering for working capital and general corporate purposes.

From the date of issue, subject to obtaining a receipt for the Final Prospectus in the Qualifying Jurisdictions, the Underlying Securities will be subject to a four-month and one day hold period as required by Canadian securities laws.

About SoMedia Networks

SoMedia Networks, the creator of Scalable Video, has reengineered how businesses access video content creation and production. The cloud-based SoMedia Platform allows businesses to easily order the production of custom video content at scale and volume, anywhere, on demand, with rapid turnaround, and at a fraction of current costs. SoMedia provides Scalable Video as an integrated solution together with advanced video players, analytics and campaign management tools to corporate partners, as a resale solution through thousands of web marketing firms and directly to digital agencies and millions of SMBs across North America. To learn more, visit: www.somedia.net.

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Certain information contained in this document may include "forward-looking information". Without limiting the foregoing, the information and any forward-looking information may include statements regarding the closing of the Offering, the filing of a preliminary and final prospectus and the use of proceeds of the Offering. In this document, words such as "may", "would", "could", "will", "likely", "believe", "expect", "anticipate", "intend", "plan", "estimate" and similar words and the negative form thereof are used to identify forward-looking statements. Forward-looking statements should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether, or the times at or by which, such future performance will be achieved. Forward-looking statements and information are based on information available at the time and/or the Company management's good-faith beliefs with respect to future events and are subject to known or unknown risks, uncertainties, assumptions and other unpredictable factors, many of which are beyond the Company's control. For additional information with respect to these and other factors and assumptions underlying the forward-looking statements made in this press release, see the section entitled "Risks and Uncertainties" in the Management's Discussion and Analysis of the Corporation for its most recent interim financial statements filed with the Canadian securities commissions. The forward-looking information set forth herein reflects the Corporation's expectations as at the date of this press release and is subject to change after such date. The Corporation disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

The Company does not intend, nor does it undertake, any obligation to update or revise any forward-looking information or statements contained in this document to reflect subsequent information, events or circumstances or otherwise, except as required by applicable laws.