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**ARKADOS CLOSES ACQUISITION OF ASTER WIRELESS**

**Deal accelerates time to market; gives Arkados synergistic talent and technology**

**PISCATAWAY, NJ, March 7, 2007** – Arkados (OTC BB: AKDS), known as “the HomePlug® Applications Company,” announced today that it has closed on the acquisition of ASTER Wireless, Inc. for 1 million shares of Arkados stock. Based in Rochester, New York, ASTER Wireless, Inc. is a wireless multimedia systems and solutions company that provides wireless modules, software and intellectual property to major consumer electronics (CE) manufacturers.

Oleg Logvinov, president and CEO of Arkados, said, “The acquisition of synergistic talent and technology from ASTER is a strategic move for Arkados, further shortening the time-to-market for our new solutions. A shorter time to market means less development dollars for our next-generation chips; richer capabilities translate to a better competitive position in the marketplace. Aster has spent years developing methods and technology for the reliable delivery of multimedia content, and we believe that many of their solutions will enhance our powerline communications semiconductors. I am particularly pleased that their president, Jim Allen, will spearhead Arkados’ patent portfolio, and work on Arkados’ various activities within the standards community.”

ASTER’s solutions use advanced methods to achieve higher quality digital and audio content distribution in a home’s entertainment network. Technology from both Arkados and ASTER is designed to be embedded in new consumer electronics products and accessories for audio, video distribution, set-top boxes and other multimedia entertainment appliances. It is also used in adapters that externally connect legacy CE equipment to each other and to new products. The Arkados acquisition of ASTER’s intellectual property portfolio brings the combined number of held patents to eight, with pending applications representing over forty separate inventions.

“We found a remarkable similarity in the technologies our companies were developing for the connected home,” said Jim Stoffel, former Chairman and Acting CEO of Aster Wireless. “Both powerline and wireless technologies have compelling applications in consumer electronics markets. By marrying our technological strengths, we believe we can approach the market with better overall solutions.” Mr. Stoffel will join Arkados in an advisory capacity.

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**Arkados Group, Inc.**

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The team at Arkados participated in founding the HomePlug Powerline Alliance. HomePlug technology employs the power lines already installed in every house as a conduit to transmit digital data. There are hundreds of uses for HomePlug communication technology for connected home applications, addressing applications ranging from command and control to HDTV video distribution.

Arkados believes that the multimedia networking market has a great future. The cornerstone of Arkados' robust product roadmap lies in its applications software, providing a turnkey and worry-free platform for customers developing numerous consumer electronics devices, and seamless interoperability of HomePlug 1.0 and future HomePlug AV systems-on-chip (SoC) solutions. With the acquisition of ASTER, Arkados has secured significant talent and technology that will enhance and accelerate this effort.

**About Arkados, Inc.**

Arkados, "the HomePlug Applications Company," delivers a universal platform that enables the effortless networking of home entertainment and computer devices using standard electricity lines. The company's system-on-chip solutions are uniquely designed to drive a wide variety of powerline-enabled consumer electronics and home computing products, such as stereos, radios, speakers, MP3 players, computers, televisions, gaming consoles, security cameras and cable and DSL modems. Arkados customers can bring numerous sophisticated, full-featured products to market faster at a lower overall development cost using a single platform: the company's versatile and programmable ArkTIC™ platform. Arkados solutions leverage the benefits of HomePlug Powerline Alliance specifications and can also be used for in-building and to-the-home (BPL) applications. Arkados™, ArkTIC™ and Direct to Speaker™ are trademarks of Arkados Inc., a wholly owned subsidiary of the Arkados Group, Inc. HomePlug is a registered trademark of the HomePlug Powerline Alliance, of which Arkados is a member. More information can be found at [www.arkados.com](http://www.arkados.com).

**About ASTER Wireless, Inc.**

ASTER Wireless, Inc. is a wireless multimedia systems and solutions company that provides wireless modules, software and intellectual property to consumer electronics manufacturers. Solutions based on ASTER's iQNET architecture employ leading-edge technology to wirelessly enable and deliver low-power, low-cost multi-streaming multimedia applications from televisions, set-top boxes (STB), digital video recorders (DVR), laptop computers to digital cameras and personal data assistants (PDA), MP3 players, digital camcorders, electronic game consoles and more. More information can be found at [www.asterwireless.com](http://www.asterwireless.com)

*This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements as to the future performance of the company and the risks and uncertainties detailed from time to time in reports filed by the company with the Securities and Exchange Commission. Although the company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful performance of internal plans, product development acceptance, and the impact of competitive services and pricing and general economic risks and uncertainties.*

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