

23 June 2006

121 Media, Inc.
(“the Company” or “121 Media”)

Update on Trading in and settlement of restricted common shares on AIM

The purpose of this announcement is to explain and clarify our 25 May 2006 release and the process related to the delivery and settlement of trades for 121Media shareholders with respect to restricted shares and unrestricted shares that will be free to trade under the new ISIN and capable of settlement within the CREST System.

Due to the complications of US Securities and Exchange Commission (“SEC”) Rule 144, only certain of the restricted shares, initially only those shares that can be identified as having been in issue for at least two years and that are held by non Affiliates (as defined within Rule 144) will be capable of being traded under the new ISIN and settled within CREST notwithstanding the fact that the requirements of Regulation S have otherwise been satisfied. Whilst all shares become unrestricted with respect to Regulation S after one year, resales of these shares must still be made in compliance with Rule 144 for a further year. Accordingly, we have concluded that fewer shares than stated in the announcement made on 25 May 2006 are capable of being unrestricted at this time.

Further, shares that can be identified as having been in issue for greater than 1 year but for less than 2 years, will, upon request, once resold under the provisions of Rule 144 be eligible to be transferred into the new line of stock, free of restriction.

A further announcement will be made in due course detailing the number of shares that are capable of being transferred to the unrestricted ISIN and the date upon which those shares are expected to be trading under the new ISIN.

As a US corporation, 121 Media has issued shares to raise new equity for the Company without being required to file a US prospectus with the SEC under the exemption from registration afforded by Regulation S of the SEC. Regulation S generally restricts the sale of shares to US Persons (including investment funds in the US or US individuals living abroad) until the restriction has expired or another exemption is available (such as resales to certain institutional investors under SEC Rule 144A). This is, after a period of no more than two years, and in some circumstances one year from the date of issue by the Company if such shares are sold in accordance with Rule 144. They may be sold to non-US persons at any time.

The Company will shortly be writing to shareholders with respect to the circumstances under which shares can be released from the restrictions referred to above, and will be returning the legend bearing certificates that have been tendered to our Registrar to

those shareholders who do not yet qualify to have their shares reissued without the legend.

For enquiries:

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