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TheaterXtreme franchises coming to Orlando and Melbourne, Florida

NEWARK, DE, 11/27/05—TheaterXtreme Entertainment Group, a Newark, DE-based franchisor of home cinema design and installation centers, announced today that it has approved two franchise territories for Space Coast Entertainment Group, Inc., a Florida corporation. Its principles are Jim and Janice Morrison of Viera, FL.

The two franchises will be located in Orlando and Melbourne, Florida, respectively. Strong consumer-demand potential for TheaterXtreme's products in both areas is a key driver in the placement of these locations.

"Florida is has been experiencing a housing boom," stated Jim Morrison, the franchise's co-principle. "Coming from the contracting business, we're well aware of the demand for home cinema rooms among new home owners in this area of the country—it's quite remarkable."

The Morrison team has a diverse background in sales, management, and consumer goods manufacturing. They decided to join the TheaterXtreme family of franchisees because they find the retail model and product position to be "a winning combination."

"Jim and Janice are a highly motivated team with advantageous background skills," stated Scott Oglum, TheaterXtreme's CEO. "We welcome them to the family of owners, and we're eager to watch their operation serve the Orlando and Melbourne marketplaces."

Site selection for the Melbourne design center is underway. It will feature at least five TheaterXtreme home cinema rooms. A grand opening is expected in 2006.

"Florida's home cinema market is brimming with potential," said Ken Warren, Executive Vice President of Franchising. "The Morrison's timing couldn't be better—we're delighted to have them aboard," he added.

Visit TheaterXtreme.com for more information about these and other locations.

ABOUT THEATERXTREME, INC.—TheaterXtreme designs, sells, and installs affordable, large-format, front projection home cinemas. Its home cinema packages feature OneView, a

proprietary media controller that combines on-screen movies, music, photos, games, and Internet access with the touch of a button. The company focuses on middle-income consumers in the home entertainment marketplace, emphasizing value and performance across its line of home cinema audio, video, furnishings, and accessories.

SAFE HARBOR STATEMENT—Some of the information presented in this constitutes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent the Company's judgment regarding future events, and are based on currently available information. Although the Company believes it has a reasonable basis for these forward-looking statements, the Company cannot guarantee their accuracy and actual results may differ materially from those the Company anticipated due to a number of known and unknown uncertainties, of which the Company is not aware. Factors which could cause actual results to differ from expectations include, among others, the ability of the Company to sell franchises, success of the franchise stores, location of stores, delay or loss of key products from vendors, disruption of product delivery from overseas suppliers, changes in regard to significant customers or suppliers, increased competition from companies with more expertise or experience, technological improvements in the home theater market which may render the Company's offerings obsolete, less competitive, or too expensive, material reduction in the demand for home theaters, and lack of sufficient capital to allow the Company to achieve its strategic objectives. For additional information concerning these and other important factors that may cause the Company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the Company with the Securities and Exchange Commission.

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