



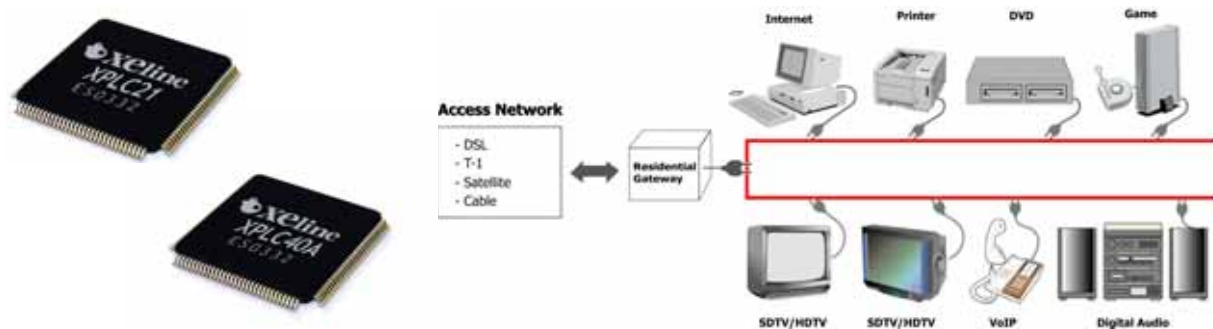
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PALTEK CORPORATION signs sales and distribution agreement with Xeline Japan Corporation

June 20, 2005 – PALTEK CORPORATION (the “PALTEK”), a leading silicon and electronic solution supplier in Japan, and Xeline Japan Corporation today signed sales and distribution agreement for the Japanese market. Xeline Japan is a subsidiary of Xeline Co. Ltd (“Xeline,” headquartered in Seoul, Korea).

Power Line Communication (PLC) is currently the most talked-about network technology, which utilizes the already existing powerline in offices and homes to transfer data. Because PLC uses the already existing powerlines as a medium for data transfer, this drastically reduces the cost of installation and the effort needed to expand a network.

Xeline designs and develops PLC chips and chipsets which function as a modem. Xeline is already mass-producing a chip which supports data rates of up to 24Mbps, and currently developing a high-speed PLC chip which supports data rates of up to 200Mbps. By teaming up, Xeline and PALTEK plan to offer PLC solutions to customers who develop home entertainment equipment such as high definition TV, video recorders, home servers, and others.



PALTEK has been providing silicon and software solutions to many Japanese electronics manufacturers along with strong technical support to expedite the design processes and to deploy more complex designs for its customers. In particular, PALTEK has gained and accumulated such rich knowledge in the network technology field by marketing PLD and Communication-focused ASSP. By adding Xeline’s PLC products to its product portfolio, PALTEK plans to take advantage of PLC’s valuable potentials of bridging digital consumer applications to networking environment.

About PALTEK CORPORATION:

Since the foundation in 1982, PALTEK Corporation has been providing silicon and software solutions to Japanese manufacturers. In particular, PALTEK is very strong in providing solutions with Programmable Logic Devices (PLDs), Application Specific Standard Products (ASSPs) and other Networking related silicon. Based on sound business performance, PALTEK made its Initial Public Offering on JASDAQ in 1998. The company is continuously making efforts to contribute to the development of the electronics industry by providing the best available hardware and software solutions.

For further information, see <http://www.paltek.co.jp>

About Xeline Co. Ltd.:

Xeline was established in May of 1999 in Seoul, Korea, to realize communication through power lines. The company's goal is to create a network by using the already existing and ubiquitous powerlines with its products. Xeline has already extensive marketing and engineering expertise in the filed of PLC.

For further information, see <http://www.xeline.co.jp>

Glossary

PLC (Power Line Communication):

Power line communication (PLC) is wireline method of communication using the existing electric power transmission and electricity distribution lines. The PLC is often regulated by law set by each country.

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