

MERCADOMAGICO.COM EXCLUSIVE AGREEMENT WITH WAVE ENERGY DRINK

news release

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SAN JOSE, CALIFORNIA - MAY 07, 2013, MERCADOMAGICO.COM, A DIVISION OF NEOMAGIC CORPORATION (NMGC.PK), TODAY ANNOUNCED IT HAS SECURED AN AGREEMENT FOR ONLINE EXCLUSIVITY WITH WAVE ENERGY DRINK.

MercadoMagico is an online storefront solution for businesses that desire to provide their customers with online shopping access. "We are very excited to have Wave Energy Drink as an exclusive vendor," said Syed Zaidi, President and CEO of NeoMagic Corporation. He continued, "MercadoMagico.com is the perfect fit for Wave Energy Drink, MercadoMagico.com provides features that create a simplistic buying and selling experience for customers and vendors."

"We've had an influx of customers on a national level asking about the product and decided that we need to meet our customer's demands, said David W. Tomasello, CEO of Wave Energy Drink. By having an option for Wave Energy Drink online, this helps us expand our consumer base and also shows us where high demand for the drink is both on a national and soon international level." He continued, "I was very impressed by MercadoMagico's ease of setup, capabilities and usability. I am enthusiastic about utilizing its rich features as I expand my brand awareness. "

For more information, please contact Investor Relations at IR@neomagic.com

About NeoMagic

NeoMagic designs and delivers consumer electronic device solutions with semiconductors and software for video, television, imaging, graphics, and audio. We provide low cost, innovative chip technology for tomorrow's entertainment and communication needs. Our solutions offer low power consumption, small form-factor and high performance processing. As part of our complete system solution, we deliver a suite of middleware and sample applications for imaging, video and audio functionality, and we provide multiple operating system ports with customized drivers for our products. Our product portfolio includes semiconductor solutions known as applications processors. Our applications processors are sold under the "MiMagic" brand name with a focus on enabling high performance processor within a low power consumption environment. The Company has developed the Horizon Digital Picture Frame kit using our MiMagic 6+ application processor.

Our capabilities give our partners and their customers' high quality answers to excite and enhance the consumer's lifestyle. For more information, visit www.neomagic.com.

In October 2012, NeoMagic entered into the e-Commerce arena with the acquisition of its MercadoMagico.com division. MercadoMagico.com is an e-Commerce platform that will target the U.S. Market with a special focus on the fast growing Hispanic and Latino community. MercadoMagico.com provides a platform where users will be able to buy and sell products from one another or buy premium electronic products directly from MercadoMagico.com.

About Wave Energy Drink

Founded in 2008 and headquartered in Charlotte, N.C. Wave Energy Drink was created to provide consumers with the healthier and best tasting, all natural energy drink on the market today. Wave Energy Drink offers a high dose of vitamins, which take you on the wildest ride of your life. It's the entire splash without the crash! After years of research, Wave was created to be the best tasting all-natural energy drink available. Wave's unmistakable fruit-infused flavor is available in Original and Sugar-Free varieties. Whether it's an all-nighter, extreme sports or partying until dawn. Wave keeps you up and at 'em!

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve significant risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, projections, expectations and intentions and other statements identified by words such as "projects," "may," "could," "would," "should," "believes,"

"expects," "anticipates," "estimates," "intends," "plans," or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed from time-to-time in the Company's filings with the Securities and Exchange Commission, including our Form 10-K's, 10-Q and 8-K's for 2007 through the date of October 31, 2010 hereof have been made available to the Investor at www.sec.gov. Information for the period ending January 30, 2011 to the present is not available through the SEC due to the cessation of the Company's required filings under the 1934 Act. Actual results, including, without limitation, the Company's ability to successfully raise capital may differ significantly from those set forth in the forward-looking statements. Forward-looking statements involve risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control). For example, statements about our expectations in connection with financings are subject to a variety of uncertainties and are subject to change as a result of changes in circumstances that could make it difficult for us to consummate such financings on terms acceptable to the Company, or at all. The Company undertakes no obligation to update any forward-looking statements, except as provided for by law.

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