



Grayling to Acquire Stone Mountain, Ltd.

Stone Mountain Brings Earnings, Management, New Products and Enhanced Level of Hardware Expertise to Grayling

CALGARY, AB - (August 1, 2006) - Grayling Wireless USA, Inc. (Pink Sheets: GRYW) announced today that it has entered into an agreement to acquire **Stone Mountain, Ltd.**, a privately-held Virginia corporation. Located in Huddleston, Virginia, **Stone Mountain** produces high quality, rugged and reliable land mobile radio (LMR) products, designed and manufactured in the USA. All major OEM radio platforms are supported and compatible. The parties are moving forward expeditiously toward satisfying closing conditions and completing the transaction by August 21, 2006.

"We see the acquisition as strategic as it brings together **Grayling's ClearCalm™ Advantage** system and **Stone Mountain's Sword, Juno, Utah, Omaha** and **Gold** LMR products creating a comprehensive, high quality, public safety audio accessory line", states Stone Mountain President and Founder, Bill Jennings. He adds "A major consideration in our decision to proceed with the acquisition is that Grayling will maintain production of **Stone Mountain** products in the Huddleston, VA factory, ensuring a seamless transition and uninterrupted service to our valued customers". Future product design and development will benefit from the combined talent and efforts of the Stone Mountain/Grayling engineering teams.

Jeff Love, CEO of Grayling Wireless USA, Inc. noted "We are continually seeking to enhance our current and future product offerings by acquiring expertise and enhanced products in complimentary areas; Bill Jennings and the Stone Mountain team bring a tremendous amount of hardware expertise and market knowledge to our company. Grayling is committed to ensuring that superior market ready technologies are brought to the emergency responder markets. The mobile radio products of Stone Mountain are an outstanding example of this commitment". Mr. Love went on to state "We are extremely pleased to welcome the dedicated and talented Stone Mountain staff to the Grayling team and we place a high value on having a U.S. base of operations. In our view, this acquisition is strategically aligned with the high profitability and growth expectations for our **ClearCalm** operating division. The timing of this acquisition is extremely beneficial as we are on the verge of full commercial production of our **ClearCalm™ Advantage-S** system.

About GRYW:

Grayling, based in Calgary, Alberta, is an innovator and integrator of emerging technologies. Our goal is to seek out and evaluate growth opportunities, including mergers and acquisitions that add incremental shareholder value, extend the company's market share and add to its technical competencies. Grayling will continue to bring market ready technologies and services to its markets. For further information, visit www.gryw.com

For further information on ClearCalm™, visit www.clearcalm.com

For further information on Stone Mountain, visit www.stonemountainltd.com

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This press release contains forward-looking statements within the definition of section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Act of 1934, amended. These forward-looking statements should not be used to make an investment decision.