

News Release

FOR IMMEDIATE RELEASE
May 10, 2000

CONTACT: Bill Ulland, Chairman & CEO
218-628-2217

CHROMALINE WINS SUMMARY JUDGMENT IN PATENT INFRINGEMENT SUIT

DULUTH, MINN. — The Chromaline Corporation, a developer, manufacturer and worldwide marketer of photochemical imaging systems, announced that the U.S. Federal District Court in Seattle, WA granted Chromaline its request for a summary judgement in its patent infringement suit with the Aicello Corporation.

Judge John C. Coughenour ruled that Chromaline is not liable for infringement damages for allegedly infringing products made or sold prior to February 1, 2000, the date when Aicello was issued a reexamination certificate. The ruling granted all of Chromaline's requested relief in its summary judgment pleadings and follows a reexamination of the Aicello patents by the U.S. Patent Office that Chromaline had requested. Chromaline no longer manufactures the allegedly infringing products, having replaced them with products based on new technology.

Bill Ulland, Chromaline Chairman and CEO, stated, "This is an important victory for our company since it essentially removes the specter of a large award for past damages." Ulland continued, "Aicello could appeal the decision, contest the non-infringing nature of other Chromaline products, or sue in foreign jurisdictions not covered by Judge Coughenour's ruling. However, we believe that all such actions would be frivolous and unsuccessful." Chromaline is now evaluating a counter claim for legal fees. The costs to the company during the duration of the lawsuit, which began in 1996, are estimated at \$500,000 not including internal management time.

"I'd like to thank Toshi Komatsu, Chromaline's Vice President of Technology, for taking a leadership role in working on this issue with the company's patent counsel of Merchant and Gould," said Ulland.

This press release contains forward-looking statements regarding the outcome of litigation. The actual results could differ based on the decisions of the United States Patent and Trademark Office, as well as the factors described in the company's Form 10-KSB on file with the SEC.