



October 25, 1999

Mactell Corporation (OTC Bulletin Board: MTLL), a leading manufacturer of performance enhancement co announced that it is permanently closing its doors.

Mactell has been attempting to work its way out of the problem created when Apple Computer, Inc. made th the licensing of the Macintosh operating system to clone manufacturers in August of 1997. Mactell has atten operating loss incurred of approximately \$2,800,000 during the year ended June 30, 1998 and an additional \$1,800,000 for the year ended June 30, 1999. Although Mactell had a profit during the months of May and J had amassed payables in excess of \$3,200,000 between many different vendors, much of which is well beyo Many of these vendors have either filed suits against the Company or are threatening to do so. The Company contest the litigation or pay the amounts to the various creditors which are due them. Additionally, the Comp enough credit lines and cash flow to meet the demand for its existing product lines to enable it to continue oi

The Company has attempted vigorously to obtain additional working capital through additional loans, the fa receivable and the issuance of additional common stock of the Company, which have all been unsuccessful. that on October 22, 1999, the Board of Directors made the decision to permanently close the operations of th of the close of business on October 22, 1999.

Headquartered in Austin, Texas, Mactell Corporation is a publicly traded company, trading on the NASD elc key symbol: MTLL.