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## NANOTECH ENTERTAINMENT (NTEK) RELEASES LETTER TO SHAREHOLDERS

*CEO Answers Questions about Company, Expansion and Stock*

**San Jose, CA– February 15, 2013–** [NANOTECH ENTERTAINMENT \(OTCPINK: NTEK\)](#) would like to take this opportunity to update shareholders about recent announcements and our support in the market. In an open letter to shareholders, Chairman and CEO Jeffrey A. Foley made the following statements about NanoTech.

“NanoTech Entertainment has made remarkable strides in the expansion of our business in the past three months. We have moved out of the R&D phase of the company, and have begun to build and ship products, deliver and license technology, and expand and upgrade our facilities and infrastructure. Based on NTEK’s stock performance in the past two months, the last two days of downward sell offs has triggered a plethora of calls and emails to the company, mostly based on unfounded fears.

NanoTech is a real company with real products and real employees who have invested many years to bring the company to its current state. Our team has invested their time and efforts far beyond the call of duty and they are the foundation of our great company. We have recently added some high profile industry veterans to our directors and staff, and we are continuing to expand our staff at every level. Our team members include well known industry professionals with great relationships and connections in our markets.

Our NanoTech Gaming Labs products are for sale with multiple vendors and distributors. We have already sold thousands of our pinball controllers and continue to establish ourselves as a leading provider of digital pinball technology. Our new XBOX and PlayStation Pinball Wizard

2 gaming controller is in the design phase and we plan to be shipping them in the first half of 2013. Our new redemption games are in testing now, and we will be showing them off at upcoming industry trade shows and offering them for sale through a network of worldwide distributors.

NanoTech Media products, including NanoFlix and NanoFlix3D have already been deployed in working live channels on many platforms including Roku, Samsung SmartTV, iPhone, iPad, Android, PC and MAC. The BigAppShow, running on the NanoFlix engine, has already served hundreds of thousands of episodes to users. We have recently expanded our Media group and several more channels based on the NanoFlix technology will be hitting the market this quarter.

The NanoTech Communications team is in the early stages of testing multiple mobile apps that will be released in Q2 of this year. The team has been hard at work creating some of the most innovative mobile technology available. With a variety of apps based on this technology scheduled for release in 2013, we anticipate this group will be a fantastic addition to our lineup.

In 2012, while the company was still in the R&D phase and borrowing money to sustain operations, it was strategically decided to temporarily forego the very expensive process of filing quarterly audits. The company filed the appropriate SEC paperwork and became a fully self-reporting company. We have continued to post our quarterly and annual financial statements and are a member in good standing on the OTC Markets Pink Current Information tier. Investors looking to find the latest information can visit our website or <http://www.otcmarkets.com/stock/NTEK/filings>. Once the company has turned profitable we intend to continue the audit process and upgrade to the OTCQX tier, filing our quarterly filings with the SEC once again. We have been asked about moving to NASDAQ board. Once the company meets the requirements of NASDAQ, including the \$1.00 per share price we would apply for that move.

We have received many questions about the funding of the company and our Q4 2012 and Q1 2013 filings. The company has continued to leverage credit lines and private placements to fund operations through the R&D phase. We continue to enjoy a strong relationship with our early

founders, investors and key investment partners that are continuing to help fund the operations of NanoTech until we reach profitability. In January, the company started to increase revenues as products have started to enter the market. In late December we published our 2013 forecasts and we anticipate reaching profitability in 2013 and becoming cash positive. The company will continue to publish the financials with Q4 being the last of our “R&D Phase” numbers scheduled to be posted before the open of Business this coming Monday.

Many questions have been raised about our recent share reduction. In January the company retired over 190 million shares through a two phase plan where we negotiated private transactions with early investors. These shares were not purchased in the open market and all transactions were properly documented and reviewed by counsel. The company was not required to file any notices with the SEC as these shares were not purchased in the open market. Investors wishing to know our share structure are always welcome to visit our website, view our information at [otcmarkets.com](http://otcmarkets.com), or contact our transfer agent directly. We keep the sites current and our transfer agent has instructions to provide the information on our share structure to investors that call. We never put a gag order on that type of information. The company currently has no plans for any further reduction in shares or any type of stock split.

The company has recently been asked by many investors to comment on the activities that take place on various chat forums that focus on investments. While we appreciate that there are lengthy discussions about the company on these forums, we do not participate on these forums and do not have any influence over the content of them or how they are run. The company does not involve itself in these forums and will not respond to questions about users or discussion thread particulars, and refers to the operators of the forums for anything related to the forums.

NanoTech’s stock has grown significantly since mid-November, from \$0.0008 to the most recent closing of \$0.0138. In the past week, the price had seen closing as high as \$0.0245, and has had a drop in the past couple of days with what appears to be some major selling by investors looking to take profits. We have had many calls with investors asking if there is some sort of corporate action behind the drop in share price. NanoTech does not have influence over the market and what price investors are willing to sell their shares at. We do feel that given the continuous

growth in price over the past two weeks that a pullback is a very normal and expected action. Every share sold, also has a new buyer, and we welcome those new buyers to the NanoTech family, and are excited as we see a new stronger basis for the investors of NanoTech. We thank those that bought and sold our stock for their investment in NanoTech. NanoTech has not and is not participating in any marketing programs related to our stock.

One of the most common questions we are asked is about “news” and when we are going to publish more. NanoTech does not schedule news releases, but rather we publish news as it happens. We do not comment on partnerships that are in negotiations or products that the planning phase and have not been made public. We would ask that investors not continually ask us about our next big announcements because we simply cannot comment on any speculative news. Our PR team is very diligent in quickly disseminating news about the company and investors can be assured as significant events happen they will be announced in a timely fashion.

The company intends on having its annual shareholders meeting in June of 2013, and will invite shareholders to that meeting. We intend to make the meeting available to online visitors as well as physical attendees and will send out notice early in Q2 with the details for the meeting.

The Board of Directors, Management team and NanoTech staff are very excited about the continued exposure in the investment community. We look forward to the coming weeks and months as we continue to grow the business and make more announcements about products, contracts and business deals that will continue the expansion of the company and provide ongoing rewards for our investors and shareholders.”

### **About NanoTech Entertainment**

Headquartered in San Jose, CA, with operations in NV and MA, NanoTech Entertainment is a technology company that focuses on all aspects of the entertainment industry. With three business units, focusing on Gaming, Media & IPTV and Mobile Apps, the company has a unique business model. The company has a diverse portfolio of products and technology. NanoTech Gaming Labs operates as a virtual manufacturer, developing its technology and games, and licensing them to third parties for manufacturing and distribution in order to keep its overhead extremely low and operations efficient in the new global manufacturing economy. NanoTech Media develops proprietary technology which it licenses to publishers for use in their products as well as creating and publishing unique content. NanoTech Communications develops and sells

proprietary apps and technology in the Mobile and Consumer space. NanoTech is redefining the role of developers and manufacturers in the global market. More information about NanoTech Entertainment and its products can be found on the web at [www.NanoTechEnt.com](http://www.NanoTechEnt.com).

NanoTech Entertainment (OTCPINK: NTEK) trades on OTC Pink, the open marketplace for a wide spectrum of equity securities. Investors can find real-time quotes and market information at [www.otcmarkets.com](http://www.otcmarkets.com).

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