

## NEWS RELEASE

### **Xap Corporation To Acquire Bridges Transitions Inc.**

VANCOUVER, B.C., MAY 24, 2006 – Bridges Transitions Inc. (TSX: BIT) announced today that it has entered into a definitive agreement with Xap Corporation (“Xap”), pursuant to which Xap will acquire Bridges Transitions Inc. (“Bridges”). This announcement is the result of a process which Bridges initiated on October 24, 2005 with the announcement that investment banker Alexander Capital Group Inc. had been retained to explore strategic options to maximize value for shareholders. Bridges, a leading provider of software-based online education planning, career exploration, and high school/college test preparation resources designed to help students achieve education and career success, serves over 14,000 schools and other agencies across the U.S. and Canada.

“We look forward to welcoming Bridges into the Xap family,” said Liz Dietz, CEO of Xap. “College and career planning are interconnected components for student aspiration and achievement. Combining Xap’s online college application leadership with Bridges’ career planning expertise means comprehensive tools for counselors and parents to support students’ exploration of academic and professional dreams. Together we can facilitate access to higher education for a broad spectrum of students, while providing engaging tools to those who are supporting students in the development of their goals.”

“We are excited about the opportunities which will result from the combination of our two great companies,” said John Simmons, CEO of Bridges. “The synergies and efficiencies attained by the combination of these companies are of such magnitude that all parties – shareholders, employees and customers - will benefit.”

#### **Transaction**

Under the terms of this agreement, the shareholders of Bridges will receive a cash payment of CDN\$0.98 per common share. This represents a premium of 22% over the closing price of the shares on May 23, 2006, a premium of 20% over the 20-day average share price, and a premium of 50% over the price on October 23, 2005, immediately prior to the engagement of Alexander Capital Group Inc. Each optionholder will receive for each option held an amount in cash equal to CDN\$0.98 less the applicable exercise price of the option. The acquisition is subject to the approval of Bridges securityholders, applicable regulatory clearances, court approvals and certain other conditions. The transaction is expected to close in July 2006.

The acquisition will occur by way of a plan of arrangement (the “Arrangement”) to be approved at a special meeting of Bridges securityholders expected to be held on or about July 7, 2006. The formal information circular containing the details and conditions of the Arrangement is expected to be mailed to Bridges securityholders in early June, 2006. **The Board of Directors of Bridges has unanimously approved the Arrangement Agreement and is recommending that securityholders vote in favour of the arrangement at the Bridges securityholders’ meeting.** Xap has entered into agreements with Bridges’ directors and officers holding approximately 29% of the outstanding securities in Bridges, whereby such securityholders have agreed to vote in favour of the Arrangement.

The transaction is conditional on approval from a minimum of 66 2/3% of the votes cast at the Bridges securityholders' meeting and on the receipt of all necessary regulatory and court approvals. The definitive agreement is not subject to a due diligence condition.

Pursuant to the agreement, Bridges has agreed not to solicit third party interest regarding an alternative acquisition of Bridges (a "Superior Transaction"), subject to the fiduciary obligations of the board of directors of Bridges. Bridges has agreed to a break-fee of \$300,000, payable in certain circumstances, including if Bridges agrees to enter into a Superior Transaction.

### **Financing for Transaction**

Xap has entered into financing arrangements which will provide a part of the consideration to be received by securityholders of Bridges under the Arrangement. The remaining consideration will be paid from cash on hand. In furtherance of the acquisition, Bridges has today entered into a subscription and license agreement ("Subscription and License Agreement") with College Foundation, Inc. ("CFI"), a non-profit corporation in North Carolina, whereby Bridges has granted to CFI, effective on the closing of the Xap acquisition of Bridges, a perpetual subscription and license for the use of Bridges' products in the state of North Carolina, in return for a cash payment to Bridges of US\$5 million. Bridges has agreed to loan the proceeds from the Subscription and License Agreement to Xap and such funds will be used to fund part of the consideration to be received by the securityholders of Bridges under the acquisition. The Subscription and License Agreement will be rescinded in the event that the Xap acquisition of Bridges does not close. CFI has also agreed to provide financing to Xap to complete the acquisition of Bridges.

### **About Bridges**

Bridges is the leading provider of software-based and online education planning, career exploration, and high school/college test prep resources designed to help students achieve education and career success. Bridges' planning and exploration products give students and adults in transition reasons to achieve more – exploring all their options, setting goals and making plans to get there. Test prep products available from Bridges give students ways to achieve – by improving math, reading and other academic skills, raising test scores, and by giving educators and administrators instant performance feedback that enables data-driven instruction. Over 14,000 schools and other agencies across the U.S. and Canada use Bridges' products and services. Bridges serves the needs of more than one million annually graduating high school students seeking educational or career planning assistance. For more information, visit <http://www.bridges.com>. The Company is listed on the Toronto Stock Exchange under the symbol: BIT.

### **About Xap**

Xap Corporation is the leading provider of comprehensive state and regional online college planning portals in the U.S. During the past decade, more than eight million students have used Xap's planning tools in pursuit of their higher education and career aspirations, as well as submitted nearly six million online college admissions applications for more than 800 higher education institutions. Xap provides easy-to-use, innovative online solutions that: 1) empower students with online tools to plan, prepare, apply and pay for college; 2) allow colleges and universities to reach more students at a significantly lower cost; 3) equip high schools to better prepare and serve college-bound students; and 4) enable state and regional education organizations to increase college access within geographic areas. For more information, visit <http://www.xap.com>.

### **Cautionary Statements**

The information in this news release contains certain forward-looking statements that involve substantial known and unknown risks and uncertainties, which are beyond Bridges and Xap's control. Actual results and performance could differ materially from those expressed in, or implied by, such forward-looking statements as a result of, among other things, plans and timing for the introduction or enhancement to services and products, customer demand for services and products; expectations concerning future

revenue and earnings; general economic and business conditions; control of costs and expenses; loss of key employees; stock market volatility; changes in laws and regulations; ability to compete successfully and adapt to technological advances and changing industry standards; currency exchange rate fluctuations; economic, political and other risks associated with national and international sales and operations; Canadian and U.S. government regulations; price and product competition; the ability to form and implement alliances; and other factors and risks. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits Bridges or Xap will derive from them.

**Where to Find Additional Information About the Transaction**

This press release is neither an offer to purchase securities nor a solicitation of an offer to sell securities. Investors and securityholders are strongly advised to read the arrangement agreement, plan of arrangement and the information circular to be sent to Bridges securityholders in connection with the special meeting, as well as any amendments and supplements to those documents, when they become available because they will contain important information.

For further information, please contact:

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