



## NEWS RELEASE

Date 7/1/08

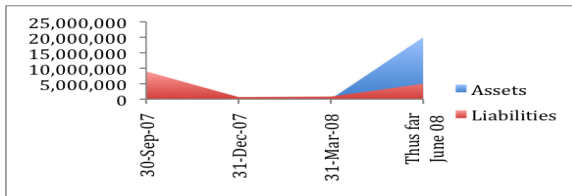
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### Sector10 updates investors on sales, major milestones and current events

Sector10, Inc. (OTC Bulletin Board: SECT; Frankfurt: '4SR') announced today that it has reached all major milestones established during the restructuring efforts following the acquisition of **SKRM Interactive, Inc.** SKRM was a public company acquired on November 20, 2007 by Sector 10 Services USA, Inc. New management spent the last 8 months repositioning SKRM as the sales/distribution vehicle for Sector 10 products. During this period SKRM emerged as Sector10, Inc. SECT.

The following are key milestones reached during the restructuring period:

<u>Date</u>	<u>Net Result</u>	<u>Description</u>
<b><u>November 30, 2007</u></b>	<ul style="list-style-type: none"><li>• Net reduction of approximately \$7.8 million of liabilities</li><li>• Eliminate approximately \$8.45 million of total derivative liabilities</li></ul>	Eliminate \$7.8 million of derivative liabilities attributed to warrants with a repurchase agreement. Reclassified approximately \$650,000 of liability from derivatives to shareholder payables
<b><u>April 15, 2008</u></b>	<ul style="list-style-type: none"><li>• Name change formally approved</li></ul>	Name change formally changed to Sector 10, Inc.
<b><u>April 28, 2008</u></b>	<ul style="list-style-type: none"><li>• Trading symbol changed</li></ul>	Trading symbol formally changed to "SECT"
<b><u>May 8, 2008</u></b>	<ul style="list-style-type: none"><li>• Reduction of liabilities by approximately \$650,000</li></ul>	Entered agreement with shareholder to convert approximately \$650,000 of shareholder payables to equity
<b><u>May 19, 2008</u></b>	<ul style="list-style-type: none"><li>• Net Assets increased by \$15 million</li></ul>	Sector 10 Holdings agreed to contribute a Network that may be used for Sector 10 products, media and voice. The S-10 Network was valued by a third party at \$20 million. Producing a net increase in assets of \$15 million (\$20 million-\$5 million liability)



In a conference call with CEO Pericles DeAvila, Board Members of major shareholder Sector10 Holdings, Inc. have expressed that they are pleased with the accomplishments made by Sector 10's ("SECT") restructuring efforts in the last 8 months. Sector 10 Holdings agreed to turn over several major customers to Sector 10, Inc. as part of the prior network agreement reached in May.

Pericles DeAvila stated that sales activities have begun and the Company expects to have detailed announcements to investor community very shortly. He also commented that Sector10, Inc. started preliminary negotiations to acquire Reality Engineering. A Washington based Software Company. "Reality is a well positioned software engineering company that will provide additional revenues and distribution into domestic and international venues. The addition of Reality will bring in-house the experience needed to enhance Sector 10 products which will assist in expediting market delivery." The Company expects to enter into a definitive

Pericles DeAvila stated that now that the restructuring is over, our focus is on revenues and shareholder value. In simpler terms we have the foundation ready now and the financial support of Sector 10 Holdings, Inc. to bring our products and services to market.

Sector 10 recently received commendations both from Department of Home Land Security and former Senator Jake Garn.

"I would like to commend you and Sector 10 for your innovative approach to public protection and emergency response" Jake Garn

"We salute Sector 10 whose product innovation and service to the community supports the preparedness message to prepare for any type of emergency that could place life, safety and economic stability at risk." and "Your assistance in developing training modules to encourage business owners and operators to provide safety equipment and supplies for their employees is another example of how Sector 10's commitment continues to lead the business community." Renee Murphy, Section manager Private Sector & Infrastructure Division of Homeland Security.

#### FORWARD-LOOKING STATEMENTS

This press release may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or development that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause the Company's actual results to differ materially from those implied or expressed by the forward-looking statements. The Company assumes no duty whatsoever to update these forward-looking statements or to conform them to future events or developments.

SOURCE Sector 10, Inc.

<http://www.sector10.com>