

**MEDIA RELEASE**

**AVALON WORKS CORP.  
ANNOUNCES COMPLETION OF ACQUISITION OF  
DANEK ASSOCIATES INC.**

**Symbol: (CDNX: AWB)**

**May 1, 2001**

Calgary, May 1, 2001 - Avalon Works Corp. ("Avalon" or the "Corporation"), a capital pool company, is pleased to announce that it has received shareholder approval for and closed the previously announced non-arm's length acquisition of Danek Associates Inc. ("DAI") (see media release dated January 22, 2001), a private e-business facilitator, founded by Jirka V. Danek, a director of Avalon, which provides electronic service delivery solutions to both the public and private sectors. Avalon acquired all of the issued and outstanding shares of DAI (the "Acquisition"), in exchange for an aggregate of 12,000,000 common shares in the capital of Avalon issued at a deemed price of \$1.00 per common share.

The acquisition of DAI, upon receipt of final approval from the CDNX, is expected to qualify as the Corporation's "Qualifying Transaction" under Policy 2.4 of the Canadian Venture Exchange Inc. ("CDNX").

DAI is an Ottawa, Ontario based electronic business facilitator which has developed a suite of electronic service delivery solutions for the Government of Canada which are currently deployed, pursuant to a long-term service contract, on behalf of 48 federal government departments. Following the installation of an in-house web hosting facility, DAI has commenced leveraging the time tested solutions developed for the federal government for delivery to non-government private sector applications throughout Canada. In particular, DAI has focused its scalable application service provider initiatives on front-end interactivity, electronic commerce applications and back-end web-enabling for mainframe based legacy systems, while improving the scalability, network connectivity and security of overall solutions. The architecture of DAI, which includes strategic, technical and creative business lines, enables it to continuously enhance its electronic service solutions, while simultaneously expanding the capacity and capability of its delivery.

Vitold Jordan, CEO of Avalon, stated "At completion of this important step in the formation of Avalon, our confidence and comfort with DAI remains unaltered and we look forward to building the business with DAI personnel and management".

Jirka Danek, Director of Avalon and President of DAI, commented "We are pleased about the transaction with Avalon and welcome this opportunity to implement our internal growth with acquisitions".

After giving effect to the Acquisition, Avalon has 16,400,000 Common Shares outstanding, 440,000 Avalon Shares under option to its directors and 250,000 options previously granted to the agent of the Corporation's initial public offering. Upon receipt of applicable regulatory approvals, Avalon intends to grant to employees of DAI an aggregate of 459,500 options to purchase common shares at an exercise price of \$1.00 per share, which options will vest over two years and expire four years from the date of grant.

For further information, please contact Vitold Jordan, President, Chief Executive Officer, Chief Financial Officer and a Director of Avalon at Phone: (514) 944-8058 or Fax: (514) 485-7153 or Jirka V. Danek, Director of Avalon and President of DAI at Phone: (613) 741-3673 or Fax: (613) 741-8473.

***The Canadian Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.***

***(Not for dissemination in the United States of America)***