



UNIQUE BROADBAND SYSTEMS, INC. PROVIDES UPDATE ON LITIGATION

TORONTO, August 17, 2012 – On May 31, 2011, Unique Broadband Systems, Inc. (“UBS”) (TSX Venture: UBS) announced that the court had ordered UBS to pay, among others, Jolian Investments Limited (“Jolian”) and Mr. Gerald McGoey, their past legal costs and their ongoing legal expenses in the litigation against UBS, including all legal costs relating to the claims for termination payments under certain management services agreements (the “Claims”). On July 5, 2011, UBS announced that it was appealing the decision of the court in connection with the indemnification of these legal expenses. At that time, it was also announced that UBS had commenced proceedings under the *Companies’ Creditors Arrangement Act* (the “CCAA”) and that all proceedings against UBS had been stayed. The CCAA proceedings had been commenced to, among other things, facilitate the determination of the Claims being asserted against UBS by Jolian and McGoey, among others, in a cost effective and expeditious manner.

Following commencement of the CCAA proceedings, Jolian and McGoey sought an order from the Court that UBS must advance them legal fees to fund the determination of the Claims. They also requested that the Court add certain former directors of UBS as third parties to the CCAA claims process so that any claims for contribution that Jolian and McGoey might have against these former directors could be determined at the same time as the determination of UBS counterclaims against them.

On August 13, 2012, Justice Wilton-Siegel released his decision in respect of Jolian and McGoey’s motions. Justice Wilton-Siegel denied both the request for funds to be advanced to cover ongoing legal expenses and the request that certain former directors be added as third parties to the CCAA claims process. The decision notes that Jolian and McGoey’s entitlement to indemnification will be determined as a part of the CCAA claims process and if it is determined that they are entitled to indemnification, that claim will rank ahead of other creditors at the conclusion of the claims process. It was further noted that it was premature to determine whether the former directors should be added as parties to the CCAA claims process at this time and that the court should be cautious not to include third party claims in a CCAA process when those claims would prolong the CCAA process and add needless expense.

UBS is pleased to have both of these issues resolved in its favour and can now focus on completing the claims process. Further information on the status of the claims process will be provided as soon as the scheduling for the next phase of the process is settled.

About Unique Broadband Systems, Inc.

UBS’s shares are listed on the TSX Venture Exchange under the symbols “UBS”. More information on UBS can be found at www.sedar.com.

The corporate information contained in this release includes forward-looking statements regarding future events and costs that involve risks and uncertainties that could cause

actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by UBS at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by UBS that actual results achieved will be the same in whole or in part as those forecast.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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