KINGSMILL
Capital Ventures
II Inc.
(a capital pool company)

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KINGSMILL CAPITAL VENTURES II INC.
ANNOUNCES AGREEMENT IN PRINCIPLE

August 15, 2008 –Burlington, Ontario – Kingsmill Capital Ventures II Inc. ("KII") (KII.P-TSX Venture), a Capital Pool Company, is very pleased to announce that it has entered into an agreement in principle with Innovative Composites Inc ("ICI") on August 7, 2008 to acquire (the "Acquisition") all of the issued and outstanding securities of ICI in exchange for securities of KII. This transaction is intended to be the qualifying transaction (the "Qualifying Transaction") of KII as such term is defined in Policy 2.4 of the Corporate Finance Manual of the TSX Venture Exchange (the "Exchange").

About ICI

ICI is an Ontario corporation with a registered head office at 100 King Street West, Suite 5700, Toronto, ON M5X 1C7. ICI was formed by Terry Ball and a group of executives having extensive experience in the plastics and automotive industries. ICI's manufacturing assets are located in Michigan, USA.

ICI is seeking to become the leader in the supply of lightweight, cost effective, structural products to equipment manufacturers, and intends to do so by leading the composites industry in the design, engineering and manufacturing of patented products featuring continuous fiber reinforced thermoplastics ("FRT") technology. Management believes that ICI's structural products, featuring FRT, offer a distinct competitive advantage over existing structural products, and is seeking to place its products in the marine, construction, automotive, military, recreational vehicles, equine and furniture industries.

On June 23, 2008, ICI executed a letter of intent and is currently in the process of executing a formal purchase agreement to acquire all of the assets of Lakeshore Diversified Products Inc. ("LDP"). This acquisition is intended to close concurrently with and form a part of the Qualifying Transaction. Despite the fact that LDP is operating at less than 50% of its capacity, it has been producing a positive EBITDA. With ICI's experience and network of contacts in the automotive industry, management intends to fill this capacity and thereby achieve increased profits and improved margins. In addition, LDP is currently is in the process of installing three high tonnage molding machines, which it has acquired at a significant discount to market and which will broaden the company's manufacturing and production capabilities. LDP is a Michigan corporation with a 70,000 square foot injection molding and assembly manufacturing facility in Spring Lake, Michigan, providing ample space and plant machinery to provide for the planned growth of the resulting issuer.

ICI, to date, can be best characterized as a development stage company, and accordingly, sales revenues have been limited and the company has incurred operating losses since inception. For the year ended December 31, 2007, ICI's manufacturing operations generated revenues of $5,000 and incurred losses of $800,000 primarily due to investment into specialized material and product applications. (All financial numbers for ICI are unaudited.) As of December 31, 2007 there were assets of $442,300 and liabilities of $833,600 in respect of these operations. For the year ended December 31, 2007, LDP had revenues of $6.3 million and EBITDA of $309,000. As of December 31, 2007, LDP had total assets of $3.35 million and total liabilities of $3.0 million. (All financial numbers for LDP are unaudited.)

Terry Ball of Michigan, U.S.A., is the President and CEO of ICI, and beneficially controls 11.4% of ICI. Mr. Ball has worked for over 25 years in the auto industry, including 18 years at Magna International of Toronto, Ontario. Terry Ball brings extensive experience in plastics, composites, and manufacturing, starting out as a tool and die maker to become President of Decoma Exterior Trim. At Decoma, Mr. Ball oversaw the launch of many new products and applications in the plastic and composites sector and in the automotive markets globally. Upon becoming a publicly traded company, Mr. Ball became COO of Decoma Exterior Trim, a subsidiary of Magna International Inc. and was responsible for all aspects of the $800 million in sales and 7000 employee company, from research and development through profit and loss. Under Mr. Ball's leadership, Decoma Exterior Trim became a benchmark in profitability, cost reduction and new product development. Mr. Ball is an entrepreneur with a proven track record whose past experience and industry contacts provide access to a vast array of management, engineering, and manufacturing talent and opportunities.

Fraser Wray of Oakville, Ontario is the CFO of ICI, and beneficially controls 9.0% of ICI. Mr. Wray has expertise related to all aspects of financial advisory services. He has completed numerous acquisitions, divestitures, restructurings and recapitalizations as a principal, advisor and as a senior officer of large multi-national corporations. He is a former senior executive of Magna International Inc. and the former president and CEO of Decoma International Inc. He has been on the boards of several automotive parts companies both private and public and is currently a partner in an injection molding company, Ritz Plastics, a transport/logistics company Canamex Trucking Services Inc, and a real estate development company. Mr. Wray's creative and insightful skill sets related to acquisitions, divestitures, restructurings and recapitalizations are routinely called upon by a wide variety of large public and private corporations in Canada and the United States. Mr. Wray graduated with a Bachelor of Commerce from the University of Toronto and obtained a CA designation while employed by Ernst and Young.

Dennis Woods, a director of ICI and an anticipated director of the resulting issuer, beneficially controls 16.5% of ICI. The remaining common shares (approximately 67%) of ICI not owned by Terry Ball, Fraser Wray or Dennis Woods are held by other members of management and shareholders, none of whom individually own or control 10% or more of the total issued and outstanding.

The Qualifying Transaction

Subject to regulatory approval, KII will acquire all of the currently issued and outstanding common shares of ICI, by issuing 11,250,000 common shares of KII (the "KII Shares") to the shareholders of ICI, at a deemed issuance price $0.30 per KII Share, in exchange for all of the issued and outstanding common shares of ICI (the "ICI Shares"), being 11,250,000 common shares. Each ICI shareholder will be entitled to receive one KII Share for each ICI Share owned. Additionally, all outstanding convertible securities of ICI will also be converted into convertible securities of KII, on a one for one basis. The proposed Qualifying Transaction constitutes an arm's length transaction, and as such, will not require approval by the shareholders of KII.

Management of ICI anticipates closing a private placement of 2,400,000 of ICI common shares shortly, but in any event prior to the closing of the Acquisition. This private placement will result in aggregate gross proceeds of up to $600,000, which will be used for the acquisition of LDP and for general working capital purposes. Pursuant to the Agreement in Principal, ICI will reserve for issuance 2,400,000 additional KII Shares to be exchanged pursuant to the Qualifying Transaction for any ICI common shares issued in this private placement.

Additionally, and concurrently with the closing of the Qualifying Transaction, a private placement (the "Private Placement") of a minimum of 5,000,000 and a maximum of 8,333,333 common shares of KII, at an issue price of $0.30 per share for gross proceeds of between $1,500,000 and $2,500,000 will be completed. Standard fees and commissions are anticipated to be paid in connection with the Private Placement, and the net proceeds of this issuance will be used for general working capital purposes.

It is currently anticipated that the Board of Directors of the resulting issuer will consist of Mr. Ball, Mr. Wray, Marc Wade, Kenneth Keeley, and Dennis Woods, each of whom are currently directors of ICI. The current directors of KII will resign upon the closing of the Qualifying Transaction.

Marc Wade is currently Managing Director of Britton Hill Partners. Prior to Mr. Wade's involvement with Britton Hill Partners, he Co-founded Ed-Lynn Network LLC, an Ohio based polymer additives company with multiple offices and production facilities throughout North and South America. Kenneth Keeley has been an owner, developer and investor in a variety of businesses. He was Division President of Airgas, Inc. (NYSE) until his retirement in May 1997. Dennis Woods has a proven track record as a true entrepreneur. In 1999 Mr. Wood started DW Aluminum and Extrusion business. He grew the DW Aluminum business to US$230 million in sales in manufacturing through 4 distributors. Mr. Woods sold DW Aluminum in 2008. Mr. Woods beneficially controls 1,875,000 common shares or 16.5% of ICI.

The Acquisition is conditional upon, among other things, receiving all necessary regulatory and third party approvals and authorizations, the receipt of an independent valuation of ICI if required by the Exchange, approval by each of the board of directors of ICI and KII, the entering into of satisfactory employment agreements for senior management, confirmation of no material adverse change having occurred for either entity prior to close, , the completion of a definitive agreement setting forth the terms and conditions for the closing of the Acquisition, the completion of due diligence satisfactory to each party, and the completion of a sponsorship report satisfactory to the Exchange (or waiver by the Exchange of that requirement).

KII is currently confirming the terms of a sponsorship relationship for this transaction with a Member firm, which will be disclosed as soon as an engagement is formalized.

For further information about KII, please contact David Mitchell, President, at (905)-336-9996 ext. 217, or by email at david@kingsmillcapital.com. For further information about ICI, please contact Terry Ball, President, at (906) 630-1339, or by email at tlball@live.com.

Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.