

**KINGSMILL CAPITAL VENTURES INC. AND
KINGSMILL CAPITAL VENTURES II INC.
ANNOUNCE AGREEMENT TO MERGE AND ENGAGEMENT OF SPONSOR**

February 18, 2009 –Burlington, Ontario – Kingsmill Capital Ventures Inc. (“**KCV**”) (KCV.P-TSX Venture) and Kingsmill Capital Ventures II Inc. (“**KII**”) (KII.P-TSX Venture), both Capital Pool Companies, are pleased to announce they have signed a letter agreement setting forth their intention to combine their respective businesses, assets and liabilities pursuant to a plan of arrangement, amalgamation or other form of reorganization (the “**Combination**”), with KII serving as the surviving entity. On August 15, 2008, KII announced that it had entered into an Agreement in Principle with Innovative Composites Inc. (“**ICI**”) to acquire all of ICI’s issued and outstanding securities which will constitute KII’s Qualifying Transaction. Immediately following closing of the Combination, KII will acquire ICI. It is a condition to closing the Combination that the acquisition of ICI will close immediately following completion of the Combination.

Pursuant to the Combination, shareholders of KCV will be asked to exchange all of their common shares in the capital stock of KCV for shares in the capital stock of KII on the basis of 0.5165 (the “**Exchange Ratio**”) shares of KII for each share of KCV held by them. Stock options of KCV held by directors and officers will be exchanged for stock options of KII based on the same Exchange Ratio. Upon completion of the Combination, KII will have approximately \$1.35 million in cash, before costs associated with the transactions, and approximately 10,013,130 common shares issued and outstanding.

All directors and officers of each of KCV and KII will resign in connection with the transactions. It is currently anticipated that the Board of Directors of the resulting issuer upon completion of the transactions will consist of Terry Ball, Fraser Wray, Marc Wade, Kenneth Keeley, and Dennis Woods, each of whom are currently directors of ICI, with officer positions to be determined. Biographies of these individuals are contained in the press release of KII announcing its Qualifying Transaction with ICI issued on August 15, 2008 and available under KII’s profile on www.sedar.com.

The Combination is conditional upon, among other things, shareholder approval, receiving all necessary regulatory, court and third party approvals and authorizations, receipt of independent valuations, if required, approval of the boards of directors, completion of due diligence satisfactory to each party, completion of definitive agreements setting forth the terms and conditions for the closing of the Combination, confirmation of no material adverse change having occurred for either entity prior to close, and closing of the acquisition of ICI.

KII and KCV are pleased to announce that, subject to completion of satisfactory due diligence, Canaccord Capital Corporation has agreed to act as Sponsor in connection with the Qualifying Transaction. An agreement to act as Sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

For further information about KCV or KII, please contact David Mitchell, President, at (905)-336-9996 ext. 217, or by email at david@kingsmillcapital.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.