

DelStar Technologies, Inc. Increases Manufacturing Capacity in Their China Facility

SUZHOU, CHINA (August 8, 2006) – DelStar Technologies, Inc. announced today that they have more than doubled their manufacturing capacity at their manufacturing facility in Suzhou, China.

As DelStar’s customer base in the Pacific Rim has continued to qualify products from the new facility, their demand has rapidly increased, requiring DelStar to respond with additional output. DelStar continues to upgrade their facility, installing new equipment to enhance their Naltex® product offering at this site. The additional lines and advanced processing equipment will allow them to manufacture engineering-grade resins, as well as products with other enhanced properties, such as anti-microbial and flame-retardant nets.

DelStar is committed to maintaining the same product consistency and quality in China as they have always provided from the United States. By making design and process engineering support readily available, DelStar has ensured that products are running smoothly and that thorough and continuous training is given to their new international employees.

DelStar’s hands-on approach to product development and growth at this site has proven its worth to their customers, who have enjoyed the benefit of reduced lead times, and are looking forward to this increased product range. Vice-President of Corporate Operations, James Dickson, said, “due to the business opportunities and increasing market demand for DelStar Suzhou’s products in Asia, we will continue taking steps to meet the emerging requirements. By more than doubling our production capacity for Naltex netting, we can achieve flexibility and offer improved service to our customers. We look forward to further expansion within this facility in the near future.”

DelStar Technologies, Inc., headquartered in Middletown, DE, has manufacturing operations at that location, as well as in Austin, TX, Richland, PA, El Cajon, CA, and Suzhou, China. DelStar Technologies also has international sales offices in Bristol, England and Shanghai, China. For more information, visit DelStar Technologies on the internet at www.delstarinc.com.

DelStar Technologies, Inc. is a portfolio company of American Capital Strategies, Ltd., (NASDAQ: ACAS.)

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