

IOU FINANCIAL INC.

For immediate release

News Release

IOU Financial announces the completion of the fifth and final tranche of its private placement for total gross proceeds of approximately \$400,000

MONTRÉAL, March 26, 2013 – IOU Financial Inc. (“**IOU Financial**”) (CNSX: IOU) is pleased to announce that it closed on the date hereof the fifth and final tranche of its previously announced \$5 million private placement of class B common shares (the “**Class B Shares**”) and warrants to purchase Class B Shares (the “**Warrants**”, and together with the Class B Shares, collectively the “**Units**”) for total gross proceeds of approximately \$400,000. The Units were offered to investors at a price of \$0.40 per Unit. Philippe Marleau, CEO and director of IOU Financial, is a shareholder in a company that owns a significant stake in Palos Capital Corporation, the parent company of Palos Management Inc. (“**Palos**”), one of IOU Financial’s co-lead brokers in the private placement. Palos will receive 7,406 Warrants in the fifth tranche of the private placement as compensation for its services. The issuance of securities to Palos thereof may be considered a related party transaction within the meaning of Regulation 61-101 *respecting Protection of Minority Security Holders in Special Transactions*. However, this transaction is exempt from the valuation and minority approval requirements provided under such regulation since the fair market value of the private placement to such persons is less than 25% of the market capitalization of IOU Financial. The Board of Directors of IOU Financial has approved the private placement. Philippe Marleau declared his interest prior to the approval by the Board of Directors of IOU Financial and abstained from voting thereon.

When combined with the first, second, third and fourth tranche closings of the private placement, IOU Financial has closed on total gross proceeds of approximately \$6.1 million. IOU Financial increased the amount to be raised by its private placement and launched the fourth and fifth tranches in response to investor demand. The transaction was co-led by a syndicate of exempt market dealers which included Palos, Capital CCFL, IRR Capital, and HDL Capital Corporation.

This news release shall not constitute an offer to sell nor the solicitation of an offer to buy nor shall there be any securities of IOU Financial offered in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Units will be offered on a private placement basis in Canada and only to “accredited investors”, as such term is defined under applicable Canadian securities laws.

THE SECURITIES WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**1933 ACT**”) AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

Forward Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking

statements are subject to numerous risks and uncertainties, certain of which are beyond the control of IOU Financial including, but not limited to, the impact of general economic conditions, industry conditions, dependence upon regulatory and shareholder approvals, the execution of definitive documentation and the uncertainty of obtaining additional financing. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. IOU Financial does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise.

The CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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