



TO: News editors, assignment editors, reporters and columnists: business, finance and investment news

FROM: Mega Bloks Inc.

DATE: May 10, 2006

TSX SYMBOL: MB

RE: News release – For immediate distribution

MEGA BLOKS ADVISED OF LEGAL ACTION

MONTREAL, May 10, 2006 – Mega Bloks Inc. (TSX: MB) (“the Company”) announced that it was advised of a lawsuit filed against it in the United States District Court for the Southern District of New York by Lawrence Rosen, Jeffrey Rosen and Sydney Rosen (collectively, “the Rosens”), the former shareholders of Rose Art Industries, Inc. (“Rose Art”) and Warren Industries, Inc. The Company believes that the lawsuit seeks payment of the Contingent Purchase Price (“CPP”) under provisions of the Stock Purchase Agreement (“SPA”) entered into between the Company and the Rosens on July 26, 2005. The Company has not received a copy of the complaint.

“The Company and the Rosens have different interpretations of the items that can be inputted into the Contingent Purchase Price formula and of the claims that may be recoverable by the Company,” said Marc Bertrand, President and CEO of Mega Bloks. “We were hopeful that we could work out our differences without resorting to the courts, but considering they chose to sue, we expect to file counterclaims and the dispute will be litigated vigorously.”

The Company accrued US\$51 million in its 2005 audited financial statements with respect to the CPP pending final determination of whether any amount is owing. The Company will continue to maintain the reserve until the lawsuit is resolved.

The Company also announced that, effective immediately, Vic Bertrand, Executive Vice-President and Chief Operating Officer has assumed the additional responsibilities of President, Stationery and Activities, and will be based in Livingston, New Jersey. Lawrence Rosen has been relieved of his responsibilities as President and CEO of Rose Art Industries, Inc. and Executive Vice-President and Chief Marketing Officer of the Company. Mr. Rosen is also expected to resign from the Board of Directors.

“We have a solid management team in Stationery and Activities with strong experience in all facets of the business,” said Vic Bertrand. “The integration of Mega Bloks and Rose Art is progressing well and I look forward to working more closely with this great team to grow the business.”



Forward-looking statement

All statements in this press release that do not directly and exclusively relate to historical facts constitute "forward-looking statements". These statements represent the Company's intentions, plans, expectations and beliefs. In certain instances, these statements require us to make assumptions and there is significant risk that these assumptions may not be correct. Furthermore, these statements are subject to risks, uncertainties and other factors, many of which are beyond the Company's control, including those relating to the inherent uncertainty of litigation and its outcome. The words "believe" and "expects" and similar expressions and variations thereof, identify certain of such forward-looking statements, which speak only as of the date on which they are made. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements.

Invitation to Conference Call

Analysts are invited to a conference call hosted by Mega Bloks today, May 10, 2006, at 9:00 a.m. All other interested parties are invited to participate in the conference call in a listen-only mode. The dial-in number is 1 (800) 796 7558.

About The Mega Bloks Group:

The Mega Bloks Group of companies is a leader in providing kids, caregivers and educators creative tools for play and learning. Under the MEGA BLOKS® and ROSE ART® brands, the Group produces high quality construction and magnetic toy sets, arts and crafts activities, stationery, school supplies, and writing instruments. The Group is headquartered in Montreal and present in 14 countries with sales in over one hundred. For more information, please visit <http://www.megabloks.com> .

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Source: Mega Bloks Inc.
Website: www.megabloks.com

Eric Phaneuf
Director, Finance & Investor Relations
(514) 333-3339, ext. 745
