



FOR IMMEDIATE RELEASE

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QSound Labs Compliant with Nasdaq Listing Requirements

Calgary, Alberta, August 21, 2008 - QSound Labs, Inc. (NASDAQ: QSND), a leading developer of audio and voice software solutions, announced that it has been informed by the Nasdaq Staff that the Company has achieved compliance with the shareholders' equity requirement for continued listing on The Nasdaq Capital Market. The Company is in compliance with all other requirements for continued listing. The Nasdaq Staff has also informed QSound Labs that the Company's scheduled hearing before the Nasdaq Listing Qualifications Panel is no longer required.

About QSound Labs, Inc.

Since its inception in 1988, QSound Labs, Inc. has established itself as one of the world's leading audio technology companies. The Company has developed proprietary audio solutions that include virtual surround sound, positional audio and stereo enhancement for the mobile devices, consumer electronics, PC/multimedia, and Internet markets. QSound Labs' cutting-edge audio technologies create rich 3D audio environments allowing consumers to enjoy stereo surround sound from two, four and up to 7.1 speaker systems. The Company's customer and partner roster includes ARM, BenQ, Broadcom, MiTAC, Panasonic, Qualcomm, Sony Vaio and Toshiba among others. To hear 3D audio demos and learn more about QSound, visit our web site at <http://www.qsound.com>.

This release contains forward-looking statements concerning the Company's continued listing on The Nasdaq Capital Market. Investors are cautioned that such forward-looking statements involve risk and uncertainties which could cause actual results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with successful distribution of QSound's products and technologies, QSound's ability to carry out its product development, business strategy and marketing plans, dependence on intellectual property, rapid technological change, competition, general economic and business conditions, and other risks detailed from time to time in QSound's periodic reports filed with the Securities and Exchange Commission. Forward-looking statements are based on the current expectations, projections and opinions of QSound's management, and QSound undertakes no obligation to publicly release the results of any revisions to such forward-looking statements which may be made, for example to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events..

QSound Labs, Inc.

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