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QSound Labs' Leading-Edge Audio Technology Used in STMicroelectronics Chips for Implementation in the Latest Personal and Home Entertainment Products

QSound QHD® Technology Incorporated in Second Generation of Sound Terminal™ Components from ST for Flat Panel TVs, Personal Multimedia Players and Accessories

Calgary, Alberta, May 21, 2008 – QSound Labs, Inc. (NASDAQ: QSND), a leading technology developer of audio and voice software solutions, today announced that STMicroelectronics (NYSE: STM), one of the world's largest semiconductor manufacturers and a global leader in consumer ICs, has incorporated QSound's QHD technology in its new 'Sound Terminal™' STA333BWQS, STA335BWQS and STA559BWQS products, for use in Flat-Panel TVs, PC Soundbars and Portable Player Docking Stations.

The new, highly integrated STAxXXBWQS product range from ST offers unparalleled single-chip audio system solutions, comprising digital audio processing, digital amplifier control, DDX power output stage and QSound audio enhancements. These new products will enable leading consumer electronics and audio product manufacturers to differentiate their products with QSound's unique sound-field enhancements by providing an expanded stereo image for a more natural, immersive audio experience. ST's new product line is currently available worldwide in production quantities. As part of the ongoing collaboration between ST and QSound, additional products are also currently under development.

“ST is increasing its penetration with 'Sound Terminal' products for world-leading flat TV customers, thanks to the unique combination of DSP capability and efficiency in a single-chip audio solution,” said Andrea Onetti, Audio Division General Manager, Home Entertainment and Displays Group, STMicroelectronics, “The unique ST offering of 'Sound Terminal' products can now further leverage the QSound partnership to provide customers with increased sound enhancement capabilities for the very best audio solutions available.”

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QSound Labs, Inc.

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‘Sound Terminal’ is a digital audio stream concept that was launched last year by ST, and is intended to bring high-quality audio, lower power dissipation and reduced manufacturing costs to popular, fast-growing applications such as flat panel TVs, wireless products and personal audio systems. The high level of integration of these single-package solutions, combined with their ability to handle a full digital stream from sound source to loudspeaker, enables the design of cost-effective, high-efficiency, small form-factor sound systems.

QSound QHD and its industry recognized QXpander® technology is a field-proven stereo sound-field enhancement technology that provides a broader stereo sound image width with greater separation and depth for stereo signals, synthesizing a three-dimensional stereo sound field. QSound QHD removes the small centralized audio sweet spot by creating a very wide stereo image with full immersive audio.

“STMicroelectronics’ leadership in the global home entertainment market provides an excellent opportunity, in combination with QSound QHD, to deliver the high audio quality solutions demanded by today’s consumer,” said David Gallagher, President and Chief Executive Officer of QSound Labs, Inc. “Our close collaboration with ST continues to develop, with ongoing implementations providing an excellent platform to satisfy a multitude of customer product configurations.”

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 numerous innovative, proprietary audio solutions based on extensive research into human auditory perception. These technologies include virtual surround sound, 3D positional audio, stereo enhancement and MIDI Synthesis for the mobile devices, consumer electronics, PC/multimedia, and Internet markets. QSound Labs’ cutting-edge audio technologies create rich, immersive 3D audio environments allowing consumers to enjoy stereo surround sound from headphones or from two, four and up to 7.1 speaker systems. The Company’s customer and partner roster includes ARM, LG, Samsung, Pantech, STMicroelectronics, Telechips, CSR, Aricent, Broadcom, MITAC, Panasonic, Qualcomm, Sony Vaio and Toshiba amongst others. QSound Labs supports its semiconductor, software and OEM partners globally with offices in Canada, Europe, China and Japan. To hear 3D audio demos and learn more about QSound, visit our website at www.qsound.com.

QSound Labs, Inc. - Forward-Looking Statements

This release contains forward-looking statements concerning, among other things, expected use of QSound’s technologies incorporated in ST’s audio solutions by leading consumer and audio product manufacturers, and development of future QSound-enabled ST products. These statements involve risks and uncertainties which could cause actual results, performance or achievements of QSound, or industry 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 loss of QSound’s business relationship with ST, acceptance of QSound’s technologies by consumer and audio product manufacturers and by consumers, QSound’s ability to carry out its business strategy and marketing plans, dependence on intellectual property, rapid technological change, competition, and general economic and business conditions. Forward-looking statements are based on the current expectations, projections and assumptions of QSound’s management, and readers are referred a further discussion of QSound’s assumptions and risk factors in QSound’s annual report and other documents filed with U.S and Canadian regulatory authorities. QSound undertakes no obligation to update these forward-looking statements in the future.

Trademarks

Sound Terminal is a trademark of STMicroelectronics. QSound QHD and QXpander are trademarks of QSound Labs, Inc.

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