



Democrasoft Enters Into Agreement with Major Corporation

First Collaborize Classroom Revenue Forecast for 2011

SANTA ROSA, CA., August 1, 2011: Democrasoft, Inc. (OTC: PINKSHEETS: DEMO) today announced that it has executed an agreement with one of America's largest and best-known corporations to participate in a special joint project involving the Collaborize Classroom™ online learning platform (<http://collaborizeclassroom.com>), Democrasoft's flagship product. Under the terms of the agreement, Democrasoft® is not able to disclose the name of the other party. In addition, Democrasoft has agreed to prioritize the development of certain aspects of its technology with a view to accelerating the deployment of various new features that Democrasoft has recently developed.

While there can be no assurance that this agreement will lead to any continued relationship, this agreement represents the first significant revenue event for Democrasoft related to its Collaborize Classroom blended-learning platform. Under the terms of the agreement, the other corporation will make a payment in the low six figures in the current quarter and another equal payment at the completion of the project.

"We are extremely gratified that one of America's household names has expressed this level of interest in how our web-based platform can potentially create a significant opportunity for both parties in the education arena," said Richard Lang, Chairman and CEO of Democrasoft. "While nothing is guaranteed, this relationship, if continued, could go a long way toward achieving our long-range goal of extending the reach of Collaborize Classroom around the world," Lang added.



In an unrelated development, Democrasoft announced that, since its last update on July 5th, the number of Collaborize Classroom sites launched by teachers has now topped 8,300. The monthly growth rate for launched sites has averaged 34% since January; in June the growth rate exceeded 60%, even though school was out of session most of the month in most areas.

For more information on Democrasoft, Collaborize Classroom, the Collaborize Classroom Topic Library, or to schedule an interview with Richard Lang, please contact Shana Ray, Digital Media + PR Manager at shana@collaborizeclassroom.com or call 888-993-8683 x 706.

About DEMOCRASOFT:

Democrasoft, Inc., headquartered in Santa Rosa, CA, is a 20-year-old public company (OTC: PINKSHEETS: DEMO) with a history of pioneering technology. The Company's flagship product, Collaborize®, is a web-based solution for organizing groups with a common purpose into powerful, decision-making communities. It is designed to empower groups of all sizes - businesses, non-profits, organizations, governments, their members and citizens - to resolve real problems and drive toward actual implementation of collective solutions. Democrasoft is dedicated to facilitating a vision of online "social networking with purpose™" For more information, please visit <http://democrasoft.com>.

This Press Release contains forward-looking statements similar to those covered by the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are clearly subject to numerous uncertainties and risks, and actual results and developments could differ materially from our expectations. We do not undertake any responsibility for providing any updates with respect to the information contained in this Press Release.