



PSi TECHNOLOGIES RECEIVES NASDAQ DELISTING NOTICE AND DEFICIENCY LETTER

Manila, Philippines – July 18, 2006 – PSi Technologies Holdings, Inc., (NASDAQ: PSIT), a leading independent provider of assembly and test services for the power semiconductor market, today announced that it has received a Nasdaq Staff Determination letter indicating that the Company failed to submit Form 20-F for the period ended June 30, 2006 as required by Marketplace Rule 4320(e)(12), and that its securities are, therefore, subject to delisting from The Nasdaq Small Cap Market. On June 30, 2006, the Company filed a Form 12b-25 with the U.S. Securities and Exchange Commission that indicated the Company expects to file its Form 20-F no later than 45 days after June 30, 2006. The Company will request a hearing before a Nasdaq Listing Qualifications Panel to review the Staff Determination which will stay the delisting action pending the issuance of a final decision by the Panel. However, there can be no assurance the Panel will grant the Company's request for continued listing.

The Company also received a Nasdaq Staff Deficiency letter on July 17, 2006, indicating that the Company fails to comply with the minimum bid price requirement for continued listing set forth in Marketplace Rule 4320(e)(2)(E)(i). The Company will be provided 180 calendar days, or until January 16, 2007, to regain compliance with the minimum bid price requirement of \$1.00 per American Depositary Share of the Company for a minimum of 10 consecutive business days. If the minimum bid price requirement has not been met by January 16, 2007, Nasdaq Staff will provide the Company with an additional 180 calendar day compliance period only if the Company meets certain other listing criteria.

About PSi Technologies

PSi Technologies is a focused independent semiconductor assembly and test service provider to the power semiconductor market. The Company provides comprehensive package design, assembly and test services for power semiconductors used in telecommunications and networking systems, computers and computer peripherals, consumer electronics, electronic office equipment, automotive systems and industrial products. Their customers include most of the major power semiconductor manufacturers in the world such as Infineon Technologies, ON Semiconductor, Philips Semiconductor, and ST Microelectronics. For more information, visit the Company's web site at www.psitechnologies.com or call:

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Safe Harbor Statement

This press release contains forward-looking statements that involve risks and uncertainties. Actual results and outcomes may differ materially. Factors that might cause a difference include, but are not limited to, those relating to the pace of development and market acceptance of PSi's products and the power semiconductor market generally, commercialization and technological delays or difficulties, the impact of competitive products and technologies, competitive pricing pressures, manufacturing risks, the possibility of our products infringing patents and other intellectual property of third parties, product defects, costs of product development, manufacturing and government regulation, risks inherent in emerging markets, including but not limited to, currency volatility and depreciation, restricted access to financing and political and social unrest and the possibility that the initiatives described herein may not produce the intended results. PSi undertakes no responsibility to update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect PSi's financial results is included in the documents PSi files from time to time with the Securities and Exchange Commission.