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FOR IMMEDIATE RELEASE:

ANGOSS ANNOUNCES SALE OF SMARTWARE BUSINESS

Data Mining Industry Leader To Record
Gain On Sale of Non-Core Business

Toronto, Ontario – January 14, 2002 (CDNX: ANC – www.angoss.com) – ANGOSS Software Corporation announced today the sale, effective December 31, 2001, of its SmartWare business, formerly conducted through wholly-owned subsidiary SmartWare Corporation. The SmartWare business, including all related licensing, distribution and related rights and obligations, has been acquired by current SmartWare management.

“SmartWare has represented a small and declining segment of ANGOSS revenues for the past several years but remains a strong software offering in its market segment” commented ANGOSS Chief Financial Officer Lon Vining. “As a result of this transaction, both organizations will be able to better focus on their core businesses and this will benefit our respective investors and customers.”

“I am excited about this transaction” commented SmartWare President Tom Hauetter. “We look forward to continuing to support current SmartWare developers and clients and to expanding our business under this new venture.”

The sale, together with a related restructuring of the SmartWare business will result in a one time non-operating gain for ANGOSS of approximately \$525,000. This gain will be reflected in the financial results of ANGOSS for the fiscal quarter ending February 28, 2002. In addition to this gain, ANGOSS is also entitled to receive, in certain circumstances, a minimum of \$400,000 additional cash consideration over the next five

years and retains an option over a minority equity interest in the SmartWare business. Payment of additional consideration due under the purchase agreement is secured by a security interest charging the SmartWare business and assets. The additional consideration will be recorded by ANGOSS as non-operating income in the quarter the amount is otherwise due.

ABOUT ANGOSS SOFTWARE

ANGOSS Software Corporation, headquartered in Toronto, Canada, develops data mining software solutions that help business organizations across financial services, telecommunications, pharmaceuticals, retailing and manufacturing industries make "Better Business Decisions. Every Day."TM

ANGOSS data mining solutions includes:

- KnowledgeSEEKER®, KnowledgeSTUDIO®, KnowledgeExcelerator® and KnowledgeSERVER®, advanced data mining tools for analysts that are easy to learn, enjoyable to use and interoperate seamlessly with the Windows, Office and SQL Server application platforms from Microsoft ® Corporation.
- KnowledgeSERVER® for Siebel, the ANGOSS data mining and decisioning solution for the Siebel e-Business application suite.
- KnowledgeSERVER® for PeopleSoft, the ANGOSS data mining and decisioning solution for the PeopleSoft 8 application suite.
- KnowledgeWebMinerTM, the ANGOSS data mining solution for mining web data.
- The ANGOSS Data Mining SDK for SQL Server 2000 and KnowledgeSTUDIO SDK, software development kits leveraging Microsoft and Internet standards, platforms and technologies that help corporate and commercial software developers to support rapid deployment of advanced data mining technology to enterprise applications.

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Note to editors: If you are interested in viewing additional information on ANGOSS, please go to www.angoss.com.

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This press release contains statements of a forward-looking nature. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. The accuracy of these statements may be impacted by a number of business risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including: the risk that the sale of our products and services involves a long sales cycle; the risk that the economic environment and business conditions will remain difficult to predict; the risk of competition in our target markets; the risk that we may not respond adequately to evolving technologies; the risk that we or our customers may have difficulties in introducing our products or services; the risk that we will encounter difficulties in continuing to offer services; the risk that we will encounter difficulties in integrating the operations of acquired companies with our own; the risks of conducting our operations in a variety of international locations; the risk that we may need to record future write-downs of assets arising from our investments in other companies; the risks relating to the costs that we may incur as a result of litigation against us; and other risks described in our filings with securities regulatory authorities, including our annual reports, interim financial statements and similar disclosure documents. ANGOSS Software does not undertake any obligation to update this forward-looking information after the date of its initial publication, except as required under applicable law.

Note: The Canadian Venture Exchange has neither approved nor disapproved the above information.