

JAGGED PEAK, INC. ANNOUNCES LONG TERM FINANCING AGREEMENT

Company Contact:

Jagged Peak, Inc.
Paul Demirdjian
727.499.1717

Investor Relations Contact:

Jagged Peak, Inc.
Andrew J. Norstrud
727.499.1717

- **2 MILLION CONVERTIBLE DEBT**
- **1 MILLION REVOLVING DEBT FACILITY**

CLEARWATER, FL–December 19, 2006–Jagged Peak, Inc. (OTCBB: JGPK), a global provider of enterprise commerce, demand management, and fulfillment solutions and services announced that it has secured debt financing from Laurus Master Fund, Ltd.

Jagged Peak, Inc (Jagged Peak) and Laurus Master Fund, Ltd. (Laurus) have agreed on a two-part financing. The first is a non-convertible revolving debt facility to a maximum of one million dollars (\$1,000,000), bearing interest at 2% above prime with a 10% floor per annum and repayable at the end of the three-year term.

The second financing is a secured convertible note in the amount of two million dollars (\$2,000,000), bearing interest at 2% above prime with a 10% floor per annum and payable in installment payments beginning in year two. The note is convertible at a fixed conversion rate of one dollar (\$1.00) per common share.

As consideration for the two loans, Jagged Peak has agreed to pay Laurus a 3.5% one-time fee, and to issue Laurus 706,000 warrants purchasing Jagged Peak common shares, exercisable at a penny (\$.01). In addition, there are other legal, administrative and finder fees incurred related to this transaction.

Paul Demirdjian, Chief Executive Officer of Jagged Peak, Inc., commented, “Jagged Peak was both EBITDA positive and cash flow positive from operations through the third quarter 2006 and with this agreement Jagged Peak will have positive working capital. The Company is well positioned to take advantage of market opportunity and we now have the financial partner to assist us in executing our strategies.”

Andrew J. Norstrud, Chief Financial Officer of Jagged Peak, Inc., commented, “This agreement represents the accomplishment of another 2006 Jagged Peak goal that has strengthened our balance sheet and has provided us the necessary capital to implement and even accelerate our 2007 growth strategies.” Andrew J. Norstrud also commented “Laurus has a proven track record of working with the companies they invest in and we look to making this a great partnership.”

Jagged Peak will use the proceeds from the secured convertible term note to extinguish the outstanding debt of approximately \$750,000, working capital and investments in the development of the sales and marketing department. The revolving debt facility will be

used to cash flow the company as the sales and corresponding account receivable balance increases. With this agreement, Jagged Peak will terminate capital raising activities, which as discussed in the last quarterly report; the Company could recognize non-cash expenses of up to approximately \$850,000 of capitalized capital raising costs and approximately \$78,000 of un-amortized debt discounts. These expenses are expected to cause the company to have net losses and negative EBITDA for the year ended December 29, 2006.

About Jagged Peak, Inc.

Jagged Peak, Inc. (OTCBB: JGPK), is a global provider of enterprise commerce, demand management, and fulfillment logistics solutions and services. The Company's flagship product, EDGE (Enterprise Dynamic Global Engine), is a completely web-based software application that enables companies to automate and optimize order management, inventory and fulfillment business processes across multiple distribution points, customers, suppliers, and partners in real-time.

Jagged Peak serves a growing list of global clients in multiple industry segments including financial services, insurance, pharmaceutical, travel and tourism, automotive, manufacturing, and consumer goods. Deloitte and Touche's Fast 50/Fast 500 program has recognized Jagged Peak as one of America's fastest growing technology companies for four consecutive years (2000-2004). For more information, visit www.jaggedpeak.com.

EBITDA represents net income before interest, taxes, depreciation and amortization. The Company presents EBITDA because it considers such information an important supplemental measure of its performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies with comparable market capitalization, many of which present EBITDA when reporting their results. In addition, the Company uses non-GAAP financial measures internally to measure its on-going business performance and in reports to bankers to permit monitoring of the Company's ability to pay outstanding liabilities.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of the Company's results as reported under GAAP. Some of these limitations are: (a) EBITDA does not reflect changes in, or cash requirements for, the Company's working capital needs; and (b) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA does not reflect any cash requirements for such capital expenditures. Because of these limitations, EBITDA should not be considered as a principal indicator of the Company's performance. The Company compensates for these limitations by relying primarily on the Company's GAAP results and using EBITDA only as supplemental information.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties. Factors that could cause actual results to differ materially from those predicted in any such forward-looking statement include our ability to continue to lower our costs, our timely development and customers' acceptance of our products, including acceptance by key customers, pricing pressures, rapid technological changes in the industry, growth of the market, increased competition, our ability to attract and retain qualified personnel, adverse changes in general economic conditions in the U.S. and internationally, risks associated with foreign operations and political and economic uncertainties associated with current world events. These and other risks are detailed from time to time in the Jagged Peak, Inc. periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its report on Form 10-KSB for its fiscal year ended December 30, 2005.

##