

SPARROW VENTURES CORP.

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NEWS RELEASE

February 17, 2010

SPARROW VENTURES CORP. ANNOUNCES PROPOSED QUALIFYING TRANSACTION

Vancouver, British Columbia, February 17, 2010, Sparrow Ventures Corp. (TSX-V: SPW.P) (the "Company" or "Sparrow") and Network Entertainment Inc. ("Network") have entered into a non-binding letter of intent (the "LOI") dated January 21, 2010, pursuant to which the parties intend to conduct due diligence and negotiate the proposed acquisition (the "Transaction") by Sparrow of all of the issued and outstanding shares of Network, a private company incorporated under the laws of the Province of British Columbia and which carries on the business of producing high-quality original programming for television, film, publishing, radio and online distribution. The Transaction is subject, amongst other things, to the completion of satisfactory due diligence, the negotiation and execution of a definitive agreement, applicable regulatory, and shareholder approval if required and the satisfaction of certain other conditions precedent. The Transaction, if completed, will constitute Sparrow's "Qualifying Transaction" under the policies of the TSX Venture Exchange (the "Exchange"). The Transaction is an arm's length transaction and shareholder approval to the Transaction will not be required by the Exchange.

The following provides background information on Network and a summary of the material terms of the Transaction.

About Network Entertainment Inc.

For over a decade Network, headquartered in Vancouver, British Columbia, has been a leading Canadian production company specializing in Sports and Entertainment. Network produces high-quality original programming and creates brand-name properties for television, film, publishing, radio and online distribution. Network has created a continuum of high-profile productions in the documentary, reality and film genres which are suited for integrated sponsorship opportunities.

Network's programming has been showcased by broadcasters throughout North America including ABC, ESPN, ESPN Classic, CBC, Global Television, Headline Sports, Biography Channel, Historia, the History Channel, OLN, RDS, SPIKE USA, TSN and Versus.

All information provided in this news release related to Network has been provided by management of Network and has not been independently verified by management of Sparrow.

Terms of Non-Binding LOI

Pursuant to the terms of the LOI, both parties have agreed, subject to the completion of their respective due diligence investigations, to negotiate the terms and conditions and execute a definitive agreement with respect to the Transaction on or before February 20, 2010, which date may be extended by mutual consent of both parties. The closing of the Transaction is subject to customary conditions, including definitive documentation, receipt of all requisite regulatory approvals, including the approval of the Exchange

About The Transaction

Pursuant to the terms of the LOI, subject to the completion of due diligence, the negotiation, completion and execution of a definitive agreement and the satisfaction of certain conditions including receipt of applicable regulatory approvals, Sparrow and Network have agreed to complete a business combination which is currently contemplated to be by way of a share exchange pursuant to which Sparrow will acquire all of the issued and outstanding shares of Network on the basis of one common share of Sparrow for each one common share of Network issued and outstanding on the closing date. It is contemplated that Sparrow will issue an aggregate of 15,000,000 common shares (the "Transaction Shares") to acquire Network at a deemed price of \$0.25 per share for total consideration of \$3,750,000. The Transaction Shares will be issued to the shareholders of Network. Mr. Derik Murray is a controlling shareholder of Network and upon completion of the Transaction will become an insider of the resulting issuer. Upon completion of the Transaction, Network will become a wholly-owned subsidiary of Sparrow.

There are currently 13,490,500 Sparrow common shares issued and outstanding, as well as 1,090,000 stock options of Sparrow outstanding. Upon completion of the Transaction and excluding any securities issued in the transactions discussed below, there are expected to be 28,490,500 Sparrow common shares issued and outstanding and 1,090,000 stock options of Sparrow outstanding.

Concurrent with the completion of the Transaction, additional stock options may be granted to purchase up to a total of 10% of the outstanding share capital of the resulting issue subsequent to the acquisition of Network and the proposed financing.

Upon completion of the Transaction, all Sparrow common shares to be issued to holders of Network shares in connection with the Transaction may be subject to resale restrictions under applicable securities laws and/or the policies of the Exchange, as applicable. In addition, all common shares held by Principals of Network (as such term is defined in the policies of the Exchange) will be held in escrow in accordance with the policies of the Exchange.

Sparrow intends to change its name to Network Media Group Inc., or such other name as is acceptable to the board of the resulting issuer and regulatory authorities, upon the closing of the Transaction.

A finder's fee may be payable upon completion of the Transaction, in accordance with the policies of the Exchange.

Conditions Precedent

The parties' obligations to complete the Transaction are subject to the satisfaction of certain customary conditions, including the completion of satisfactory due diligence, the negotiation and execution of the definitive agreement, delivery of audited financial statements of Network to Sparrow, approval of shareholders to a change of name and increase in the size of the board of directors from three to five, and approval by the Exchange and any other regulatory authorities. In addition, the Transaction is subject to the following conditions precedent:

- (a) concurrent with the completion of the Transaction, Sparrow and Network will cooperate on a commercially reasonable basis to secure a financing commitment in an amount to be determined. The resulting issuer will use the net proceeds from the financing to fund Network's ongoing business, which will include the development of new productions, marketing and sales initiatives, expanding business development opportunities with a focus on the United States market and for general working capital purposes.

- (b) Network entering into an agreement with a creditor of Network to settle certain outstanding debt of Network; and
- (c) Sparrow advancing to Network a refundable deposit in the amount of \$200,000 which will be secured against the assets of Network, subject to prior registered security interests. The deposit will also be guaranteed by the principal shareholders of Network and is repayable on demand in the event that the Acquisition does not complete. The deposit is subject to the acceptance of the Exchange.

The terms of the above mentioned financing commitment to be raised in connection with the Transaction and a summary of the significant financial information with respect to Network will be disclosed in a press release to be issued by the Company at a later date.

Proposed Board of Directors and Management of Resulting Issuer

Upon completion of the Transaction, it is anticipated that the board of directors and officers of the resulting issuer will be comprised of five members, including three nominees of Network, being Derik Murray, Paul Gertz and Don Gee, plus two nominees of Sparrow, being Marc Morin and Arni Johannson. It is anticipated that the officers of the resulting issuer will be as follows: Derik Murray - President and Chief Executive Officer, Donald Gee - Chief Financial Officer and Desmond Balakrishnan – Corporate Secretary.

Derik Murray

Mr. Murray is the founder and creative force behind Network. Mr. Murray began his career as an award winning still photographer and television commercial director before moving into long form television and film production with the television series *Legends of Hockey*. Mr. Murray's accomplishments over the past 20 years have also earned him the trust of a number of North America's top corporations, advertising agencies and publishing houses. Mr. Murray's work has been recognized both nationally and internationally by among others: Communications Arts, New York Art Directors Club, the International Film and Television Festival of New York, the Bessies, the Geminis, the Can Pro Awards, Banff Television Festival, the Lotus and Leo Awards.

Paul Gertz

Mr. Gertz is an attorney, M.B.A., writer and producer. He has held a wide variety of executive and creative positions at some well known companies and brands in the entertainment industry, including the Director of Business Affairs for George Lucas' family of companies, Senior Vice-President of Business Affairs and Production at the animation house Hanna-Barbera, Executive Producer of Ted Turner's feature animation unit, Executive Producer and Show Runner of Gene Roddenberry's *Earth: Final Conflict* television series, and Executive Vice-President of Rainmaker Animation. Mr. Gertz holds a degree in Economics from the University of California at Los Angeles, and a Law Degree and M.B.A. from the University of Southern California.

Donald Gee

Mr. Gee brings more than 30 years experience in finance and accounting with extensive experience in business start-ups, international business, and managing public companies and joint-ventures. He was the founder of Gee & Company Chartered Accountants, and has served as a key executive and director for several publicly listed companies. Mr. Gee is a member of the Canadian Institute of Chartered Accountants. Mr. Gee serves on the board of several TSX Venture Exchange and CNSX listed companies.

Marc Morin

Mr. Morin is a businessman and entrepreneur based in Vancouver, who has assisted public and private companies raise capital through various institutions in Europe and North America. Mr. Morin has also helped various companies go public via reverse takeovers or initial public offerings. Mr. Morin's primary focus has been on the resource and technology sectors. He is currently a director of Ultra Lithium Plus (TSX: ULI).

Arni Johannson

Mr. Johannson has 20 years of experience in the Canadian capital markets. His focus has been to build assets and senior management teams in companies he has invested in while executing a defined business plan. Mr. Johannson is a Partner in Enderby Entertainment, a privately held Los Angeles based film development company. Mr. Johannson is also the chief executive officer of Lions Gate Metals Inc. (TSXV:LGM). Mr. Johannson was the founder and architect behind Titan Uranium Inc. (TSXV:TUE) and cofounded The Fortress Group (Fortress Paper – TSX:FTP). Mr. Johannson also serves as a director for a number of public companies including Mega Uranium Ltd. (TSX:MGA).

Desmond Balakrishnan

Mr. Balakrishnan, has been a partner with the law firm Lang Michener LLP since 2004, and is a member of the firm's Corporate Finance/Securities Law Group. His current areas of focus include mergers, acquisitions, listed company maintenance, international public listings, gaming and entertainment law. Mr. Balakrishnan was called to the Bar in British Columbia, 1998. He is a member of the Vancouver Bar Association, Canadian Bar Association and International Masters of Gaming Law. Special recognitions include – Lexpert “Lawyers to Watch” 2009, recipient of the Lexpert Rising Star Award 2008 – “Top Canadian Lawyers Under Forty” and recipient of Business in Vancouver’s “Top 40 Under Forty” award 2006.

Sponsorship

Sponsorship of a qualifying transaction of a capital pool company may be required by the Exchange unless exempt in accordance with Exchange policies. The Company is currently reviewing the requirements for sponsorship and may apply for exemption from sponsorship requirements. There is no assurance Sparrow will ultimately obtain exemption from sponsorship.

Other Conditions to Closing

The common shares of Sparrow will remain halted until such time as the Exchange provides its permission to resume trading.

Completion of the Transaction is subject to a number of conditions, including but not limited to Exchange acceptance. The Transaction cannot close until the required Exchange approval is obtained. There can be no assurance that the Transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

ON BEHALF OF THE BOARD OF DIRECTORS OF SPARROW VENTURES CORP.

“Marc Morin”

Marc Morin
Director

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. Neither the TSX Venture Exchange nor

its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. The TSX-V has neither approved nor disapproved the contents of this news release. We seek safe harbour.