

Bluegate Reports First Quarter 2006 Pro Forma Revenue Increased 36%

HOUSTON, TX – May 15, 2006 – Bluegate Corp. (OTCBB: BGAT-News), the nation's premier provider of outsourced health care IT solutions, professional technology consulting services and Bluegate Medical Grade Networks™, today reported record consolidated revenue for the three months ending March 31, 2006 were \$935,649, an increase of 36% over the pro forma revenues of \$689,251 for the comparable 2005 period.

On September 15, 2005, Bluegate acquired substantially all of the assets of Trilliant Corporation, an IT professional service health care consultant to hospitals and other large institutions. The revenues reported above represent pro forma combined revenues of Trilliant and Bluegate assuming the acquisition occurred on January 1, 2005.

Other than the pro forma revenue amounts referred to above, the amounts contained in the remainder of this press release represent the results of the Trilliant acquisition from the date of acquisition, September 15, 2005.

“We are pleased with our results for the first quarter of 2006 and we continue to have solid visibility on revenue growth for the second quarter just commenced,” stated Mr. Manfred Sternberg, Bluegate CEO. “Our two priorities during the second quarter are to further increase sales of our outsourced IT services to our existing customer base of more than 1000 physicians, and to continue our sales pipeline expansion of health care IT solutions consulting and Medical Grade Network opportunities to hospitals, physicians and other health care organizations (HCOs) both inside and outside of our original Houston metro market. We expect this to continue as more health care providers embrace electronic health records and online collaboration which requires enhanced infrastructure and support which Bluegate's Medical Grade Networks and outsourced IT services provide.”

During the first quarter of 2006, Bluegate's revenue was \$935,649 versus \$465,831 for the first quarter of 2005. This represents an increase of \$469,818, or 101%, and is primarily attributable to our acquisition of the assets of Trilliant Corp. and the Company's efforts to market Bluegate™, its core business.

Bluegate's gross margin for first quarter 2006 was \$512,909, or 55% of consolidated revenue, compared to \$277,820, or 60% of consolidated revenue for the comparable period 2005. The reduction in gross margin percentage is attributable to an increase in Bluegate's variable costs from the expansion of its HIPAA business in first quarter of 2006.

Selling, general and administrative (SG&A) expenses were \$1,266,273 in the first quarter 2006, compared to \$1,153,397 for the year ago quarter. The increase in SG&A of \$112,876 is attributable to Bluegate's expanded sales and marketing efforts in 2006. Management believes that SG&A will increase at a declining percentage rate as the company grows and takes advantage of economies of scale inherent in its business model.

Net loss for the first quarter of 2006 was (\$1,012,536) compared to net loss of (\$1,796,444) for the first quarter of 2005. The decrease of \$783,908 is primarily due to a non-cash charge to income of \$892,882 in 2005 upon the conversion of notes payable to common stock. After taking this charge into account, Bluegate's net loss increased by \$108,974. This increase is due to an increase in stock option related expenses of \$186,248 due to the Company's adoption of SFAS No. 123R during the first quarter of 2006.

Bluegate's 10-QSB filing for first quarter 2006 can be accessed in its entirety at www.sec.gov or www.bluegate.com.

About Bluegate

Bluegate Corp. is an industry leader of outsourced health care IT solutions, Medical Grade Networks™ and remote management services. It provides IT consulting through its professional services division and HIPAA-compliant, turnkey managed security services and interoperability solutions across its Medical Grade Networks™ to hospitals, physicians, other health care facilities, RHIOs, HCOs and third-party solution providers. Bluegate is publicly traded on the over the counter bulletin board under the ticker symbol BGAT. For information, visit www.bluegate.com or call 713-686-1100.

Safe Harbor

This press release may contain "forward-looking statements." All statements, other than statements of fact, included in this release and without limitation statements regarding potential future plans and objectives of the Company, are forward-looking statements that involve risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements.

For Bluegate

Media: Julie Shepherd, Accentuate PR, 815-479-1833, Julie@accentuatepr.com

Investor Relations: Mike McDonald, Bluegate, 713-686-1100 X241, mmcdonald@bluegate.com.