Town of Pepperell Selects Proxim Wireless Tsunami™ Pointb-Multipoint Product Line as Foundation for Municipal Network

Town-Wide Network to Support Internet Access, VoIP, and Security and Surveillance Applications

San Jose, CA, December 19, 2006 – Proxim Wireless Corporation, a global pioneer of end-to-end solutions in Wi-Fi® mesh, WiMAX, WLAN, and wireless backhaul and wholly owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM), today announced that the Town of Pepperell, Massachusetts, has chosen Proxim’s Tsunami™ MP.11 pointb-multipoint base stations and subscriber units as the infrastructure for a community-wide network initially to connect various Town buildings and other facilities. The Town of Pepperell is located approximately 35 miles northwest of Boston adjacent to the New Hampshire border. Assisting the Town with the municipal network deployment is Direct Network Services, a Proxim Wireless Platinum Partner and wireless solutions company that sells, integrates, and services a broad range of indoor and outdoor wireless products.

The primary goal of deploying the new Proxim-based municipal network is cost savings – eliminating duplicate, unused Internet connectivity to certain buildings and avoiding the installation and monthly charges associated with laying land lines to the Town’s Department of Public Works (DPW), public safety, and government buildings. The network will also support an IP-based security system including perimeter alarms, hazard sensors, and IP network cameras.

“We chose Proxim Wireless and DNS as key partners in designing, deploying, and supporting our new municipal network because together they are providing us with a cost-effective, high quality solution that is flexible, easy to install, and that will meet our needs well into the future,” said Den Connors, Systems Administrator, Town of Pepperell. “Once we have completed our initial implementation, we will also run voice over our network, as well as provide analog and digital connections among two-way radio remote receivers and repeaters to allow much better coverage in town for public safety and DPW radio users.”

Connors also pointed out the importance of the close cooperation between DNS and the Town. “The early set of meetings that DNS held with our technical people had a dramatic effect on lowering the costs to implement our new network. We were able to accurately size-up the project before starting and leverage available in-town resources to save even more money.”

Drawing on Proxim’s leadership in wireless, the Tsunami MP.11 products have been developed as a platform to enable WiMAX-like capabilities for license-free frequency bands. Available in indoor and outdoor models, the Tsunami MP.11 Series is capable of supporting converged video, voice, and data transmission in both fixed and mobile applications.

“The Town of Pepperell is representative of communities throughout the world who are using Proxim technology and products to meet the challenges of better serving residents and businesses,” said Geoff Smith, Vice President of Worldwide Marketing, Proxim Wireless. “We are pleased to be working with our partner, DNS, to provide Pepperell with a municipal network that enables them to realize the benefits of community-wide wireless networking quickly and cost-effectively.”

About the Proxim Wireless Tsunami Product Family

The Proxim Tsunami MP.11 is a WiMAX-capable, field-proven point-to-multipoint product line including ruggedized base stations, indoor and outdoor subscriber units, and accessories. It has enabled companies and municipalities to create new business opportunities through advanced broadband wireless networking. Operating in 2.4 GHz and 5 GHz bands, this OFDM product offers WiMAX Quality of Service (QoS) for voice, video, and data applications; roaming with seamless handoffs at speeds up to 200 km/hour for mobility and consumer-in-motion applications; “listen before talk” using CSMA/CA; dynamic frequency selection (DFS), which has already received EN 301-893 v1.3.1 certification; state-of-the-art security including AES encryption; and extended range.

The Proxim Tsunami MP.16 3500 product line is compliant with the IEEE 802.16d-2004 WiMAX standard. It operates within the 3.4-3.6 GHz frequency band and offers time-division duplex (TDD) method, which is optimal for asynchronous traffic patterns as typically experienced by service providers. The system is comprised of base stations and subscriber units in integrated, outdoor form factors for easy installation. With its pico-cell architecture, the system is ideal for residential last mile access.

Proxim Wireless is the only vendor in the industry to develop both a TDD base station and a subscriber unit based on the Intel® PRO/Wireless 5116 Broadband Interface, assuring its customers the maximum possible system compatibility and interoperability.
Both the Tsunami MP.11 and Tsunami MP.16 were awarded a 2006 Product Innovation Award by Frost & Sullivan for “truly innovative WiMAX solutions.”

About Proxim Wireless

Proxim Wireless Corporation is a wholly owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM). Proxim Wireless is a global pioneer in developing and supplying scalable broadband wireless networking systems for enterprises, governments, and service providers. From Wi-Fi to wireless Gigabit Ethernet – our WLAN, mesh, point-to-multipoint, and point-to-point products are available through our extensive global channel network, backed by world-class support. Proxim is a Principal Member of the WiMAX Forum and is ISO-9001 certified. Information about Proxim and its products and support can be found at http://www.proxim.com.

Safe Harbor Statement

Statements in this press release that are not statements of historical facts are forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from the results anticipated in these forward-looking statements. The forward-looking statements involve risks and uncertainties that could contribute to such differences including those relating to difficulties or delays in supplying products with the features, performance, compliances, certifications, cost, price, and other characteristics desired by customers. Further information on these and other factors that could affect our actual results is and will be included in filings made by Terabeam from time to time with the Securities and Exchange Commission and in our other public statements.

About Direct Network Services

Direct Network Services is a wireless solutions company and Proxim Wireless Platinum partner dedicated to providing the highest quality wireless products and services to its customers. The company sells and services indoor and inter-building wireless products and integrates high quality edge products into a customer’s existing wired infrastructure to provide a seamless network for customers.

DNS also provides a full suite of services for wireless customers including wireless network design, consulting and frequency planning, site surveys, spectrum analysis, path analysis, topographical analysis, equipment leases and rentals, and installations and post sales services, including special warranty plans and customized maintenance agreements. For more information about the company, visit www.directnetserv.com.