Proxim Wireless Enables Advanced Communications For Railroad Operations

OFDM Point-to-Point System Does What Fiber Couldn’t; Delivered By Partners Eastern Electric and Alico Systems

San Jose, CA, May 11, 2006 – Proxim Wireless Corporation, a global provider of broadband wireless equipment and wholly-owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM), today announced that its orthogonal frequency division multiplexing (OFDM) point-to-point systems are being used to support communications for a multi-site, railroad-owned coal conveyor system in a remote, mountainous area of West Virginia. The system has delivered dramatic gains in bandwidth which have in turn allowed more advanced applications, and has resulted in substantial savings, compared to the previous fiber-based network. The project was managed by Eastern Electric, LLC, a Proxim Wireless integrator that worked with Alico Systems, a value-added reseller and Proxim Wireless Platinum Partner.

Communications for the coal conveyor system had traditionally been supported by a fiber network with a number of limitations:

- an effective throughput of 56 kbps due to the age of the infrastructure, forcing the railroad to limit traffic by choosing which alarms to connect to it;
- inability to pull fiber to the main network operating center (NOC), thus preventing remote monitoring and requiring technicians to drive as far as 20 miles; and
- susceptibility to fiber cuts, one of which drove the railroad to identify alternative solutions.

Eastern Electric and Alico Systems worked together to present a wireless solution based on the Proxim Wireless TeraMax™ point-to-point product. As with all of Proxim’s WIMAX and pre-WIMAX products including TeraMax and Tsunami™, this product is a cost-effective, easy-to-install system using OFDM which enables near-line-of-sight (NLOS) connections. The wireless system delivered substantially more bandwidth as well as a connection to the NOC to enable remote monitoring. Total cost of ownership was reduced by an estimated $36,000 due to equipment cost as well as the time saved by remote monitoring.

“After evaluating proposals from several companies, we determined that the Proxim Wireless solution best fit the needs of this application at a price that enabled us to meet a limited budget,” said Michael Harlow, Managing Member, Eastern Electric, LLC. “Since we’ve installed it, the system has not only exceeded performance expectations but has also required minimal maintenance.”

“We are proud to have delighted Eastern Electric,” said Amit Malhotra, Vice President of Marketing, Proxim Wireless. “Proxim’s pre-WiMAX and WIMAX products continue to expand our customers’ horizons in terms of applications, with railways and trains being an area where we have excelled.”

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 the intense competition in our industries and resulting impacts on our pricing, gross margins, and general financial performance; and difficulties or delays in developing and supplying new products with the contemplated or desired features, performance, compliances, certifications, cost, price, and other characteristics. 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.