Proxim Wireless and Wi-SKY Networks Announce Successful Testing of Wireless Broadband Connections with Vessels at Sea and Aircraft In Flight

Broadband Connectivity Maintained at Distances Over 30 Miles And Altitudes Over 10,000 Feet Moving At 145 MPH Using WiMAX Forum Certified™ Equipment

San Jose, CA, May 16, 2006 – Proxim Wireless Corporation, a global provider of broadband wireless equipment and wholly-owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM), and Wi-SKY Networks, LLC, a privately held company holding patents pending for WiMAX broadband communication with aircraft in flight and vessels at sea, today announced that Proxim’s WiMAX Forum Certified™ Tsunami™ MP.16 products have achieved continuous broadband wireless connections between a land-based base station and moving sea and air vessels, enabling simultaneous video conferences, voice over Internet Protocol (VoIP) calls, and data downloads at distances over 30 miles and altitudes over 10,000 feet.

“The Tsunami base station and subscriber units exceeded our expectations, and we are most pleased with the results,” said Donald Alcorn, President and CEO of Wi-SKY Networks. “Our mission is to enable the delivery of affordable broadband connections to passengers in flight and at sea, and we are now one step closer to allowing the technology of the office to become a reality in motion.”

Test at Sea

Wi-SKY and Proxim engineers aboard the 64 foot ship Esperanza, cruising at 9 to 10 knots along the US and Canadian border, were able to receive continuous broadband data connectivity to a range of 25 miles. The team conducted video conference calls and Instant Messaging sessions and placed numerous VoIP telephone calls through the Internet concurrently. This test, like the test in flight described below, was conducted under a Special Temporary Authority for the frequency band granted by the Federal Communications Commission.

Test in Flight

Wi-SKY and Proxim engineers boarded a helicopter out of Victoria, British Columbia to perform the airborne portion of the testing. Engineers aboard the helicopter maintained continuous broadband data connectivity 30 miles from the base station antenna, at an altitude of over 10,800 ft (2 miles high), and at speeds of 126 knots (145 MPH). During the test, the helicopter flew various crossing patterns over southern British Columbia to map the footprint of the signal being emitted from the Proxim WiMAX base station. According to Alcorn, “We were especially excited about the airborne tests, as providing air traffic controllers and the Department of Homeland Security with the capabilities to monitor real-time conditions in and surrounding sea- and airborne vessels is another major objective driving our organization.”

“As a pioneer in broadband wireless technologies including Wi-Fi, WiMAX, millimeter wave, and free-space optics, Proxim Wireless is uniquely positioned to enable mission-critical communications now and in the future,” said Amit Malhotra, Vice President of Marketing, Proxim Wireless. “We believe that we are the first vendor in the world to achieve continuous broadband connections using WiMAX Forum Certified equipment at a range of 30 miles and altitude of over 10,000 feet while moving.”

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.

About Wi-SKY

Wi-SKY Networks, LLC has patent-pending technology which involves the use of terrestrial-based WiMAX transmission and reception with vessels at sea and aircraft in flight at distances and signal strengths heretofore not possible with existing cellular or satellite technology. Wi-SKY is planning additional testing during the summer, with network build out anticipated to begin by late 2006. Information about Wi-SKY can be found at http://www.wi-sky.net.

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. Terabeam’s 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 Terabeam’s industries; the ability of third parties to develop and supply products with similar or superior features, performance, and other capabilities to Terabeam’s products; 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 Terabeam's actual results is and will be included in filings made by Terabeam from time to time with the Securities and Exchange Commission and in its other public statements.