Proxim Wireless End-to-End Solutions Enable New Mexico Wireless Initiative

Tsunami™ MP.11 Delivers Capabilities of Fixed and Mobile WiMAX for License-Free Frequency Bands Today; Tsunami GX.32 Reduces Expense of Extending Network and Simplifies Installation

San Jose, CA, September 27, 2006 – Proxim Wireless Corporation, a global provider of broadband wireless equipment and wholly-owned subsidiary of Terabeam, Inc. (NASDAQ: TRBM), today announced that its Tsunami™ MP.11 broadband wireless access products, delivering the capabilities of fixed and mobile WiMAX for license-free frequency bands today, as well as its Tsunami GX.32 point-to-point wireless Ethernet bridges, have been deployed in 12 New Mexico cities as part of the State's wireless initiative. The initiative was announced by Governor Bill Richardson in 2005 and will allow for ubiquitous and cost-effective state-of-the-art connectivity among state agencies in order to better serve the citizens of New Mexico. The project is being overseen and the network designed and installed by Access Technology, a wireless systems integrator and Proxim Wireless Platinum Partner.

In terms of area, New Mexico is the fifth-largest state in the United States, with a rugged landscape ranging from desert to mountains. This terrain makes the deployment of a traditional telecommunications infrastructure challenging, and the costs for wired broadband access services is correspondingly high. According to Marc Tapia, Telecommunications Engineer for the State of New Mexico, "Leasing T1 circuits to support rural New Mexico is cost prohibitive, so we opted to deploy broadband wireless technologies state-wide. We turned to Proxim Wireless and Access Technology, and they are delivering everything we need to drive the wireless initiative to completion."

A common configuration is the distribution of bandwidth from Proxim's Tsunami GX.32 point-to-point link in a city to a Tsunami MP.11 point-to-multipoint system, to municipal facilities including public safety, magistrate courts, departments of labor and transportation, corrections department, state land offices, health and human services and motor vehicle departments. This configuration has been deployed in 12 cities in New Mexico to date, connecting as many as 20 facilities in one city. The cities now pay a fraction of the previous cost of a T1 circuit for 20x more bandwidth and the capability to support advanced applications such as telemedicine, video arraignment, and distance learning.

"The State of New Mexico is committed to providing its departments and its citizens with state-of-the-art communications services via broadband wireless technologies," said Tapia. "Proxim Wireless and Access Technology have delivered a robust network solution that makes the high price of wireline circuits history. Now our state and local governments are able to offer advanced services to their constituents."

"New Mexico's initiative should have tremendous socio-economic impact on the state and should serve as a model for other local and state governments to follow. We are proud to be providing our end to end solutions to the State of New Mexico and working with our key partner, Access Technology, to deploy them," said Geoff Smith, Vice President, Worldwide Marketing, Proxim Wireless.

Tsunami MP.11 for Fixed and Mobile WiMAX Applications

The Tsunami MP.11 was awarded a 2006 Product Innovation Award by Frost & Sullivan for “truly innovative WiMAX solutions.” Proxim's Tsunami MP.11 is a field-proven product offering the capabilities of WiMAX today for license-free frequency bands worldwide, including ruggedized base stations, indoor and outdoor subscriber units, and accessories. Key features include: versions available for 2.4 GHz and 5.1-5.8 GHz frequency bands; TCP throughput to 28 Mbps (35 Mbps in Turbo mode) based on an over the air data rate of 54Mbps; orthogonal frequency division multiplexing (OFDM); Listen before talk using CSMA/CA - required for any unlicensed band; advanced Quality of Service (QoS) to optimize delivery of voice, video, and data traffic; state-of-the-art security including AES encryption; and support for mobile applications with seamless handoffs at up to 120 miles per hour.

Tsunami.GX.32 for High Speed Connectivity

Proxim's Tsunami.GX.32 is a full-duplex point-to-point wireless Ethernet bridge with an innovative split-box design. This 4th generation of high-capacity wireless bridges is designed to reduce the expense of extending IP networks and to simplify installation. Secure wireless technology significantly reduces total cost of ownership and speeds deployment, while a split-box design adds installation flexibility. The Tsunami GX.32 also provides enhanced system performance with native IP interfaces by eliminating the overhead associated with DS-3 or T1/E1-to-Ethernet connections.
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.