Ricochet Networks and Civitas Wireless Solutions Announce Acquisition of Denver Network by Civitas

Denver, CO, August 6, 2007 – Ricochet Networks, Inc., a wholly owned subsidiary of Terabeam, Inc. (NASDAQ:TRBM), and Civitas Wireless Solutions, LLC, a woman-owned business enterprise (WBE) established to deliver robust wireless solutions to communities throughout the U.S., today announced that Civitas has acquired the Ricochet® wireless network and operations for the greater Denver metropolitan area from Ricochet Networks, Inc. Judi Evans is the President, Chief Executive Officer, and majority owner of Civitas and will continue running the network with her team as she has been doing as President of Ricochet Networks, Inc. since 2005. In addition, Ricochet Networks, Inc. announces that it has ceased operations of its San Diego network and is no longer in the business of providing wireless Internet services.

Headquartered in Denver, Colorado, Civitas now operates the Ricochet® metropolitan scale wireless network in the Denver metro area, with approximately 6,000 users. Civitas also plans to continue the expansion of its wireless services, such as the recently announced municipal Wi-Fi project with the City and County of Denver and other similar initiatives.

"We are excited about the opportunity to expand our broadband wireless services in the municipal wireless market," said Judi Evans, President and CEO of Civitas Wireless Solutions. "We see great transformation in the market, with the new emphasis on building sustainable wireless networks, both ecologically and economically. Ricochet's engineering, customer support, operational experience, intellectual property, and market focus puts us in a strong position to partner with both system integrators and municipalities to deliver robust, sustainable wireless solutions."

"We thank the thousands of Ricochet customers who have shown tremendous loyalty through the years and changes, as well as the dedicated employees of Ricochet with whom it has been a pleasure to work. We look forward to seeing Civitas' progress in delivering wireless mesh solutions in the Denver metropolitan area and beyond," said Robert Fitzgerald, Ricochet's Chief Executive Officer.

Ricochet's parent company, Terabeam, Inc., will file a Form 8-K with the Securities and Exchange Commission shortly that will contain additional information about this transaction.

About Civitas

Civitas Wireless Solutions, LLC, d.b.a. Ricochet Networks, is the only Managed Service Provider in the wireless Internet industry with a decade of experience operating large scale wireless deployments. A pioneer in mesh networking, Ricochet provides wireless broadband solutions for cities by delivering solutions from planning to deployment and management of ongoing operations. Civitas is headquartered in Denver, CO, where it operates a 250 square mile wireless network. Additional information about Civitas, Ricochet and specific services offered can be found at http://www.ricochet.com, by contacting the company by telephone at 303-572-1200 or by email at info@ricochet.com.

About Ricochet Networks, Inc.

Ricochet Networks, Inc. is a wholly owned subsidiary of Terabeam, Inc. that until recently operated wireless networks in the Denver, Colorado and San Diego, California metropolitan markets. Information about Ricochet Networks can be obtained by contacting the company by telephone at 413-584-1425.

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 and arising from the risk that the expected benefits of the transactions described in this press release will not be realized at all or to the extent expected; the risk that cost savings from the transaction may not be fully realized or may take longer to realize than expected; the possibilities that the transactions described in this press release could result in increased liabilities and other adverse consequences; reactions, positive or negative, of customers, investors, employees, contract counterparties, competitors, and others to the transactions; the uncertain impact on the trading market, volume, and price of Terabeam's stock; and legal, financial, and accounting ramifications resulting from the transactions described in this press release. Further information on these and other factors that could affect Terabeam's actual results is included in the Company's public filings with the Securities and Exchange Commission.
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.