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M2Z Networks Announces Wholesale Partnerships with Rural Telephone Companies

Agreement with Rural LEC Consortium operating in 35 states

Washington, DC (September 17, 2007) – M2Z Networks, Inc. (M2Z) announced today that it has entered into a wholesale partnership with Broadband Wireless Partners (BWP), a consortium founded by 20 Rural Local Exchange Carriers (RLECs) currently providing service to approximately two million rural consumers in 35 states.

“M2Z has always been committed to a wholesale business model and partnerships like these will help our company achieve our goal of closing the digital divide in the United States,” said John Muleta, co-founder and CEO of M2Z Networks. “We look forward to working with BWP and others to ensure the achievement of that goal.”

Under the terms of the agreement, M2Z will provide high-speed wireless broadband service on a wholesale basis to the RLECs who will sell the bundled services to their customers. The agreement also provides for M2Z to purchase access to RLEC facilities, the RLECs’ access to certified modems for their customers, and coordination of marketing activities between M2Z and the RLECs.

“We are very excited about what M2Z can do to help us get our consumers connected to wireless broadband throughout the rural areas of the states in which the members of the Broadband Wireless Partners consortium provide service. The availability of wholesale access to M2Z’s wireless broadband network with nationwide roaming will complement our existing broadband service offerings and, thereby, enable us to bring wireless broadband not only to customers in our existing incumbent service areas, but also to consumers in the underserved rural areas of our states,” said Mickey Sims, the CEO and General Manager of the Buggs Island Telephone Cooperative located in Bracey, Virginia.

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The efforts of rural service providers to deploy wireless services beyond the highways that pass through rural America have often been impeded by the unwillingness of the large incumbent wireless providers to deploy significant network facilities in the rural communities covered by their spectrum licenses. Even where rural service providers have been able to obtain access to spectrum licenses to serve their rural communities, they often find it impossible to obtain equitable roaming agreements at reasonable rates from the large incumbent carriers for their wireless rural consumers when roaming. These obstacles place rural providers and their customers at a disadvantage compared to large nationwide carriers. M2Z's wholesale service offering will provide a much needed capability for rural telephone companies by giving their customers access to national broadband data roaming.

"M2Z has a credible business plan that the BWP consortium of rural telephone companies can support. Most significantly, we believe that M2Z's proposal represents the best use of this fallow spectrum and that the FCC should get this spectrum into use quickly," said Steve Kraskin, co-founder of Broadband Wireless Partners and long-time advocate of rural telecommunications providers.

The PEW Internet and American Life Project recently released new data on home broadband adoption. Despite improvements over the past few years, the report found that rural residents continue to trail their counterparts in cities and suburbs. The report noted that, "31% of rural Americans have home broadband connections, compared to 49% of suburban residents and 52% of urban Americans."

About M2Z Networks:

Silicon Valley-based M2Z Networks' goal is to boost the U.S. economy by building a free, fast and family-friendly broadband network across the United States. Since May 2006, the FCC has been considering M2Z's license application for its network, to be constructed in the 2155-2175 MHz spectrum band. The FCC has recently extended its consideration of M2Z's proposal in a forthcoming rulemaking. If approved, the M2Z proposal would guarantee delivery of its broadband service to at least 95 percent of Americans within 10 years. The service will be supported by locally targeted search results and will include a network-level filter to shield families using the service from indecent content. M2Z will pay the U.S. Treasury 5 percent of annual gross revenues from its premium subscription services, which could total payments of up to \$1 billion over 15 years. According to two uncontested economic studies, the introduction of M2Z's broadband service would generate \$18 to \$32 billion in direct consumer benefits over the next 15 years. M2Z is backed by Kleiner, Perkins, Caufield and Byers; Charles River Ventures; and Redpoint Ventures; three of the most successful venture capital firms in Silicon Valley with \$5 billion of capital under management. For more information, please visit www.M2ZNetworks.com and www.FreeBroadbandNow.org

About Broadband Wireless Partners:

Broadband Wireless Partners ("BWP") is a consortium of rural telecommunications providers committed to the deployment and provision of broadband wireless services throughout the rural areas of America. BWP founders Gary Sugarman and Stephen Kraskin formed the consortium, together with 20 rural telephone companies, in order to establish a nationwide entity to work on

behalf of rural telecommunications providers in their efforts to bring broadband spectrum services to the rural and underserved areas of the nation utilizing spectrum that has not been developed. Recognizing the challenges faced by small and rural carriers in the spectrum auction license processes, BWP is committed to pursuing alternative opportunities through negotiation with nationwide carriers to ensure that consumers in rural communities are served and that the spectrum in rural communities does not lay fallow. Sugarman is the principal of Richfield Associates Inc., a firm that provides investment and merchant-banking services related to all aspects of rural telecommunications. Kraskin, the principal member of Communications Advisory Counsel, LLC, has served as regulatory counsel to several hundred rural telecommunications providers. For more information regarding BWP, contact 202-333-1770.

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