



**Telesphere Announces Investment by Hawkeye Capital;
Investment Firm Headed by Telecom Veteran John Chapple**

Investment partner adds to growing list of “smart” telecom money backing Telesphere

Phoenix, AZ (August 30, 2007) – Telesphere, a Phoenix-based managed telecommunications and Internet services provider, announced today that Hawkeye Capital, LLC, a venture capital firm led by well known telecom executive John Chapple, has made an investment of an undisclosed amount in the company. Hawkeye becomes a minority shareholder in Telesphere and Chapple will serve on the company’s board of directors.

Hawkeye joins Rally Capital as another leading telecommunications venture firm that has recently invested in Telesphere. Rally made its initial investment in Telesphere in 2005 and has made several subsequent investments in the company during the past two years and in recent months. Dennis Weibling, President of Rally Capital currently serves as Chairman of the Telesphere Board of Directors.

“We are pleased to have Hawkeye’s financial commitment, and are particularly thrilled to have John’s involvement with the company,” said Weibling. “His experience, his direction, and his successful track record of being associated with winners is a meaningful marker of the bright road ahead for this company.”

Telesphere offers a full suite of fully hosted voice telecommunications and data services that address telephony, local and wide area networking and voice and data solutions for small to medium sized businesses by utilizing the same PBX rich feature sets that Fortune 500 companies have used in the past, but at a fraction of the cost. Telesphere uses a centrally hosted PBX platform which can provide businesses throughout the US with the latest in voice and data services without the need and cost of an on premise PBX service.

“I have been involved in providing communications services to businesses and consumers for nearly 30 years and have personally witnessed these services become the lifeblood of businesses large and small,” said Chapple. “Telesphere’s service offering has the opportunity to extend valuable business telecommunications services to the business masses. Previously, economics limited these services to select businesses that had reached a size that they could invest heavily in telecom infrastructure and support.”

Telesphere is headquartered in the greater Phoenix area and currently provides voice and data services to customers in 40 states. The company plans to aggressively roll out their innovative services to customers in markets throughout the United States.

“Whether it was McCaw Cellular or Nextel Partners, my focus in business has been to put energy behind opportunities that can scale,” continued Chapple. “We believe that Telesphere, as we execute properly, has that kind of future.”

In addition to serving as president of Hawkeye, LLC., Chapple currently serves on the boards of directors of SeaMobile, a company providing integrated wireless communications services at sea, and CBeyond, a telecommunications services company. Chapple is the former Chairman and CEO of Nextel Partners, former President and Chief Operating Officer for Orca Bay Sports and Entertainment and Executive Vice President of Operations for McCaw Cellular Communications.

About Telesphere

Telesphere is a Phoenix-based managed services provider that delivers an innovative package of IP telephone service and internet access to business throughout the United States. Telesphere's services allow small to medium businesses to enjoy all of the latest voice and data features of large businesses without the costly investment of on premise equipment. Telesphere fully manages its customers' services over a private IP facilities-based network. It allows Telesphere customers that are spread across multiple offices throughout the country, from small business, medium business, and even home business, to function seamlessly as if they were in the same location.

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