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TelStrat Sells Its Intelflex BLC Access Division to Pannaway Technologies, Inc.

Deal enables TelStrat to concentrate its focus on enhancing its CallParrot™ Business Call Recording and Holly Street product lines and customer efforts

Plano, Texas- August 14, 2007 – TelStrat, a global supplier of enterprise and carrier-class access communications equipment, announced today that it has entered into a definitive agreement to sell all components of its Access division to Pannaway Technologies, Inc., of Portsmouth, NH. As part of the agreement, Pannaway will acquire the Intelflex BLC product portfolio and technology base.

"I am pleased to have found such a strong match with Pannaway and elated to be an ongoing and active member of the Pannaway board," said Bob Carroll, CEO of TelStrat. "This acquisition also enables TelStrat to focus exclusively on new product development and market growth for the Enterprise business group's CallParrot Business Call Recording system and Holly Street business group's network management and alarm notification system" continued Mr. Carroll.

The CallParrot Business Call Recording system has been integrated with the Nortel TDM and VoIP business solutions for eight years, and with the recent addition of integration and interoperability approval with the Cisco CallManager VoIP networks, market share growth is expected to accelerate at an even quicker rate. This change will also enable TelStrat to provide a quicker integration to the AVAYA TDM and VoIP networks and other enterprise-class voice networks.

The Holly Street products, developed for the Field Technician, Maintenance and NOC Engineer's, provides centralized connectivity and access into network elements located within a local office or a remote office in order to address system and network issues and configuration changes. The end result is lower mean time to repair (MTTR), lower repair costs, and fewer field dispatches with users realizing a direct savings to their operating expense bottom line.

**About TelStrat®**

TelStrat provides communication solutions for enterprise telecommunications environments and wireless access networks. TelStrat offers the CallParrot™ Business Call Recording portfolio enabling call center quality monitoring and business liability protection and a variety of remote access products sold under the Nortel name. Additionally, the company's innovative Holly Street network management and alarm notification system provides connectivity and access into wireless network local and remote access locations, increasing wireless network runtime while reducing operational costs. Founded in 1993, TelStrat has consistently maintained an unsurpassed commitment to customers and their business needs. The company is headquartered in Plano, Texas. For more information, visit <http://www.telstrat.com>.

About Pannaway Technologies

Pannaway delivers customer-proven broadband access and transport solutions that enable wireless and wireline telecommunications service providers to offer new advanced services to their subscribers. Based on industry-standard IP (Internet Protocol) technologies, Pannaway's multi award-winning Service Convergence Network (SCN™) architecture enables providers to reduce expenses, increase revenue and compete more effectively through the delivery of converged services. For more information, please visit www.pannaway.com.

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