![PanTerra Networks logo]

PanTerra Networks Positioned in the Visionaries Quadrant for Unified Communications as a Service Magic Quadrant

PanTerra's Evaluation Based on Completeness of Vision and Ability to Execute

SUNNYVALE, CA, February 2, 2010 -- PanTerra Networks (www.panterranetworks.com), the leading provider of cloud-based Unified Communications Solutions for small and mid-sized enterprises, announced today it has been positioned by Gartner, Inc. into the Visionaries Quadrant of the first Magic Quadrant for Unified Communications as a Service (UCaaS) report.

The Magic Quadrant for Unified Communications as a Service, North American report analyzes UCaaS providers on their ability to execute and completeness of vision, which includes products, services, marketing strategy and innovation. PanTerra's WorldSmart 4.0, the only fully cloud-based unified communications platform with a 100% browser-based client front-end, is focused on lowering Total Cost of Operation (TCO) and simplifying multi-location business communication complexities. WorldSmart 4.0 delivers a tightly unified communication solution for digital voice, fax, email, instant messaging, text and presence in addition to complete group communications services for chat, audio, video and web conferencing, as well as desktop share. WorldSmart 4.0 is delivered over existing customer internet connections, further lowering communications costs while providing maximum flexibility to reach businesses with locations of any size anywhere in the world.

 "We believe the inclusion of PanTerra in Gartner's Magic Quadrant for Unified Communications as a Service visionary quadrant is a testament to the focus PanTerra has to deliver the most comprehensive best of breed unified communication solution tailored for the small and medium enterprise," said Arthur Chang, President and CEO of PanTerra. "What makes WorldSmart 4.0 different is its 100% cloud-based storage and deployment coupled with its 100% browser-based UC client, which drives TCO down, improves real-time access to information and delivers the highest return on investment for businesses.

In the "Magic Quadrant for Unified Communications as a Service, North America" report, published in December 2009, Gartner analysts Daniel O'Connell and Bern Elliot state, "Many SMBs believe that UCaaS is the only viable means of achieving UC functionality given the costs, complexity and risks of the technology." Daniel O'Connell and Bern Elliot also wrote, "While some enterprises opt for traditional premises-based solutions, others take the UCaaS route with the belief that UCaaS specialists can deliver the services more efficiently than the enterprise can on its own."

About the Magic Quadrant

The Magic Quadrant is copyrighted 2009 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant and does not advise technology users to select only those vendors placed in the ―Leaders‖ quadrant. The Magic Quadrant is intended solely as a research tool and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

About PanTerra Networks

PanTerra Networks is a leading provider of cloud-based unified communications Software-as-a-Service (SaaS) solutions for small and medium sized enterprises. The Company's WorldSmart provides unified communication for voice, fax, chat, and email with presence, for a variety of business applications including call centers, multisite, remote employees, high touch operations, and fast growing companies. WorldSmart also includes web collaboration for online meetings, desktop sharing and remote desktop access with a single administration and user interface. WorldSmart tightly integrates with other business SaaS applications like Salesforce.com creating additional value. PanTerra's cloud-based services ensure future proof communications with infinite scaling, lifetime support, and included updates for subscribers. WorldSmart is co-branded and re-sold exclusively through service providers, distributors and resellers. The Company is headquartered in Sunnyvale, California. For more information, visit http://www.panterranetworks.com or call +1 408.702.2200.