



Conterra Ultra Broadband Completes \$41 Million Private Financing

Charlotte, NC – September 19, 2007 - Conterra Ultra Broadband, Inc., a national provider of high speed, high capacity broadband transport services primarily in suburban and rural market areas, today announced the closing of a \$41 million private financing to support its continued growth. The primary investor in this financing round is a leading investment management firm with more than \$13 billion of assets (as a matter of policy, this firm does not disclose its private investments and, therefore, will not be named in this release). Additionally, DukeNet Communications, LLC, a wholesale telecommunications subsidiary of Duke Energy Corporation, and a current Conterra shareholder, also participated in this private financing.

The proceeds of this financing round will be used primarily for capital expenditures associated with the ongoing rollout of Conterra's wide area and hybrid fiber/microwave networks that deliver carrier-class broadband transport services to schools, wireless carriers and select enterprises primarily in underserved regions of the country, as well as to refinance existing debt. Conterra and an affiliate company currently provide their services at more than 500 commercial sites in 11 states that span more than 3,500 transport miles and comprise more than 22,000 "T-1 equivalents" of bandwidth. RBC Capital Markets and its subsidiary RBC Daniels, LP acted as the exclusive placement agents for Conterra on this transaction.

"This financing, provided by such deeply resourced institutional and strategic investors, will support the growing backlog of orders for our wide area and backhaul network service deployments to schools, businesses and wireless carriers throughout the country," commented Conterra's Chairman, President and CEO, Stephen R. Leeolou. "The depth and diversity of our investors have created a sturdy financial foundation from which our company has the opportunity to continue to pursue what we believe is a cresting wave of demand throughout the country for broadband telecom services at quantum increases in capacity and speed," added Leeolou.

About Conterra Ultra Broadband, Inc.

Conterra Ultra Broadband, headquartered in Charlotte, NC, is a national provider of facilities-based broadband services for schools, wireless carriers and select enterprises that require bandwidth intensive, carrier-grade data, video and voice transport services primarily in outer suburban and rural markets.

Privately owned, Conterra was established by the founders and members of management of Vanguard Cellular Systems, Inc., which became one of the first and largest independent cellular companies in the United States. Started in 1982, Vanguard designed, built and operated its own point-to-point microwave transport systems to support wireless voice and data traffic within its cellular networks throughout the country which are now part of AT&T Wireless. For more information about Conterra, visit www.conterra.com or call: **800-634-1374**.

About DukeNet Communications, LLC

DukeNet develops and manages fiber-optic communications systems for wireless, local and long-distance communications companies and selected educational, governmental, financial and health-care entities. Headquartered in Charlotte, NC, DukeNet is a wholesale telecommunications subsidiary of Duke Energy Corporation, a Fortune 500 energy company, traded on the New York Stock Exchange under the symbol DUK. More information about DukeNet is available at www.dukenet.com.

###

Conterra Contact Information:

Eric Burgess, Conterra EVP & Chief Financial Officer
704. 365. 6701 or eburgess@conterra.com

Jason Adkins, Conterra EVP, Sales & Marketing
704. 365. 6701 or jadkins@conterra.com