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**Coactive Networks and Diverse Networks Team to Deliver
End-to-End Infrastructure for Enabling the Digital Home**

Coactive Connector® Residential Gateway Links with Diverse Operations Center

SAUSALITO, CALIFORNIA AND HOUSTON, TEXAS, August 28, 2000 – Coactive Networks, the leading provider of gateways for connecting the Internet to all devices in homes and businesses, today announced a strategic alliance with Diverse Networks (DNI), a leading network services firm specializing in the design and operation of all types of wireless and wireline data communications networks. The companies will offer an end-to-end infrastructure solution for providing remote Internet access to all the control systems and devices in homes and businesses, including wired and wireless access to climate controls, security systems, and appliances.

“Coactive’s unique gateway technology promises to deliver a new class of telemetry e-services to millions around the world, a killer application in particular for wireless Internet devices,” said Mel Goldman, president and chief executive officer of Diverse Networks. “This alliance gives Coactive customers access to DNI’s networking services and secure facilities without having to build their own infrastructure.”

Under the terms of the agreement, Coactive and DNI will work cooperatively to offer service providers end-to-end network solutions that include network deployment and operational services, such as physical infrastructure, network operation center hosting, and wireless data centers.

“Linking the Coactive Connector residential gateway with DNI’s network design and operations expertise gives our customers a complete turnkey solution for rolling out a new class of e-services,” said David Gaw, president of Coactive Networks. “The strategic alliance between Coactive and DNI will help to realize the mass-market deployment of residential gateways by enabling service providers, such as utilities, telecom and cable companies, to ensure the safe, scalable, and reliable exchange of data with their customers.”

About Diverse Networks

Diverse Networks Inc. (DNI), headquartered in Houston, monitors, manages and operates the Palm.Net™ Internet Portal and Wireless Service for Palm Inc. The Company is a major provider of operational, engineering and network management services to companies providing content or transporting data over wireless, wired or hybrid networks. The Company also provides wireless system integration and services to simplify wireless data solutions for enterprise customers. DNI maintains an Operations Center to offer network providers and enterprise customers a hardened infrastructure for hosting and outsourcing all types of applications and services. DNI’s services include IP

network design and deployment, wireless network design and deployment, project management, network management system design and development and network engineering.

About Coactive Networks

Coactive Networks extends Internet access to every device, appliance, control system and computer – Connecting Networks to the Real World™. By providing a central link from these devices to the Internet in homes and business, the Coactive Connector® and Coactive Router product families deliver a new class of telemetry e-services. The leader in Internet telemetry, Coactive Networks delivers affordable, scalable connectivity with a highly integrated third-generation residential gateway platform and the patent-pending distributed object technology of the IOConnect Architecture™. Coactive is a privately held corporation based in Sausalito, California. More information on Coactive can be found at www.coactive.com.

Coactive, the Coactive Logo, Connecting Networks to the Real World, Coactive Connector, and IOConnect Architecture are trademarks or registered trademarks of Coactive Networks, Inc. in the US and other countries.

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