

For Immediate Release

Peerless Network Closes Additional Funding Round

Service Now Available in Five New Markets

CHICAGO – July 27, 2010 – Peerless Network, Inc. has closed a new round of equity financing. Combined with new credit lines available to the company, the total new capital available to the company is approximately \$14 million. The additional capital, combined with free cash flow from existing operations, will enable Peerless to expand to fifteen additional major markets by mid-2011. Peerless Network is also announcing immediate availability of service in Tampa, Orlando, Columbus, Indianapolis and Milwaukee.

“Our dedication to customer service has driven strong financial performance which in turn facilitated this capital raise,” said John Barnicle, President and CEO of Peerless Network. “The recent progress in the litigation with Neutral Tandem, Inc. (Nasdaq: TNDM) was also a key factor in achieving a substantial increase in valuation relative to past equity raises.”

“Peerless Network’s success is based upon strong customer support,” said Rick Knight, EVP of Sales and Marketing. “Traffic growth in July will increase by approximately 20% compared with June, which itself was a record month. To show our thanks to our customers, Peerless Network is offering a Customer Appreciation Promotion to provide our national customers additional incentives to ramp services quickly in our new markets.”

About Peerless Network, Inc.

Peerless is a privately held company focused on simplifying the interconnection process for other telecommunications service providers and end users alike. Peerless provides a broad range of services, with reliable and cost-effective solutions to seamlessly access myriad networks regardless of protocols, traffic types or regulatory status. Based in Chicago, the company currently offers services in Chicago, New York, Philadelphia, Connecticut, Miami, Atlanta, San Francisco, New Jersey, Minneapolis, Los Angeles, San Diego, St. Louis, Tampa, Orlando, Columbus, Indianapolis, Milwaukee, and numerous Tier II and Tier III markets. Peerless is directly connected to customers that have approximately 150 million telephone numbers associated with them. More information is available at www.peerlessnetwork.com.

Contact Information:

Matt Batt
Pipeline Media Relations
matt@pipelinemediarelations.com
847.201.6588 X222