

## **PRESS RELEASE**

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### **TelVue Corporation Improves Balance Sheet**

*Majority Shareholder H. F. ( Gerry ) Lenfest Agrees to a Series of Transactions*

Mount Laurel, New Jersey, June 23, 2005 – At TelVue Corporation's (OTC Bulletin Board: TEVE) June 16, 2005 Board of Directors meeting, the independent members of the Board and Mr. H. F. ( Gerry ) Lenfest agreed to a series of transactions which positively impact the Company's balance sheet. First, the Board of Directors and Mr. Lenfest agreed to terminate a Warrant Agreement between Mr. Lenfest and the Company. Pursuant to the Warrant Agreement, Mr. Lenfest had the right to purchase up to 29,915,160 shares of the Company's Common Stock for \$.01 per share, the fair market value of the Common Stock on the grant date. The Warrant Agreement was entered into on March 15, 1991, in connection with a prior line of credit to the Company provided by Mr. Lenfest. This transaction effectively reduces the number of potential shares outstanding.

Second, Mr. Lenfest informed the Company of his intent to convert all of his 3,518,694 shares of Redeemable Convertible Preferred Stock, with a par value of \$1 per share, into the Company's Common Stock, with a par value of \$0.01 per share. Each share of Preferred Stock is convertible into 6.667 shares of Common Stock. As a result of the conversion, the Company will be required to issue 23,459,133 shares of Common Stock to Mr. Lenfest. Upon Conversion of the Preferred Stock, Mr. Lenfest will own approximately 77 percent of the Company's outstanding Common Stock on a fully diluted basis, measured as of June 16, 2005. Upon conversion of the Preferred Stock, the Company's stockholders' equity will be increased to include \$3,518,694.

The Preferred Stock provides for a cumulative 6 percent semiannual dividend. The dividend was payable in cash or additional shares of Preferred Stock at \$1 per share, at the option of the Company. The Company has accrued dividends on the Preferred Stock since the beginning of 1998, but no dividends have been paid. Mr. Lenfest has agreed to relinquish his right to all accrued but unpaid dividends attributable to the Preferred Stock and the \$3,061,269 reflected on the balance sheet as accrued dividends will be reversed and included in stockholders' equity as a decrease to the Company's accumulated deficit.

Finally, the independent members of the Board of Directors and Mr. Lenfest extended the maturity date of a promissory note (the "Note") in the principal amount of \$541,000 issued by the Company and currently held by Mr. Lenfest to January 1, 2011. The Note was originally issued by the Company to Science Dynamics Corporation and was payable December 31, 1996. In January 1995, Mr. Lenfest purchased the Note from Science Dynamics; and the maturity date had been extended by the Company and Mr. Lenfest on a yearly basis. The Note is non-interest bearing. As a result of this transaction, the Note will be categorized as long term debt as opposed to current debt on the Company's balance sheet.

"The recent transactions between the Company and Mr. Lenfest significantly improve our balance sheet" said Joseph M. Murphy, President and CEO of TelVue Corporation. "As we continue to build our TVTN programming business, it is important to have an improved financial foundation. We thank Mr. Lenfest for his continued support in our growth efforts."

TVTN ([www.tvtn.tv](http://www.tvtn.tv)) dramatically improves the way communities see local cable access programming by efficiently disseminating news people can use; broadcasting information in an eye- and ear-catching format; and rotating "fresh" information while keeping content lively.

TelVue Corporation is a public company trading on the OTC Bulletin Board as TEVE: OB. This announcement contains certain forward-looking statements that are subject to risks and uncertainties. Such statements reflect management's current views and are based on certain assumptions. Actual results could differ materially from those currently anticipated as a result of a number of factors, including, but not limited to, the risks and uncertainties discussed in the TelVue Corporation's reports filed with the Securities and Exchange Commission.