

PRESS RELEASE

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TelVue Corp. To Acquire Princeton Server Group, Inc.

Deal Enables Company to Provide Innovative, Streamlined Solutions to Municipal Cable Channels

March 7, 2007 (Mount Laurel, NJ) - TelVue Corporation (TEVE: OB) today announced that it has executed a purchase agreement with Princeton Server Group, Inc. (PSG) for \$6.1 million in cash plus forgiveness of a \$400,000 loan. The deal will become final on March 12, 2007. Once final, the acquisition formalizes a long-term collaboration between the companies and makes TelVue the only company that provides a comprehensive solution featuring digital video equipment, localized content and production services developed specifically for the public, education and government (PEG) cable channel market.

TelVue Corp. is the parent company of TVTN, the nation's only network of municipally-owned cable channels. The company helps municipalities enhance their local cable channels by providing localized content, production support and automation technology solutions. It also aggregates these channels into a single point of negotiation, distribution and invoicing for marketers interested in a unique "hyperlocal" cause-marketing opportunity.

Princeton Server Group is the leading provider of professional digital video broadcast systems to hometown cable channels. The company's digital media products leverage the communication power of television merged with Internet technology to emulate traditional TV broadcast equipment at a fraction of the cost.

PEG channels are provided by cable companies as part of their franchise agreements with municipalities. The channels have the same production capabilities as other cable channels but due to a lack of resources, expertise or both, they are often little more than electronic bulletin boards in many towns.

"This acquisition makes perfect sense for TelVue and our investors because both companies serve the same client base with complementary offerings," said Joseph Murphy, co-founder, president and CEO of TelVue Corporation. "In the near-term, we have the opportunity to cross-sell into each other's customer base. Long-term, our intention is to develop integrated solutions that enhance our customer's workflow, offer exciting new services like web streaming and video-on-demand, and make it less costly and difficult to add a professional touch to your hometown channel."

Hometown channel managers and operators that worked with both companies independently served as the primary catalyst for the initial collaboration between TelVue and Princeton Server Group. This group will reap the benefits of their matchmaking, receiving cost savings from a unified product/service/content solution; streamlined buying process for equipment, services, content and support; equipment and service upgrades in lock step; and most significantly, easier local video integration to make local cable channels look and feel more like other cable channels.

"The digital video products we've developed for transitioning hometown cable channels from legacy, tape-based workflow has positioned us as a technology leader in the market," said Jesse Lerman, co-founder, president and CEO of Princeton Server Group. "TelVue's content and

production support helps to showcase the full potential of our equipment, making it easier and cheaper for municipalities to provide professional looking local television channels.”

“This acquisition is an important step in achieving our vision of revitalizing the quality and availability of local media,” said H.F. “Gerry” Lenfest, Chairman of the Board of TelVue. “In an era of media consolidation and regulatory change, TelVue and TVTN are the last best hope for truly local television.”

TelVue Inc. will act as a media holding company that operates Princeton Server Group and TVTN as separate but complementary business units. Princeton Server Group and TVTN will continue to operate at their current locations in Princeton , NJ , and Mount Laurel , NJ , respectively.

About TelVue Corporation

TelVue Corporation is a publicly traded company that provides services within the cable television industry. Services include television programming on local public, education and government (PEG) channels through its TelVue Virtual Television Networks service; and professional digital video broadcast and video-on-demand systems to PEG channels through its Princeton Server Group.

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.

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