



Sitestar Acquires Two Internet Companies

For Immediate Release

LYNCHBURG, Va./EWorldWire/July 1, 2004 --- Sitestar Corporation (OTCBB: SYTE) today announced that it has entered into an agreement with Virginia Link Internet, a local Internet company in Galax; and Mount Airy Networks LLC, a local Internet company in Mount Airy, N.C. The arrangements consist of acquiring the dial-up Internet customer base and related assets of both companies.

Larry Thompson, one of the owners of Virginia Link, will continue to operate the computer repair, web design and web hosting business in a non-competitive manner and he will become an agent selling Sitestar's Internet Services.

"This move frees me up to focus on our other businesses and provide our Internet dial-up customers the enhanced services and greater calling area offered by Sitestar," said Thompson. "Our customers will still be able to come in for any computer and web support they need."

"These agreements will add additional revenue with nearly 2,000 new dial-up customers to our company and they are consistent with the acquisition facet of our growth strategy," reported Frank Erhartic Jr., President and CEO of Sitestar Corporation. "We already locally serve the geographic footprint of these companies, and we anticipate substantial cost savings resulting from the consolidation of resources."

"Transitioning these customers to our system should be fairly seamless and quick. We will be keeping the office space in Galax for customer convenience. We look forward to working with Mr. Thompson to build both of our businesses together."

About Sitestar Corporation

Sitestar Corporation is a mid-Atlantic Internet Service Provider and computer services company offering a broad range of services to business and residential customers. Sitestar's main customer base is primarily in the Virginia and North Carolina markets but also sells most of its existing services nationwide. Sitestar's wholly owned subsidiaries provide narrow and broadband Internet access, Web-hosting and design services, computer sales and repair and other technology-related solutions to its residential and business customers.

Sitestar's wholly owned subsidiaries include Sitestar.net (<http://www.sitestar.net>), Sitestar Applied Technologies (<http://www.sitestarapplied.net>), SurfWithUs.Net (<http://www.surfwithus.net>), Lynchburg.net (<http://www.lynchburg.net>), Advanced Internet Services (<http://www.advi.net>), Computers by Design (<http://www.computersbydesign.com>) and CBD Toner Recharge (<http://www.recharge.net>).

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