



Sitestar Announced First Quarter Financial Results

Revenue Growth and Multiple Acquisitions Highlight Quarter

For Immediate Release

LYNCHBURG, Va./EWorldWire/May 16, 2006 --- Sitestar Corporation (OTCBB: SYTE), a provider of residential and business Internet access and value-added computer services, today announced results of operations for the quarter ended March 31, 2006, highlighted by an increase of \$115,615 in net income or 160.4 percent from the same period in 2005. Similarly, EBITDA (earnings before interest, taxes, depreciation and amortization) improved \$264,653 or 119.1 percent compared to the same period a year ago. In addition, Sitestar acquired and integrated the assets and customer lists of two Internet Service Providers (ISPs).

A key component of the company's growth strategy, Sitestar seeks ISPs in target markets for acquisition and combines best practices for minimizing customer attrition with tried and true methods for maximizing operating efficiencies to create dramatically improved revenue earning opportunities. During its first quarter, Sitestar established a presence in Canada through the acquisition of NetRover, Inc. Additionally, the company expanded its customer base in the Rocky Mountain region by absorbing dial-up, DSL and Web services customers from Prolynx.

"Our record fiscal performance in 2005 primed the pump for aggressive growth in 2006," said Frank R. Erhartic, Jr., CEO for Sitestar. "We're proud of our first quarter achievements. More importantly, our business model is proven, our team is focused and our acquisition pipeline is strong. We anticipate a busy summer."

About Sitestar

Sitestar (<http://www.sitestar.com>) is an Internet and computer solutions provider that offers narrow and broadband Internet access, Web hosting and design and other value-added services. The company's customers include residential and commercial accounts throughout the United States and Canada. With a focus on competitive pricing, reliability, service and speed, Sitestar delivers customer value. Sitestar is headquartered in Lynchburg, Virginia. Its wholly owned subsidiaries include Sitestar.net (www.sitestar.net), netROVER, Inc. (www.netrover.com), Prolynx (www.prolynx.com), SurfWithUs.Net (www.surfwithus.net), Lynchburg.net (www.lynchburg.net), Advanced Internet Services (www.advi.net), Computers by Design (www.computersbydesign.com) and CBD Toner Recharge (www.recharge.net).

This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Stockholders are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation, our ability to expand our customer base, make strategic acquisitions, general market conditions, and competition and pricing. Although we believe the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward-looking statements contained in the report will prove to be accurate.

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