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**Net One Systems and Soapstone Networks Partner
to Support Carrier Ethernet in Japan
Sign Distribution Agreement to Resell Soapstone Control Plane Solutions**

Billerica, Mass. October 27, 2008 – Soapstone Networks (NASDAQ: SOAP) today announced that it has signed a distribution agreement with Net One Systems Co, Ltd., a leading network and systems integrator to the Japanese service provider market. Net One, which built its reputation on integrating leading edge technologies, will offer the Soapstone Networks PNC framework to its large base of service provider and enterprise customers throughout Japan.

The flexibility and interoperability afforded by Soapstone's multi-vendor resource and service control plane solution make it ideally suited to be provided by Net One in support of a wide variety of Carrier Ethernet networks across its extensive customer base.

"Net One's top priority is to ensure that our product portfolio includes the most advanced technologies, allowing our service provider and enterprise customers to take full advantage of leading-edge solutions," said Mr. Tomohiro Iwamoto, general manager of network technology operations at Net One Systems. "After testing Soapstone's PNC solution in our next-generation networks lab this year and receiving great customer feedback, we realized the PNC product family was a solution we wanted to offer to our customers in order to meet their advanced requirements."

"Service provider and enterprise customers are demanding flexible and interoperable solutions that allow them to access the most innovative technologies in support of business needs," stated Esmeralda Swartz, Soapstone's senior vice president of marketing and business development.

"Net One's service provider and enterprise customers will benefit from the PNC's ability to decouple services from the underlying transport network and enable service fulfillment and assurance support across a heterogeneous environment. We look forward to working with Net One and their network equipment and OSS partners to create highly differentiated and innovative

solutions for the Japanese market, one of the most technically advanced communications markets in the world. “

The Soapstone Networks PNC framework is designed to provide quality and capacity management for transport resources across heterogeneous technologies and vendors. The tight coupling of fulfillment and assurance results in a dynamic control plane that provisions and maintains resources through active monitoring of network elements and provides uniform reporting of performance, utilization, faults, and resource inventory. This information is then shaped into a form that is meaningful northbound to the OSS/services layer. The PNC is designed to automate the entire service lifecycle by providing state of the art provisioning, fault to service correlation, performance, optimization, and planning software to carrier and enterprise customers.

About Soapstone Networks

Soapstone Networks is at the forefront of the movement to Carrier Ethernet by developing resource control systems that realize NGN software-provisioned services in the new Carrier Ethernet transport network. Soapstone's common control framework decouples services from underlying network technologies. The Soapstone Networks PNC solution is designed to dynamically provision precise, SLA-quality services, while continuously optimizing utilization of network resources in order to bring orderly, predictable business-driven behavior to service provider networks. Accelerating Innovation - www.soapstonenetworks.com.

This release contains information about Soapstone's future expectations, plans, and prospects, including expectations for the growth opportunity that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. When used in this press release, the word "will," "expected" and other similar expressions are intended to identify such forward-looking statements. Such risks and uncertainties include, but are not limited to market acceptance of our products, services and enhancements, dependence on our major customer, customer purchasing patterns and commitments, development of the market place, product development and enhancement, intensity of competition of other vendors, technological changes, reliance on technology and distribution partners, and other risks set forth in Soapstone's filings with the Securities and Exchange Commission. Soapstone does not undertake any duty to update forward-looking statements.

About Net One Systems Co., Ltd.

Net One Systems is continually searching and scrutinizing the most advanced technologies. The company provides network systems that add high quality technical services to the company verified products. Net One Systems provides highly reliable value-added comprehensive solutions that include consultation, design, creation and management services. This is made possible through its technical center for research, quality control center for inspection of both incoming and outgoing products and network academy for providing engineer education. To learn more about Net One Systems Co., Ltd., please visit them online at <http://www.netone.co.jp/english/>.