

October 17, 2017



InterCloud Eliminates over \$7.2 Million of Subordinate Convertible Debt and accrued interest in Debt to Equity Exchange

SHREWSBURY, N.J., Oct. 17, 2017 (GLOBE NEWSWIRE) -- InterCloud Systems, Inc. (OTC:ICLD) ("InterCloud" or "Company") announced today that it entered into an Exchange Agreement (the "Agreement") with the holder of certain term notes issued by the Company, exchanging the debt for preferred equity.

Pursuant to the Agreement with our former president, the Company exchanged over \$5.4 million of Convertible Debt and eliminated over \$1.8 million of accrued interest in exchange for approximately \$2.3 million of Preferred Equity. The Preferred Equity may be exchanged for Common Stock over a five (5) year period. The Company is also negotiating with other convertible noteholders to exchange their debt into preferred equity.

The effect of the Agreement is to eliminate all debt service and interest accrual on the debt and create \$2.3 Million of new Shareholder Equity in the process. The Exchange immediately increased the Company's common book value per share. Full details of the impact on the Company's financials will be discussed in the Company's regularly scheduled quarterly earnings release.

InterCloud Systems CEO, Mark Munro stated, "This is our first step in creating new shareholder equity as we push forward with our plans to eliminate costly subordinated debt and interest accruals. Our goal is to continue to restructure all debt and create an entity with no debt. We can then focus on rebuilding shareholder value through revenue growth and profitability. This was a major step in the right direction."

About InterCloud Systems, Inc.

InterCloud Systems, Inc. is a leading provider of cloud networking orchestration and automation, for Software Defined Networking (SDN) and Network Function Virtualization (NFV) cloud environments to the telecommunications service provider (carrier) and corporate enterprise markets through cloud solutions and professional services. InterCloud's cloud solutions offer enterprise and service-provider customers the opportunity to adopt an operational expense model by outsourcing cloud deployment and management to InterCloud rather than the capital expense model that has dominated in recent decades in IT infrastructure management. Additional information regarding InterCloud may be found on InterCloud's website at www.intercloudsys.com.

Forward-looking statements:

The above news release contains forward-looking statements. The statements contained in this document that are not statements of historical fact, including but not limited to, statements identified by the use of terms such as "anticipate," "appear," "believe," "could," "estimate," "expect," "hope," "indicate," "intend," "likely," "may," "might," "plan," "potential," "project," "seek," "should," "will," "would," and other variations or negative expressions of these terms, including statements related to expected market trends and the Company's performance, are all "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve a number of risks and uncertainties. These statements are based on assumptions that management believes are reasonable based on currently available information, and include statements regarding the intent, belief or current expectations of the Company and its management. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performances, and are subject to a wide range of external factors, uncertainties, business risks, and other risks identified in filings made by the company with the Securities and Exchange Commission. Actual results may differ materially from those indicated by such forward-looking statements. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statement contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances upon which any statement is based except as required by applicable law and regulations.

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