

INCENTRA

SOLUTIONS, INC.

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INCENTRA SOLUTIONS REPORTS 2007 THIRD QUARTER, NINE-MONTH RESULTS

*Year-over-Year Revenue in Both Periods Increases 126% and 117%, respectively;
Services Revenue Up 68% and 63%; Losses From Continuing Operations Down Significantly*

Boulder, CO, November 13, 2007 – Incentra Solutions, Inc. (OTCBB: ICNS), a provider of complete IT and storage management solutions to enterprises and managed service providers in North America and Europe, today announced results for its third quarter and nine months ended September 30, 2007. Revenue in this year's third quarter increased 126 percent year over year and included organic growth in Product revenue of 64 percent and Services revenue of 54 percent, as well as revenue gained from two acquisitions that closed during the quarter. Net loss from continuing operations declined significantly in both 2007 periods and adjusted EBITDA in the third quarter of this year was positive.

Total revenue in the 2007 third quarter rose 126 percent to \$36.4 million, from \$16.1 million in the 2006 third quarter. Services revenue in this year's third quarter increased 68 percent to \$6.1 million from \$3.6 million in the prior year period, and Product revenue grew 143 percent to \$30.3 million, up from \$12.5 million in the 2006 third quarter. Results from continuing operations for all periods exclude the operating results of the Company's former Front Porch Digital Broadcast and Media business, which was sold in July 2006.

For the first nine months of 2007, total revenue increased 117 percent to \$92.1 million, from \$42.5 million in the year-earlier period. Services revenue for this year's first nine months increased 63 percent to \$16.0 million and total Product revenues grew 133 percent to \$76.2 million. This compares to total Services revenue of \$9.8 million and Product revenue of \$32.7 million in the first nine months of 2006.

Chairman and CEO Thomas P. Sweeney said that Incentra's results for the 2007 third quarter were indicative of the significant progress the Company has made in improving productivity and operating efficiencies and aggressively executing its strategy of increasing sales of its higher margin Services and upper-end IT products through its growing solutions sales organization.

"We had a banner 2007 third quarter even though the summer quarter in the IT industry is often the weakest of the year for both revenue and profit performance," Sweeney added. "Incentra has reached the size and scale that we can now concentrate on operating the business to continually generate increasing positive adjusted EBITDA and profitability and to organically grow Services and Product revenue at above market rates."

Gross margins continued to grow at faster rates than revenue in this year's third quarter and first nine months. In the 2007 third quarter gross margin increased 139 percent to \$7.9 million from \$3.3 million in the 2006 third quarter and in the first nine months of this year, gross margin grew 132 percent to \$19.6 million from \$8.5 million in the year-earlier period.

Excluding stock-based compensation charges, SG&A expense as a percent of revenue in this year's third quarter was 24 percent, down from 48 percent in last year's third quarter and it was 26 percent of revenue for the first nine months of this year, down from 43 percent in the same period last year.

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Chief Financial Officer Anthony DiPaolo said that generating positive adjusted EBITDA of \$117,000 in the 2007 third quarter was an important milestone for the Company. “It not only contributed to the increase in cash on our balance sheet, it is an important first that positions Incentra to consistently generate increasing levels of cash going forward. We believe our increasing operating cash flow and existing lines of credit can provide us the resources to support the Company’s anticipated organic growth.”

Operating loss from continuing operations declined approximately 80 percent to \$911,000 in the 2007 third quarter, from \$4.5 million for the comparable prior year period. Stock-based compensation charges included in the results for the respective quarters were \$323,000 and \$523,000. Operating loss from continuing operations for this year’s first nine months was \$4.5 million compared with operating loss from continuing operations for the year-earlier period of \$9.8 million. Stock-based compensation charges included in the results for the respective nine-month periods were \$1.1 million and \$1.4 million.

Net income (loss) applicable to common shareholders for the 2007 third quarter was a net loss of \$2.5 million, or \$0.15 loss per share, compared to a net profit of \$8.1 million, or \$0.60 per share, for the comparable prior year period. For the first nine months of 2007, net income (loss) applicable to common shareholders was a net loss of \$8.8 million, or \$0.61 loss per share, compared to a net loss of \$964,000, or \$0.07 loss per share, for the year-earlier period. Net income (loss) for the 2006 third quarter and first nine months included net gains on the sale of Front Porch Digital of \$15.6 million, or \$1.14 per share, and \$16.0 million, or \$1.16 per share, respectively.

President and Chief Operating Officer Shawn O’Grady noted that the integration of Helio and SSI is proceeding smoothly. He said that the synergies Incentra expects from its acquisition strategy began to be realized within the first 30 days of closing the acquisitions. “Both Helio and SSI added to their offerings Incentra’s full suite of Services and other products, which expanded their product lines, and they immediately began to generate sales of First Call services and our higher-end IT products.”

Outlook for 2007:

With the Company’s increasing rate of organic growth and the addition of the two acquisitions that closed in the 2007 third quarter, Incentra is increasing its revenue guidance for 2007 to between \$142 and \$152 million, up from its earlier guidance of between \$110 million and \$120 million. As a result 2007 revenues are expected to be approximately 110 percent to 125 percent higher than revenue in 2006. The Company expects to be adjusted EBITDA positive for the fourth quarter.

Conference Call Information

As previously announced, management will host a conference call today to be broadcast live on the Internet at 11:30 a.m. (Eastern time). The dial-in number for the call from locations in North America is 1-866-225-8754, and for callers outside North America, the dial-in number for the call is 1-480-629-9562. You may also access the live webcast on the Company/Investors section of the Company’s website, www.incentrasolutions.com, under “Conference Call and Webcasts.” Additionally, an archive of the conference call will be available on this site.

About Incentra Solutions, Inc.

Incentra Solutions, Inc. (www.incentrasolutions.com) (OTCBB:ICNS) is a provider of complete IT & storage management solutions to enterprises and managed service providers in North America and Europe. Incentra’s complete solution includes managed services, professional services, hardware and software products with the Company’s First Call and Enhanced First Call support services, IT outsourcing solutions and financing options.

Incentra Solutions Forward Looking Statements

Certain information discussed in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the federal securities laws. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, it can give no assurance that its expectations will be achieved. Readers are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are inherently subject to unpredictable and unanticipated risks, trends and uncertainties such as the Company’s inability to accurately forecast its operating results; the Company’s potential inability to achieve profitability or generate positive cash flow; the availability of financing; and other risks associated with the Company’s business. For further information on factors which could impact the Company and the statements contained herein, reference should be made to the Company’s filings with the Securities and Exchange Commission, including Annual Reports on Form 10-KSB, Quarterly Reports on Form 10-QSB and Current Reports on Form 8-K. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

TABLES FOLLOW

INCENTRA SOLUTIONS REPORTS 2007 THIRD QUARTER, NINE-MONTH RESULTS

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

September 30, 2007

(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
REVENUES:				
Products	\$ 30,268,775	\$ 12,467,109	\$ 76,185,704	\$ 32,736,536
Services	<u>6,091,746</u>	<u>3,621,033</u>	<u>15,956,448</u>	<u>9,813,198</u>
TOTAL REVENUE	36,360,521	16,088,142	92,142,152	42,549,734
COST OF REVENUES:				
Products	24,444,989	10,258,241	62,036,304	27,082,321
Services	<u>4,057,196</u>	<u>2,537,691</u>	<u>10,521,441</u>	<u>7,008,058</u>
TOTAL COST OF REVENUES	28,502,185	12,795,932	72,557,745	34,090,379
GROSS MARGIN	<u>7,858,336</u>	<u>3,292,210</u>	<u>19,584,407</u>	<u>8,459,355</u>
Product - \$	5,823,786	2,208,868	14,149,400	5,654,215
Services - \$	2,034,550	1,083,342	5,435,007	2,805,140
Product - %	19%	18%	19%	17%
Services - %	33%	30%	34%	29%
Selling, general and administrative expenses	8,769,761	7,744,413	24,049,742	18,246,697
OPERATING LOSS FROM CONTINUING OPERATIONS	<u>(911,425)</u>	<u>(4,452,203)</u>	<u>(4,465,335)</u>	<u>(9,787,342)</u>
Other income (expense):				
Interest expense, net	(794,044)	(681,696)	(2,239,438)	(2,350,031)
Loss on early extinguishment of debt	(135,851)	(1,724,432)	(135,851)	(2,956,606)
Other (expense) income, net	<u>(12,276)</u>	<u>66,629</u>	<u>245</u>	<u>117,850</u>
LOSS FROM CONTINUING OPERATIONS	<u>(1,853,595)</u>	<u>(6,791,702)</u>	<u>(6,840,378)</u>	<u>(14,976,129)</u>
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF INCOME TAXES	<u>(3,306)</u>	<u>15,576,209</u>	<u>15,283</u>	<u>15,975,262</u>
NET INCOME (LOSS)	(1,856,901)	8,784,507	(6,825,095)	999,133
Accretion of convertible redeemable preferred stock to redemption amount	<u>(654,392)</u>	<u>(654,392)</u>	<u>(1,963,176)</u>	<u>(1,963,176)</u>
NET INCOME (LOSS) APPLICABLE TO COMMON SHAREHOLDERS	<u>\$ (2,511,293)</u>	<u>\$ 8,130,115</u>	<u>\$ (8,788,271)</u>	<u>\$ (964,043)</u>
Weighted average number of common shares outstanding - basic and diluted	16,281,857	13,662,856	14,380,724	13,751,117
Basic and diluted net loss per share applicable to common shareholders:				
Loss from continuing operations	\$ (0.15)	\$ (0.54)	\$ (0.61)	\$ (1.23)
(Loss) income from discontinued operations	<u>*</u>	<u>1.14</u>	<u>*</u>	<u>1.16</u>
Net income (loss) per share--basic and diluted	<u>\$ (0.15)</u>	<u>\$ 0.60</u>	<u>\$ (0.61)</u>	<u>\$ (0.07)</u>

* Amount is less than \$0.01 per share

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**Reconciliation of loss from continuing operations before
preferred stock accretion to adjusted EBITDA**

<i>All amounts in (000's)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Loss from continuing operations before accretion of preferred stock	\$ (1,854)	\$ (6,791)	\$ (6,840)	\$ (14,976)
Depreciation and amortization	694	724	2,175	1,772
Interest expense, net (cash portion)	499	224	1,119	1,125
Interest expense (non-cash portion)	295	457	1,121	1,225
Taxes	24	-	74	-
Loss on early extinguishment of debt	136	1,724	136	2,957
Non-cash stock-based compensation	323	523	1,146	1,359
Adjusted EBITDA ¹	\$ 117	\$ (3,139)	\$ (1,069)	\$ (6,538)

Adjusted EBITDA¹: Earnings before interest, taxes, depreciation, amortization, and before stock-based compensation charges and loss on early extinguishment of debt.

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