

Form 51-102F3  
Material Change Report

**Item 1 Name and Address of Company**

TransGlobe Internet and Telecom Co., Ltd. (“**TTI**”)  
Suite 1145 – 1188 West Georgia Street  
Vancouver, B.C. V6E 4A2

**Item 2 Date of Material Change**

October 17, 2006

**Item 3 News Release**

A News Release dated and issued October 24, 2006 at Vancouver, British Columbia, through Sedar and Stockwatch.com

**Item 4 Summary of Material Change**

TTI announced that it has signed a Definitive Agreement with Union Information Systems Co., Ltd. (“**Union**”), a developer and provider of Enterprise Content Management (“**ECM**”) software.

**Item 5 Full Description of Material Change**

On January 16, 2006, TTI announced that it signed a Memorandum of Understanding with Union to become its exclusive distributor. On October 24, 2006, TTI announced that it has signed a Definitive Agreement with Union. Under the terms of the agreement: TTI will become an exclusive distributor of Union products in North and South America; TTI will own all rights to the English language version of the core dDIMS product, as well as own subsequent modifications to the code and will pay fees and royalties to Union; Union will make an investment into TTI (to be detailed in a subsequent private placement agreement). This business venture is expected to diversify TTI’s product offering and broaden the company’s reach into the business-enterprise markets.

**Item 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102**

*If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.*

Not applicable

**Item 7 Omitted Information**

Not applicable

**Item 8 Executive Officer**

Contact: Mr. Sandy Oh, President  
Telephone: (604) 602-8758

**Item 9 Date of Report**

DATED at Vancouver, British Columbia, this 24<sup>th</sup> day of October, 2006

Press Release – For Immediate Dissemination

## TransGlobe [TSXV: TTI] signs Definitive Agreement with Union Information Systems

~ TTI concludes EXCLUSIVE Enterprise Content Management (“ECM”) pact ~

**October 24, 2006 – TransGlobe Internet & Telecom Co. Ltd.** [TSX Venture: TTI], one of Canada's leading providers of Voice over Internet Protocol (“VoIP”) services, is pleased to announce it has signed an exclusive licensing agreement with Union Information Systems Ltd. (“Union”). On January 16, 2006, TransGlobe announced that it signed a Memorandum of Understanding with Union.

Union is a developer of proprietary software that helps large corporations manage, create, destroy and archive their documents. This type of product is called Enterprise Content Management (“ECM”) software.

The agreement gives TransGlobe exclusive rights to distribute Union's ECM software in North and South America.

“This agreement has been a long time in the making. But we didn't want to make any mistakes, as this deal is expected to have a major impact on our future business. There is a lot of consolidation going on in the market: IBM just bought FileNet, and Open Text acquired Hummingbird. We feel we will be in a great position to capitalize on widespread adoption of this software into 2008. This move will give us leverage in merging with other ECM-related companies,” said Sandy Oh, President of TTI.

Subsequent to this agreement, TTI will be completing a private placement and expanding its management team. The agreement has been filed along with Form 51-102F3 (Material Change Report) on Sedar, in accordance with securities regulations governing material transactions.

### About ECM

ECM software helps governments and large firms manage their electronic documents and files. Although ECM solutions are expensive, they are often necessary in certain industries to help firms maintain compliance with regulatory requirements (i.e. – insurance, finance). Leading research firm, *Forrester Research* (7/18/05), predicts ECM will become the fastest growing segment of the Enterprise Software market with projected sales of US \$3.9 billion by 2009 in North America. Major ECM providers include Hummingbird (**NASDAQ: HUMC**), EMC-Documentum (**NYSE: EMC**), FileNet (**NASDAQ: FILE**) and IBM (**NYSE: IBM**).

### About Union ([www.unionis.co.kr](http://www.unionis.co.kr))

Union is a Korea-based Enterprise software company and counts among its customers: *Johnson & Johnson, LG Electronics, Kia Motors, Amway, Hanaro Telecom, Korea Life Insurance, The Supreme Court of Korea and Seoul National University*. Union counts among its global OEM partners, EMC-Documentum and Samsung SDS. Union recently completed a deal with *Hitachi* and is currently expanding into China. Union's growth rate exceeds 46%.

### About TTI

TTI is a leading provider of Voice-over Internet Protocol (“VoIP”) services and value-added communications in Canada. The Company's primary business is focused on voice traffic between Canada, the U.S.A. and Asia and markets these services to a growing base of over 12,000 customer accounts across Canada. For more information about TTI, visit the company's web site at [www.titc.ca](http://www.titc.ca).

*Forward Looking Statements: This news release may contain certain forward-looking statements. All statements, other than statements of historical fact, included herein, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and TTI does not undertake an obligation to update forward-looking statements should conditions or management's estimates or opinions change.*

For more information, please contact: (604) 602-8758 or (866) 631-6537 or [sandy@tgc-ca.com](mailto:sandy@tgc-ca.com)

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.