



19th October, 2004

The Manager
Company Announcements Platform
Australian Stock Exchange

Dear Sir,

Announcement for Immediate Release

Beam Communications advises positive outlook for Iridium-based platform

Iridium Satellite LLC has announced that the US Department of Defence has exercised an option on its Iridium airtime contract for another twelve-month term.

Iridium is the satellite platform integrated into Tele-IP's Beam Communications subsidiary's products and accordingly endorses the platform choice by Beam and also provides a potential opportunity for future sales to US DoD.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Ian May', with a horizontal line drawn underneath the signature.

Ian May
Managing Director

DOD EXERCISES IRIDIUM SATELLITE CONTRACT OPTION

BETHESDA, MD - October 12, 2004 - Iridium Satellite LLC, provider of secure global satellite voice and data communications, announces that the U.S. Department of Defense (DoD) has exercised an option on its airtime contract. The Defense Information Systems Agency (DISA) manages the contract under the Enhanced Mobile Satellite Services (EMSS) Service Manager's Office. The contract gives unlimited airtime to warfighters and other approved users who use the Iridium network for mobile voice, data and paging capabilities.

Since establishing its initial relationship with the DoD, Iridium has seen extensive growth in system users and minutes used. "DoD usage and subscriber growth has consistently increased year after year," said Carmen Lloyd, CEO and Chairman, Iridium Satellite. "We've seen rapid growth in the number of DoD subscribers over the last four years. Presently, there are more than 20,000 subscribers using more than 4 million minutes per month in support of world wide activities."

Given the increased growth of DoD requirements to date, the DoD renewal of the Iridium airtime contract will ensure the continuation of service in FY 05 as well as provide a vehicle to respond to additional DoD requirements that may arise. Iridium's service has been critical to multiple DoD initiatives.

"We are extremely proud of the services we provide through our long-term relationship with the DoD," said Lloyd. "Combining our service, future development efforts and unique capability to provide the only means for truly global communications, we are confident that the DoD will continue to experience positive results with their usage of the Iridium system."

Iridium Satellite has experienced dramatic growth since the company's rebirth in 2001 through both its public and private sector business.

"Iridium now has positive EBITDA (Earnings Before Income Taxes Depreciation and Amortization)," Lloyd said. "Our user base has exceeded 100,000 subscribers. Our satellite network is demonstrating exceptional longevity with continued service expected for at least the next ten years without the launch of additional satellites."

In June 2001, Iridium started offering dial-up data and direct Internet connections, followed by prepaid calling services in 2002 and short-burst data and short messaging services (SMS) in 2003.

Lloyd announced that revenues grew more than 17 percent in the first half of 2004. This growth follows record performance in 2003, when revenues increased 44 percent over 2002 revenues. Iridium forecasts call for continued revenue growth with flat costs.

While voice telephony remains the primary application for Iridium Satellite, data services represent a particularly rapid growth area. Data services now represent approximately 20 percent of Iridium traffic.

Independently verified studies predict that Iridium's current satellite constellation's lifespan will extend to at least 2014 without additional satellite launches. Iridium Satellite has an ongoing program of continuous technical improvements in hardware and software.

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Tele-IP Managing Director, Ian May, said, "this endorsement of the platform by Iridium's largest customer, the US DoD, ensures continued confidence in the global, anywhere, anytime type coverage of the Iridium low earth orbit satellite system. This coverage is critical to our own sales opportunities in the remote and maritime communications markets and we view the above announcement very positively for the Beam Communications business. The positive growth in Iridium airtime subscribers also reflects growing opportunities and success within the target Iridium markets".

Tele-IP is an Australian company specialising in the sale of products and services and the development of Intellectual Property in the communications markets in Australia and overseas, including the Beam satellite products and the on-going development and commercialisation of its StratoSonde atmospheric profiling technologies.