



14 April 2005

The Manager
Company Announcements Office
Australian Stock Exchange

Dear Sir/Madam,

Announcement for Immediate Release

Acquisition of Able and PGS businesses

Tele-IP is pleased to announce that it has completed the contractual negotiations and the signing of the Acquisition Agreements with PGS Communication Systems Pty Ltd (PGS) and Able Communications and Service Pty Ltd (Able), along with its associated company Telenet Communications. The intention to acquire the assets and trading names of these companies was announced to the market on 16 November 2004.

The businesses of Able and PGS are focused on the convergence of voice and data networks, as is Tele-IP's existing network integration business and the extension into satellite communications.

Major synergies will be exploited with the merging of these businesses including staff efficiency, premise efficiency and the capacity to bid for larger integration projects. Each company currently operates from separate premises and manages similar processes with different computer systems and like administrative overheads. It is expected that a number of these, and other areas, will be rationalised following the integration and the streamlining of the three businesses.

To fund the cash component of these acquisitions and to further strengthen the financial resources of Tele-IP, it is currently proposed to raise approximately \$8.9 million by way of a partially underwritten renounceable rights issue to shareholders. The final terms and issue price of this rights issue will be detailed in a prospectus to be released later today.

Tele-IP is an Australian company focused on the development and sale of products and services to the communications markets in Australia and overseas, through both its network services and Beam Communications divisions.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Ian May", is written over a horizontal line.

Ian May
Managing Director

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