29 April 2005

The Manager
Company Announcements
Australian Stock Exchange

Dear Sir or Madam,

Appendix 4C Report

The company encloses its quarterly report of consolidated cash flows (Appendix 4C) for the 3 months ended 31 March 2005.

In our letter of 18 February 2005 we advised that sales of Beam Products were being delayed due to technology changes required by Iridium Satellite LLC. As a consequence, sales revenue of Beam Products for the 3 months to March 2005 was limited to accessories and minor items.

The first quarter of the year is traditionally slower for sales of network services products and the company has focussed its efforts on major contract opportunities such as the recently announced Heads of Agreement completed with a provider of products and integration services to a medical service provider. These contracts have a longer lead time, but will result in higher revenues and profit margins. Production and delivery of delayed orders totalling $650,000 for Beam transceiver-based products and network services, has only commenced subsequent to 31 March 2005.

The company has also announced completion of its contractual negotiations and signing of agreements to acquire the established business assets of Able Communications and Service Pty Ltd and PGS Communication Services Pty Ltd, which will be merged with the company's existing business resulting in synergies including staff efficiency, premises efficiency and the capacity and resources to bid for large integration projects.

To fund these acquisitions and to provide additional working capital the company has also announced a renounceable rights issue to raise approximately $8,950,000. The minimum subscription amount of this new issue of $4,750,000 has been underwritten.

Yours faithfully,

Ian May
Managing Director

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Rule 4.7B

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000.

Name of entity

Tele-IP Limited

ABN

39 010 568 804

Quarter ended ("current quarter")

31 March 2005

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (...3.... months) $A'000
1.1	Receipts from customers	731	731
1.2	Payments for (a) staff costs	(464)	(464)
	(b) advertising and marketing		
	(c) research and development		
	(d) leased assets		
	(e) other working capital		
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	(6)	(6)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	- Operating Purchases	(557)	(557)
	- Rent	(22)	(22)
	- GST (Net)	(28)	(28)
	- Other	(24)	(24)
	Net operating cash flows	**(369)**	**(369)**

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (...3....months) $A'000
1.8	Net operating cash flows (carried forward)	**(369)**	**(369)**
	Cash flows related to investing activities		
1.9	Payment for acquisition of: (a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.10	Proceeds from disposal of: (a) businesses (item 5)		
	(b) equity investments		
	(c) intellectual property		
	(d) physical non-current assets		
	(e) other non-current assets		
1.11	Loans to other entities		
1.12	Loans repaid by other entities		
1.13	Other-Proceeds from sale of NMS Portfolio	50	50
	Net investing cash flows	**50**	**50**
1.14	**Total operating and investing cash flows**	**(319)**	**(319)**
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.		
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings		
1.19	Dividends paid		
1.20	Other – Loan Facility Fees		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	**(319)**	**(319)**
1.21	Cash at beginning of quarter/year to date	477	477
1.22	Exchange rate adjustments to item 1.20		
1.23	**Cash at end of quarter**	**158**	**158**

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	59
1.25	Aggregate amount of loans to the parties included in item 1.11	NONE

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	NONE	NONE
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter $A'000	Previous quarter $A'000
4.1 Cash on hand and at bank	158	477
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
Total: cash at end of quarter (item 1.23)	158	477

Acquisitions and disposals of business entities

	Acquisitions *(Item 1.9(a))*	Disposals *(Item 1.10(a))*
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Ian May - Managing Director

29 April 2005.

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.

   - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
   - 9.2 - itemised disclosure relating to acquisitions
   - 9.4 - itemised disclosure relating to disposals
   - 12.1(a) - policy for classification of cash items
   - 12.3 - disclosure of restrictions on use of cash
   - 13.1 - comparative information

3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.