Broadcast Services Australia Limited

ABN: 50 088 412 748

ASX Announcement – 9 November 2005

BSA reaches agreement on share escrow arrangement

The Board of Broadcast Services Australia Limited (ASX:BSA) announced today that, following a comprehensive review and recommendations by independent experts and the Company's independent Directors, the Company has reached agreement with the Vendor shareholders of shares in BSA Pty Ltd, a transmission specialist broadcast company acquired by BSA on a scrip for scrip basis in October 2002. This agreement, to be formally documented, is subject to the approval of shareholders at the Company's Annual General Meeting (AGM), to be held on Tuesday the 13 December 2005.

The agreement is to further vary the existing rights and obligations of the Company and the vendor shareholders under the Share Sale Agreement.

The essential terms of the agreement are:

- There are currently 56,648,104 ordinary shares held in escrow under the terms of the original agreement.
- Under the agreement, the issued capital of the Company, 194,460,520 fully paid ordinary shares, will be reduced by 28,648,104 ordinary shares to 165,812,416 shares. Specifically the escrow shares of 56,648,104 ordinary shares will be consolidated into 28,000,000 ordinary shares in the Company.
- Of the consolidated escrow shares, 8,443,544 ordinary shares are to be immediately released to the Vendors. This equates to the total amount of shares that the Vendors would receive if the agreement is not approved by Shareholders.
- The remaining consolidated escrow shares of 19,556,456 ordinary shares are to be held in escrow and released over time. Of those shares, 10,000,000 ordinary shares are to be released after 12 months from approval and the remaining 9,556,456 ordinary shares are to be released after 2 years from approval.

As is set out in the Notice of Annual General Meeting (NOM) to be distributed to members on Friday 11 November 2005, if the agreement is not approved by shareholders, shareholders will be asked to approve the release 8,443,544 of the escrow ordinary shares to the Vendor shareholders (the Alternative Resolution). The issued capital of the Company is presently 194,460,520 ordinary shares. Under the Alternative Resolution, the issued capital of the Company will be reduced by 48,204,560 ordinary shares to 146,255,960 ordinary shares.

In the event that the shareholders do not approve the Alternative Resolution, pursuant to the terms of the Share Sale Agreement the entire amount of the escrow shares of 56,648,104 ordinary shares are to be released to the Vendors.

Each of the Directors recommends that the shareholders approve the agreement. Full details of the agreement and Alternative Resolution are set out in the NOM.

Background

BSA announced on June 28 this year a review – by independent assessors - of an agreement made on 27 June 2003 between BSA and the Vendors that that allowed for 56,648,104 ordinary shares to be released from escrow were certain EBITDA targets achieved by the Transmission Solutions division in the 03/04 and 04/05 years. However these EBITDA were not achieved and the agreement allowed the Vendor shareholders 56,648,104 ordinary shares to be then consolidated to 8,443,544 ordinary shares. The Vendor shareholders indicated earlier this year they did not believe this issue of shares fairly represented the value delivered to the Company, leading to the review process and the development of the agreement, to be voted upon by shareholders.

ENDS

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Broadcast Services Australia Limited is a leading infrastructure and equipment supplier to the broadcast industry, the largest provider of satellite installations for the subscription television industry and a significant provider of high volume contracting services to the telecommunications industry.

For more information visit our website: www.bsa.com.au