TENNYSON NETWORKS LIMITED

AUSTRALIAN STOCK EXCHANGE
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Please find following an announcement regarding:

Heads of Agreement Signed for Acquisition of New Business

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TENNYSON
NETWORKS LIMITED

Heads of Agreement signed for Acquisition of New Business

Melbourne, 23 December 2002 – Tennyson Networks Ltd (ASX: TNY) today announced that it has entered into Heads of Agreement for the conditional acquisition of a data services business. Under the Heads of Agreement Tennyson has the right to continue to negotiate for the purchase of the data services business on an exclusive basis until 31 January 2003. Such negotiations shall include the formal terms and conditions of the proposed acquisition.

The Heads of Agreement is conditional with all conditions to be satisfied by the close of business on 28 February 2003. If all conditions are satisfied, the effective date of acquisition is 1 January 2003.

A more detailed announcement will be prepared in due course.

The Directors of Tennyson Networks wish to thank shareholders for their support of the Company's Share Purchase Plan ("Plan") that closed on 19 December 2002.

45 shareholders participated in the Plan, subscribing for 4,166,668 shares that raised $125,000.

The Directors advise that, pursuant to a resolution approved by shareholders at the Annual General Meeting on 26 November 2002 relating to the placement of any shortfall under the Plan, the Company has until 26 February 2003 to place any shortfall.