

26 September 2005

Office of the Company Secretary

The Manager

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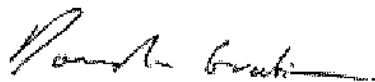
ELECTRONIC LODGEMENT

Dear Sir or Madam

Employment contract of CEO

On 9 June 2005 Telstra entered into and released to the market an employment contract appointing Sol Trujillo as Chief Executive Officer with effect from 1 July 2005. It has been drawn to Telstra's attention that clause 8.8 of the contract, relating to termination of the contract in the most unlikely event of a takeover of Telstra, is inconsistent with ASX Listing Rule 10.18. The inconsistency was inadvertent. Mr Trujillo has agreed to waive his rights under clause 8.8 to ensure that Telstra is in compliance with the Listing Rules.

Yours sincerely



Douglas Gration
Company Secretary