23 May 2008

The Manager

Company Announcements Office
Australian Stock Exchange
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Office of the Company Secretary

Level 41
242 Exhibition Street
MELBOURNE VIC 3000
AUSTRALIA

Telephone 03 9634 6400
Facsimile 03 9632 3215

ELECTRONIC LODGEMENT

Dear Sir or Madam

Telstra shareholders warned to be vigilant over unsolicited share price offer

In accordance with the listing rules, I attach a copy of a media announcement for release to the market.

Regards

Carmel Mulhern
Company Secretary

Media Release

23 May 2008 141 /2008

Telstra shareholders warned to be vigilant over unsolicited share price offer

Telstra shareholders who recently received an unsolicited offer to purchase their shares at a heavily discounted price will be protected until 5 June 2008 under an interim stop order issued by the Australian Securities and Investments Commission (ASIC).

Telstra Company Secretary, Ms Carmel Mulhern, said ASIC's move, which was made at the request of Telstra, was welcomed as it meant Telstra shareholders were protected from accepting an offer at far less than the market value.

"ASIC's interim order may cease at any time up until 5 June 2008 so once again Telstra is warning shareholders to be vigilant," Ms Mulhern said.

ASIC issued the interim order which prohibits the sale or transfer of Telstra shares under offers made by a company called Share Express Ltd between 30 April and 15 May.

The offer invites shareholders to sell their shares for just $2.72, or 56 per cent of the closing Telstra share price of $4.82 on 22 May 2008.

Ms Mulhern said this offer had no association whatsoever with Telstra, the Government's T3 Sale Company or with the final payment required to be made by holders of T3 instalment receipts.

"We understand that this offer has been mailed to less than one per cent of our shareholders.

"Any shareholder who receives this offer should not accept it without seeking independent financial advice.

"The offer price is far below the current market price. If you owned 1,000 shares and accepted this offer, you would receive about $2,100 less than you would selling them on the market at yesterday's closing price of $4.82," she said.

Ms Mulhern said Share Express recently purchased a copy of Telstra's shareholder register.

"Under the Corporations Act, Telstra must keep a register of its shareholders. This is a public document. Telstra is unable to prevent any party from inspecting or purchasing a copy of our share register," Ms Mulhern said.

Telstra's national media inquiry line is 1300 769 780 and the Telstra Media Centre is located at:
www.telstra.com.au/abouttelstra/media

Telstra Corporation Limited
ABN 33 051 775 556

Ms Mulhern said Share Express had only purchased Telstra's register of shareholders, not the register of T3 instalment receipt holders.

"To our knowledge, the offer is only being sent to owners of fully paid ordinary shares, not T3 instalment receipts," she said.

Ms Mulhern reminded shareholders Telstra's share price was published in the financial pages of major daily newspapers and was available from Telstra's on-line Investor Centre (www.telstra.com.au/abouttelstra/investor) and the ASX website (www.asx.com.au).

Telstra recommends that shareholders wishing to sell their shares for any reason should contact their broker or financial adviser.

Telstra Media Contact:
Rosie Mullaly
Tel: 0419 373 358