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MEDIA RELEASE

PIPE NETWORKS LODGES IPO PROSPECTUS

Independent telecommunications carrier, PIPE Networks has today lodged a Prospectus with the Australian Securities and Investment Commission for a \$3.5 million public offering in a bid to list on the Australian Stock Exchange.

The offering will underpin the aggressive expansion of PIPE Networks existing fibre optic networks in Brisbane and Sydney, which is providing a real alternative to the other telcos in its core business areas of Dark Fibre services.

Established in 2001 by Bevan Slattery and Stephen Baxter, the Brisbane-based company quickly grew to become Australia's largest Internet exchange (IX) operator, providing peering services in six cities to more than 60 service providers including Primus, iiNet, WebCentral and Internode.

However, it is in the area of Dark Fibre services the business has seen the greatest growth in revenue over the past 12-18 months.

Since undertaking its first fibre optic installation in late 2002, the company now boasts more than 110 'on net' buildings and 39 kilometres of fibre optic cable in Brisbane, which is rapidly being overtaken by its Sydney operations, which already has 22 kilometres of fibre optic cable in place.

The company is planning to take a greater share of the growing Australian Metro Ethernet and fibre optic services market, which Independent Consultants IDC expects to exceed \$370 million by 2009.

"PIPE Networks Dark Fibre service offers clients a flexible and cost-effective alternative to traditional managed Ethernet services," said PIPE Networks Chairman Roger Clarke.

And the industry seems to agree, with the company winning the 2005 ATUG award for "Best Communication Solution - Large Business" for its dark fibre product in March this year.

The company's corporate client base includes Virgin Blue, Flight Centre, ABN-AMRO Morgans, Hitachi Data Systems, Betta Electrical, Bechtel, Alcan, Queensland Rail and the Queensland Government.

PIPE Networks' revenue increased by 500% to \$2.5 million in 2003/04, and projected profit for the 2004/05 is around \$1.1 million.

Under the offer, PIPE Networks will issue 8.75 million new shares at an issue price of \$0.40 each to raise \$3.5 million, bringing the total shares on issue to 30.75 million and market capitalisation to approximately \$12.3 million.

PIPE Networks Chairman, Mr Roger Clarke, said the company had enjoyed substantial revenue and profit growth since its establishment, and would use funds from the offer to extend its fibre optic network and build sales and marketing capacity.

“The company offers a solid recurring revenue base from its internet exchange services, as well as the prospect of substantial future growth in demand for its dark fibre services,” Mr Clarke said.

“I am pleased to be associated with a company of this caliber.”

The Offer is fully underwritten by ABN AMRO Morgans and is expected to open on 11 April and close on 9 May 2005.

About PIPE Networks

Founded by Bevan Slattery and Steve Baxter, PIPE Networks is an unlisted public company, headquartered in Brisbane, with branch offices in Sydney, Melbourne and Adelaide. During late 2004, the company conducted a private equity raising that was managed by Brisbane-based investment bank, Orbit Capital, to fund network expansion in Sydney.

PIPE Networks provides independent technology solutions for Australian clients, and has three lines of business: The company operates the nation’s largest Internet Exchange, with a network across six capital cities serving some of Australia’s largest content and internet service providers. It also builds and operates dark optical fibre networks, offering clients in Sydney and Brisbane new levels of connectivity and freedom.

In addition, PIPE Network clients trust in the company’s ability to provide secure sites for their IT equipment, giving them more options for primary, backup or disaster recovery sites. As a young, agile company, PIPE Networks is able to foresee and quickly respond to client needs.

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