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PIPE OPENS ITS "PIPES" TO INTERNATIONAL PLAYERS

PIPE Networks Limited (ASX:PWK), an award winning network infrastructure provider, has today launched an international search for innovative products and solutions to bring to the Australian telecommunications market.

The Company is seeking expressions of interest (EOIs) from leading Australian and global companies interested in partnering with PIPE Networks to provide innovative and value adding products and services which leverage the Company's extensive market reach and network infrastructure. Through such partnerships, the Company will open its significant network to new commercial opportunities, while remaining focused on its core business.

Managing Director, Bevan Slattery said "we believe there's more value for the Company in opening its network than restricting it."

Mr Slattery said the EOI process was aimed at asking industry players and new entrants *'what could you do if you had access to 2,000,000 users via Australia's largest peering fabric and over 80,000,000 metres of fibre cores on Australia's third largest Metro fibre network?'*.

"If it's innovative, attractive to the market, has a strong path to profitability and preferably, complements our existing clients' service offerings, then we're interested in talking to them," he said.

Potential service offerings identified in the EOI include:

- Managed Storage over Internet
- Broadcast Video/Pay TV over Internet
- Metro-Ethernet services
- Metro-Wireless Mesh and Point-to-Point Services
- Possible Fibre-to-the-Building (FttB) deployments for high-rise residential and office buildings
- VoIP gateway/interconnection services

"Although we see a wide range of commercial opportunities to leverage our network infrastructure through this process, we are not planning on entering relationships with organisations that compete with our existing customer base," Mr Slattery said.

"This process is about enhancing value for PIPE Networks and our customers – not about introducing products that would compete with our customers and erode value.

"Opening our 'pipes' to the domestic and international market will enable us to exploit new commercial opportunities that enhance value for PIPE Networks and our customers, while allowing us to remain focussed on our core business."

"While opening up the network is a novel concept in the Australian telecommunications industry, we believe it will help develop a vibrant and competitive telecommunications landscape."

Mr Slattery noted that PIPE Networks is involved in one of the largest rollouts of new fibre infrastructure in many years, and with a leading position in the internet peering market, the Company has a substantial asset which can be leveraged to further accelerate the already rapid growth its in revenues.

"We've always said that 2006 is our year of rapid expansion, and 2007 is the year of 'leverage' for PIPE Networks. These initial steps provide the market with a glimpse of what's ahead."

Under the EOI process, PIPE Networks' management will be conducting private briefing sessions in Brisbane, Sydney, Chicago (USA), and potentially Europe during early June 2006, with Expressions of Interest due to close on 9 June, 2006.

About PIPE Networks

PIPE Networks is a public listed company (ASX: PWK), headquartered in Brisbane, with branch offices in Sydney, Melbourne, Adelaide and Hobart.

PIPE Networks provides network infrastructure services 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. PIPE Networks also builds and operates one of Australia's largest metropolitan fibre optic networks, offering clients in Sydney, Brisbane, Melbourne, Adelaide and Perth access to the company's "Dark Fibre" service.

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.

In 2006, the Australian Telecommunications Users Group (ATUG) voted PIPE Networks "2006 – Carrier of the Year." In 2005, PIPE Networks won the ATUG's "Best Communications Solution Large Business". These awards recognise the considerable shift PIPE Networks is creating in the Australian telecommunications marketplace by offering neutral fibre optic capacity to major corporate, government and carrier clients.

ENDS

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