**ASX Announcement**

## Earnings Guidance update FY2007

**PIPE Networks Limited (ASX:PWK)**, a leading network infrastructure provider has today released upgraded earnings guidance for the financial year ending June 2007.

After reviewing management reports and taking into consideration the expected impact of new services, the impact of existing contract timing and the expansion of the national sales teams, the Board of Directors has issued a forecast of Net Profit After Tax (NPAT) for the Financial Year ended June 2007 of between $4.7 - $5.0 Million. This represents a 68%-79% increase on the previous financial year and is higher than previously forecast.

Managing Director, Mr Bevan Slattery noted that revenue growth remains very strong and combined with the disciplined investment in personnel, new capacity and products, as recently announced at the Company's Annual General Meeting, has led to an increased NPAT forecast.

"PIPE Networks is well positioned to leverage one of the largest rollouts of new fibre infrastructure in many years and is concurrently introducing new and unique products to the Australian telecommunications marketplace. We continue to focus on increasing the profitable utilisation of our asset base to drive future revenue and profitability" said Mr Slattery.

As announced at the recent Company Annual General Meeting, at this early stage it is difficult to accurately forecast the financial impact of many of these new services as they are innovative and pioneering in their application. The Board will continue to monitor the success of new products and provide further guidance as revenue estimates become more accurately quantified.

As background to these forecasts, the Company is experiencing rapid growth in our award winning Dark Fibre service, driven by the up-take of next generation services by Internet Service Providers, large corporate organisations as well as all levels of government. With Australia's third largest metropolitan fibre optic network, largest independent internet exchange and key data centres, PIPE Networks is well positioned to capitalise on this expected growth.

PIPE Networks will continue to review a number of compelling opportunities that are available, or may become available, potentially leading to further expansion of product offerings or acceleration of revenue growth from its existing infrastructure.
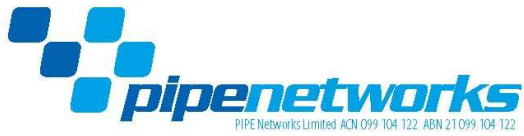
**About PIPE Networks**

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.

*ENDS*

For more information:          Bevan Slattery
                               Managing Director
                               T: 07 3233 9800
                               bevan@pipenetworks.com