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New Submarine Cable to Link Australia & NZ (PPC-2)

PIPE and Kordia Sign MoU to Build PPC-2

PIPE Networks Limited (ASX:PWK) today announced that its wholly owned subsidiary, PIPE International (Australia) Pty Ltd, has signed a Memorandum of Understanding (MoU) with Kordia™ Group Ltd, a leading provider of customised broadcast and telecommunications networks, network services and converged solutions in New Zealand.

Under the MoU, the two companies have agreed to collaborate on a project for a new, private fibre optic cable that will link Australia and New Zealand. Under the MoU, PIPE International and Kordia™ will leverage each other's key capabilities in an endeavour to increase international capacity and competition in the New Zealand marketplace.

"This announcement is a shot in the arm for telecommunications in New Zealand and I am delighted to be working with Kordia™ to resolve the chronic bandwidth issues facing all New Zealanders," PIPE Networks Managing Director Bevan Slattery said.

In late March Google CEO Eric Schmidt told the Australian Financial Review that there needed to be more undersea cables laid between Australia and New Zealand to guarantee there was enough cable capacity for the internet boom.

"Much like Australia, New Zealand suffers from a severe lack of competition when it comes to international bandwidth and the price of bandwidth reflects that," Mr Slattery said.

"During the planning stage of our Sydney to Guam cable (PPC-1), PIPE International had always intended to assist in the development of PPC-2 a new competitive submarine cable connecting New Zealand to Australia and beyond," he said.

Kordia™ CEO Geoff Hunt said that he was very pleased to be working on an initiative that could be critical to New Zealand's economic transformation.

"This MoU signals a change for New Zealand that will help boost our economy and enable us to compete globally by providing competition on the trans-Tasman capacity route. It also complements the government's commitment to deliver world-class broadband to all New Zealanders: we're upping the ante at home and offshore," Mr Hunt said.



PIPE International's Sydney landing station was designed to co-locate the PPC-2 system whilst the PPC-1 cable system has two additional pairs of fibre installed to a branching unit in the waters 120km east of Sydney. Mr Slattery noted that "this investment in the additional pairs of fibre will allow any new New Zealand to Australia cable to simply interconnect to PPC-1 in the waters off Sydney and directly connect to those spare pairs which will already be connected to our landing station in Sydney. As a result this negates many of the costs, timing and permitting issues associated with landing PPC-2 into Australia."

To achieve its interest in PPC-2, the PIPE International will contribute landing station space in Australia, the allocated 2 pairs of fibre on the Sydney section on PPC-1 and initially 240Gb/s of onward capacity on PPC-1.

The MoU is the first major milestone towards the commencement of construction of PPC-2. Once both companies confirm the commercial and practical feasibility, PIPE Networks and Kordia™ would together oversee the financing, construction, operation and maintenance of the cable system.

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About PIPE Networks

PIPE Networks is a public listed company (ASX: PWK), headquartered in Brisbane, with 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.

The Company is currently constructing PPC-1 (formerly "Project Runway"), a new submarine cable linking Sydney to the key international telecommunications interconnection hub at Guam. This cable is the result of a vision to rapidly improve Australia's international communications transmission capacity and transform the economics of the local internet and telecommunications markets.

About Kordia

Kordia™ is an experienced trans-Tasman business with a new name, and is fast-becoming one of the region's leading providers of customised broadcast and telecommunications networks, network services and converged solutions.

Kordia™ enables customers to take advantage of convergence. We have a company with the scale, resource, partnerships and infrastructure to embrace the advancements in technology, media and telecommunications.



Kordia™ operates and maintains an impressive network of broadcasting and telecommunications transmission infrastructure across New Zealand and Australia. Kordia also provides other broadcast telecommunications and converged services throughout the region.

Our profile in the telecommunications market is growing, and Kordia™ won the “Emerging Company of Year” award at the TelstraClear Trans-Tasman Business Awards presented on 27 March 2008.

As a converging company, we are across all the technologies that are bundled together to enable delivery of converged services - anywhere, any time.

Kordia™ has three centres of excellence, each designed to deliver the exact solution that customers want - broadcast, telecommunications and converged solutions.

It's our business to create solutions that work. We have a solid track record of innovative, industry-recognised solutions, with the expert skills and curiosity to think - and deliver - outside the square.

Visit us at www.kordia.com.au

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