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MEDIA RELEASE

PowerTel Consolidates Capital Management Program

PowerTel Limited today announced that it has reached agreement with its lender, Westpac on a debt refinancing facility to help fund various value creation initiatives. The facility increases Westpac's total term financing commitments to PowerTel to \$90 million from its current level of \$50 million.

As part of the capital management initiative, PowerTel Limited has also decided to launch an on-market share buy-back program for the purchase up to 10% of its share base.

Paul Broad, MD of PowerTel Limited said: "We believe PowerTel's financial prospects and opportunities have never been better and we are prepared to show our support for our shares through an on market buy back program. "In addition to the on-market share buy-back, we will be evaluating other capital management and strategic investment options to further create value for shareholders," he said.

These options may include:

- Strategic alliance investments to support the recently announced alliance with Telecom New Zealand's AAPT division
- Capital return(s)
- Ongoing merger and consolidation initiatives

"As our financial performance has improved during the past two years, we have continuously looked for ways to enhance value for our shareholders," Mr Broad said.

"We will continue to move aggressively toward our goal of becoming the preferred telecommunications service provider, focused on leveraging our national infrastructure to benefit our wholesale and business customers."

FURTHER INFORMATION:

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