



25 January 2007

ASX
Company Announcements Office

RECENT MEDIA SPECULATION

PowerTel notes recent speculation in the financial press regarding the possible involvement of the Company in a consolidation of the Australian telecommunications industry.

As noted in the documents sent to shareholders in late December 2006 in connection with the General Meeting to be held on 30 January, PowerTel does actively consider various proposals for acquisitions, strategic alliances and other transactions from time to time.

Since those documents were prepared, PowerTel has received incomplete, non-binding and highly conditional confidential proposals (Proposals) from independent parties and has appointed external advisors to assist in the review of the Proposals.

PowerTel's Board will consider the Proposals having regard to shareholders' best interests and will only proceed with any proposal if the whole board considers a proposal to be in shareholders' best interests.

The Company will update its shareholders and the market in due course as required. At this stage, due to the confidential and highly conditional nature of discussions, investors should not assume that any transaction involving the Company will necessarily be agreed or implemented.

FURTHER INFORMATION please contact:

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