

Tel.Pacific's IPO closes over subscribed

- Tel.Pacific undertook an Initial Public Offering through Bligh Capital to raise \$5m
 - Offer closed, oversubscribed
 - Extensive support from both institutional and retail investors
 - Holding Statements issued 9 July
 - Company to list on the ASX **Monday 16 July – ASX:TPC**

 - Funds raised are to assist:
 - Company's acquisition strategy
 - Opening of New Zealand office
 - Future expansion and marketing plans
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11 July 2007: The Board of Tel.Pacific announced today that the Company's Initial Public Offering – undertaken with the assistance of Bligh Capital - had closed oversubscribed, as a result of strong support from institutional and retail investors.

Holding statements for new shareholders were despatched on Monday 9 July, and the Company was on track for its listing date of Monday 16 July 2007 (under ASX Code TPC). The Company's initial public offering was of 25 million new shares, at \$0.20 per share. Together with the existing share capital, the Company will list with 110 million shares on issue, at a market capitalisation of \$22 million.

Commenting on the outcome of the IPO, Chairman Greg McCann said "We're pleased to welcome the new public investors in the Company, and grateful for the strong support we received - acknowledging the fact that we are a significant participant in the Australian communications market. In addition to the more traditional investor base, we're not surprised to see support also coming from members of ethnic communities with relationships in markets the Company serves, given that the Company is a significant player in the sale and distribution of international prepaid calling cards".

"Our aim as a Company has always been to provide people with a value for money way to stay in touch with friends and families and business contacts overseas. Our customers have always come first, and we believe our new investors will reap the benefits of the Company's continued application of this principle", added the Chairman.

The funds raised are to assist the Company to finance acquisitions over the coming year, future expansion and marketing plans, and the establishment of a new office in New Zealand.

Mr. Charles Huang, Managing Director, commented "It's been a very busy, long run and we thank all our investors for their support. The work is far from over though - it's only just begun. I look forward to working with the Tel.Pacific management team to deliver on the promises we have made to our investors, and to grow the Tel.Pacific business even further over the coming years".

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About Tel.Pacific

Established in 1996, Tel.Pacific is a significant participant in the Australian communications market. The Company's core business centres around the provision of pre-paid telephony products and services through extensive distribution networks.

Since its establishment Tel.Pacific has experienced strong and sustained revenue growth. Tel.Pacific sees continued growth opportunity in its pre-paid calling card business and intends to further expand its business activities in this area as part of its long-term growth strategy.

Tel.Pacific's core product line comprises more than 30 brands of low cost pre-paid calling cards mainly used for international telephone calls to over 230 countries and regions. The Company's portfolio includes the well known Hello, Joy and GPS brands.