

ASX Release

04 October 2007

Restructure and Repayment of Short Term Debt Facility

CommodiTel Ltd (ASX:CMO) is pleased to announce the agreed terms for the reduction and rollover of its short term debt facility of \$3,000,000 provided for the purchase of the AAPT stand alone mobile base as announced 5th of July 2007.

CommodiTel has repaid \$1,750,000 of the facility from cash reserves with the remaining \$1,250,000 being rolled over for a further 60 days to 30 November 2007.

The rollover facility of \$1,250,000 has an interest rate of 12% per annum. These funds advanced are convertible into CommodiTel ordinary shares at the election of CommodiTel (at 80% of 5 day volume weighted average market price (**VWAP**) of CommodiTel ordinary shares prior to conversion) or at the election of the lender (at 90% of the VWAP of CommodiTel ordinary shares prior to conversion). A total of 2,500,000 CommodiTel listed options, exercisable at 1.5 cents prior to 30 June 2009 will be issued to the lenders upon repayment of the rolled over loan or conversion.

Pursuant to the terms of the original facility, 12,000,000 attaching listed options exercisable at 1.5 cents prior to 30 June 2009 will be issued to the lenders today.

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