

## ASX Release

16 December 2008

### **Entitlement Issue Complete**

The Board of ComTel Corporation Limited (ASX: CMO) is pleased to advise that the Company has paid \$7.9 million due under the Empowered Communications acquisition agreements. This payment was funded from the net proceeds of the \$9.1 million rights issue which was successfully completed on 12 December 2008. In addition, the \$0.9 million balance of the \$1.75 million short term bridging loan was repaid to Co-Investor Capital Partners Pty Limited.

### **Debt Restructuring**

The \$15 million debt and equity fund raising announced on 22 September 2008 has recapitalised the Company and restructured its existing debt. ComTel has debt of \$9.2 million comprising:

- \$5.0 million of senior debt owing to Co-Investor, repayable over 3 years;
- \$2.7 million supplier finance owing to Vodafone, repayable in monthly instalments of \$80,000 until May 2010, when a final balloon payment of \$1.1 million will be due; and
- the existing \$1.5 million redeemable convertible note which matures in July 2010.

### **New Cornerstone Investor**

CMO is pleased to report that Co-Investor Capital Partners, a Sydney-based active investment manager, has become the Company's major shareholder. As previously announced, Phil Pryke has agreed to become a director of the Company.

Co-Investor actively engages as a major shareholder in ASX and NZX small cap companies.

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***About ComTel Corporation Limited***

*ComTel Corporation Limited ([www.comtelcorporation.com.au](http://www.comtelcorporation.com.au)) is an Australian ASX listed (CMO) mobile and e-marketing company, formerly known as CommoTel. Its competitive mobile offerings incorporate permission-based advertising and internet functionalities to generate value of personal relevance to users and real-time customer reach for advertisers. ComTel has a long-term Network Capacity Agreement with Vodafone Australia, which also enables it to service wholesale customers operating their own mobile and ISP brands.*

*For further information*

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