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COMMODITEL LIMITED  
ABN 30 000 386 685

17 August 2005

The Manager  
Company Announcement Platform  
Australian Stock Exchange  
20 Bond Street  
SYDNEY NSW 2000

**By E-lodgement**

#### **RIGHTS ISSUE SHORTFALL & COMPLETION OF PLACEMENT**

The Board of CommodiTel Limited advises that 45,703,181 Shares at 1 cent each have been issued, being the shortfall from the Company's 1 for 2 non-renounceable entitlement offer pursuant to its Prospectus dated 22 June 2005.

#### **Placement - Notice under Section 708A**

In addition, the Company has placed 23,438,628 Shares at 1 cent each to raise a total of \$234,386, to parties nominated by Australian Heritage Group Pty Ltd pursuant to a private placement. 17,578,971 Shares are subject to voluntary escrow for 6 months from the date of issue.

The Company gives notice pursuant to Section 708A(5)(e) of the Corporations Act that the shares issued pursuant to the Placement were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act. The Company, as at the date of this notice, has complied with the provisions of Chapter 2M of the Corporations Act and Section 674 of the Corporations Act. There is no excluded information to be disclosed for the purposes of Sections 708A(7) and (8) of the Corporations Act.

For and on behalf of the Board.



David Riekie  
Chairman