

ASX Release

26 November 2007

Unmarketable Parcel Sale Facility

The Board of Directors of ComTel Corporation Limited (CMO), announce that they are today establishing an Unmarketable Parcel Sale Facility that will enable shareholders who hold less than a marketable parcel of shares (e.g. less than \$500 total shareholdings) to dispose of their unmarketable parcel of shares without incurring any brokerage fees.

CMO currently has on its shareholders register over 1,000 shareholders who hold unmarketable parcels of shares. These shareholders hold approximately 7.4 million shares representing less than 1% of the total shares on issue.

In accordance with clause 32 of the CMO Constitution and the Australian Stock Exchange Listing Rule 15.13, the Company has initiated an Unmarketable Parcel Sale Facility for all unmarketable parcels of shares, designed to reduce administration and registry costs through the sale of unmarketable parcels of shares.

All shareholders that hold unmarketable parcels of shares at 5pm on 26 November 2007 will receive a copy of the attached letter and a Share Retention Form outlining the terms and conditions of the Unmarketable Parcel Sale Facility.

For further information please contact:

David Sweet, Managing Director, ComTel Corporation Limited, 0414 888 999



29 November 2007

Dear Shareholder,

COMTEL CORPORATION LIMITED

UNMARKETABLE PARCEL SALE FACILITY

CLOSING DATE – 5PM (WST) 14 JANUARY 2008

The Board of Directors of ComTel Corporation Limited (CMO) invite you, as a shareholder holding parcels of shares valued at less than \$500 ("unmarketable parcels of shares") as at 5pm on 26 November 2007, to participate in an Unmarketable Parcel Sale Facility.

Details of the number of shares you hold as at the date of this letter are set out in the enclosed Share Retention Notice.

The cost to the Company in administering shareholdings of unmarketable parcels of shares, which includes providing annual reports, notices of meetings and maintaining the share registry, is considerable. In many cases these expenses are often greater than the value of the underlying shares.

To reduce the administration costs to the Company and due to the disproportionately high brokerage fees that you may face in selling your unmarketable parcels of shares, the Company gives notice that it would like to exercise its right to sell your unmarketable parcels of shares pursuant to clause 32 of the CMO Constitution and the Australian Stock Exchange Listing Rule 15.13.

Under the Unmarketable Parcel Sale Facility you will not be charged any brokerage fees and CMO will pay all costs associated with the sale of your unmarketable parcels of shares.

The sale of unmarketable parcels of shares does not require shareholder approval.

If you wish to sell your shares under the Unmarketable Parcel Sale Facility then you do not need to do anything.

It is however your choice and you may elect to maintain your existing shareholding.

In order to retain your existing shareholding you must complete and return the attached Share Retention Notice by post or fax prior to 5pm on 14 January 2008 to the Company's share registry, Computershare.

Unless directed otherwise, CMO will sell your shareholding on your behalf on market and send you the sale proceeds.

For personal use only



Cygnit Capital Pty Ltd will act as execution-only broker on behalf of shareholders ("Broker") to effect any sales under the Unmarketable Parcel Sale Facility. The sale of unmarketable parcels of shares is expected to take place as soon as practicable, and in any event within 14 days after 14 January 2008. The Broker will effect sales by placing one or more orders to sell shares on the ASX in the ordinary course of business (including, in the Broker's sole discretion, by crossings or by the Broker acting as principal).

The proceeds you will receive for your unmarketable parcels of shares sold under the Unmarketable Parcel Sale Facility will be equal to the volume weighted average price for all unmarketable parcels of shares sold under the Unmarketable Parcel Sale Facility.

The proposed timetable is as follows:

Event	Date
Announcement to ASX	26 November 2007
Letters sent to shareholders	29 November 2007
Last Date for election not to participate	14 January 2008
Commence sale of shares on market	16 January 2008
Remittance of proceeds	28 January 2008

Yours faithfully,

A handwritten signature in blue ink that reads 'David Sweet'.

David Sweet
Managing Director

For personal use only

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
web.queries@computershare.com.au
www.computershare.com



A

000001 000 SAM
MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

Use a black pen.
Print in CAPITAL letters
inside the grey areas.

Grid for letters A, B, C

Grid for numbers 1, 2, 3

Where a choice is required,
mark the box with an 'X'

Grid for 'X' mark

Small Holding Sale Facility Form

IMPORTANT:

This is an important document and requires your immediate attention. If you wish to retain your ordinary shares ("Shares") in the Company, you must complete this form and return it so that it is received by no later than 5pm WST on 14 January 2008. You should also refer to the detailed terms and conditions and other documents that accompanied this form. If you are in any doubt as to how to deal with this form, please consult a professional advisor.

Section B: Number of Shares as at Record Date. Includes a text box for the number of shares and a red 'XXXXXXXXXX' placeholder.

Section C: Retention of Shares. Includes a checkbox 'X' and a text box for the retention notice.

Section D: Contact details. Includes text boxes for the name of the contact person and their daytime telephone number.

Section E: Sign here - this section must be signed before we can process this form. Includes signature lines for Individual or Securityholder 1, Securityholder 2, and Securityholder 3, along with a date selection grid.

TO BE A VALID INSTRUCTION, THIS FORM MUST BE RECEIVED BY NO LATER THAN 5PM WST ON 14 JANUARY 2008



How to complete this form

Securityholders who wish to retain their shares must lodge a Small Holding Facility form.

A Registration Name(s)

Your name and address as it appears on the register of ComTel Corporation Limited.

B Number of Shares as at Record Date

This is the total number of Shares you held at 5pm AEDT on 26 November 2007.

C Retention of Shares

If you would like to retain your shares, please mark the box on the front of the form and return it in accordance with the lodgement instructions below.

If this form is not received by that time, and you have not otherwise validly notified the Company that you wish to retain your Shares by that time, the Company will be entitled to have your Shares sold for you.

If you wish to sell your Shares under the Small Holding Sale Facility, you should not complete this form.

D Contact details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

E Signature(s)

You must sign and date the form as follows in the space provided:

Joint holding: where the holding is in more than one name all of the securityholders must sign.

Companies: this form must be signed by either 2 Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director and, pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone.

Delete titles as applicable.

Consolidation of shareholdings

If you have more than one holding on ComTel Corporation Limited's register and you do not sell your Shares under the Small Holding Sale Facility, you should consider consolidating them. For further advice in this regard, please contact Computershare Investor Services Pty Limited ('CIS') on 1300 557 010 (within Australia) or 61 3 9415 4000 (outside Australia).

Lodgement of Form

If you wish to retain your Shares, this Small Holding Sale Facility Form must be completed and received by CIS Perth by **no later than 5pm WST on 14 January 2008**.

It is your responsibility to allow sufficient time for this form to be received by CIS. [A reply paid envelope is enclosed for posting from within Australia.]

Your Small Holding Sale Facility Form must be sent to:

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Privacy Statement

Personal information is collected on this form by CIS, as registrar for the Company, for the purpose of effecting your instructions in relation to the Small Holding Sale Facility, maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to the Company and its professional advisers, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Company in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your Securityholding please contact CIS on telephone 1300 557 010.

This form may not be used to notify your change of address. For information please contact CIS on 1300 557 010 or visit the share registry at www.computershare.com

