

ASX Release

31 August 2007

FY08 Earnings Guidance

CommodiTel Limited (ASX: CMO) is pleased to announce that it expects to deliver Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) for the 2008 financial year of \$6 million.

EBITDA FORECAST

The \$6 million EBITDA forecast for continuing operations is after 12 months of consolidation and acquisition activity, driven by finalising the friendly takeover of Sonnet Corporation and the acquisition of the AAPT stand alone mobile customer base in July 2007. Both these acquisitions will contribute to revenue for the full financial year. As previously announced, the revenue forecast for FY08 is \$35 million.

STRENGTHENING OF THE BALANCE SHEET

The Company's balance sheet has strengthened subsequent to year end as a result of the acquisitions mentioned above, the conversion of the \$2.5 million convertible note and its attaching share options and the completion of the non-renounceable entitlements issue to shareholders. As at 31 July 2007 the consolidated net assets were \$30.1 million, including cash of \$2.2 million (unaudited). This cash balance excludes the majority of the funds received from the entitlements issue which closed on 21 August 2008. Before restructuring outlays, the business expects to remain cash flow positive throughout 2008 from operating activities and further build on the current cash reserves.

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STRONG FUTURE

As was the focus in the 2007 financial year, the Company will continue to look for orphan customer bases in the telecommunications industry that it can acquire and consolidate to benefit from its economies of scale. The delivery of customer focused services will be a strong driver moving forward as will a strategy of targeting specific customer segments and tailoring products to these groups. This strategy of segment focused sales and marketing while caring for the existing customers is how we will deliver strong growth and further enhance the strength of the business.

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