

Tel.Pacific purchases Prepaid World calling card business

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 - Consideration of \$1.39 million
 - Portfolio of international brands include – Lite, Kooky, Moon Lite, Spicy, Cactus, Kurry, Ice, Sweet Deal, Bonsai, Bonjour, Lebanon Forever, City Chat, Ten Dollar and Five Dollar.
 - Cards will continue to sell through existing channels and distribution
 - Strong strategic benefits include:
 - Stronger distribution network particularly in NSW and VIC
 - Greater economies of scale
 - Strong brands added to the portfolio - Tel.Pacific brands now over 100
 - Stronger physical card presence when there are some concerns with electronic distribution
 - Vendors enter into a 4 year restraint period
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Friday June 20, 2008 – The Board of Tel.Pacific Limited today announced that the Company has signed an agreement to purchase the calling card business of Prepaid World.

Tel.Pacific will pay \$1.39 million for the business, transferring the trademarks, domain names and distribution channels from Prepaid World to Tel.Pacific. The purchase of the business brings a number of strong Prepaid World brands into the Tel.Pacific portfolio of calling card brands – which now numbers over one hundred - a critical advantage for Tel.Pacific in this niche focused market.

Greg McCann, Tel.Pacific Chairman said “Tel.Pacific has consistently demonstrated that there is the opportunity for consolidation in the industry, and every business that we acquire gives us greater economies of scale, and even better access to our target markets. We are pleased to work with the Prepaid World team and their established family of brands and are very confident that this acquisition will further benefit the company and its shareholders.”

Prepaid World’s calling card brands include: Lite, Kooky, Moon Lite, Spicy, Cactus, Kurry, Ice , Sweet Deal, Bonsai, Bonjour, Lebanon Forever, City Chat, Ten Dollar and Five Dollar.

Charles Huang, Tel.Pacific Managing Director said “Prepaid World has distribution networks that will not only enhance our current distribution, but we are also able to take Prepaid World brands into our existing distribution network, offering existing channels a broader range of targeted calling cards. Our company is in an industry where scale matters – and this acquisition further increases our scale, giving us better carrier costs, greater customer base and wider distribution networks.”

The Prepaid World team will continue to help promote the calling card brands for three months following the acquisition, and will transfer the existing channels to Tel.Pacific to maximize the benefits of the deal. The owners of Prepaid World have also agreed to a four year restraint period.

Physical card distribution channels are becoming more important at a time when there are questions over the reliability and sustainability of electronic distribution. Tel.Pacific believes that this acquisition is timely, and gives the Company even more scope to continue to deliver excellent and reliable services to its calling card customers and channels.

For more information please contact:

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About Tel.Pacific

Established in 1996, Tel.Pacific is a significant participant in the Australian communications market. The Company's core business centres around the provision of pre-paid telephony products and services through extensive distribution networks.

Since its establishment Tel.Pacific has experienced strong and sustained revenue growth. Tel.Pacific sees continued growth opportunity in its pre-paid calling card business and intends to further expand its business activities in this area as part of its long-term growth strategy.

Tel.Pacific's core product line comprises more than 30 brands of low cost pre-paid calling cards mainly used for international telephone calls to over 230 countries and regions. The Company's portfolio includes the well known Hello, Joy and GPS brands.