



To Manager, Australian Stock Exchange Limited  
From BroadTel Communications Limited  
Date 2 July 2003  
Fax No 1900 999 279

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ASX ANNOUNCEMENT  
BROADTEL COMMUNICATIONS LIMITED  
("BroadTel")

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**PROPOSED ISSUE OF SECURITIES**

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The directors of Broadtel Communications Limited announced yesterday that the company has completed preparation for a proposed issue of up to 19,215,743 ordinary shares (representing up to 15% of issued capital) of the Company at 2.5 cents per share to the Company's senior management team.

Managing director, Hasan Rifat, said "The management team and I believe that the company has all the fundamentals in place for this company to grow and improve its profitability. Management and I are prepared to pay a premium over the company's recent share price range to build our equity stake in the business."

Hasan Rifat said, "the Company's purpose in considering the issue is to further strengthen its balance sheet and increase the range of opportunities available to it. By diversifying its equity base and increasing funding flexibility, Broadtel will ensure it is well placed to take advantage of future growth opportunities."

Further details will be announced once the proposal has been finalized.

By order of the Board

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Dr Charles Birch  
Company Secretary

About BroadTel

Broadtel Communications Ltd is a new kind of communications company that sells and services state-of-the-art phone systems and office equipment. At BroadTel, we consider selling a phone system and airtime to be just the beginning of our relationship with customers. Broadtel's mission is to establish market leadership status by offering a full range of communication product and service solutions to add value to our customers. Our vision is to develop and deliver a compelling customer experience in all our target markets by leveraging our own skills and those of our channel partners, to form one team, intimately aware of, and responsive to, our customer needs.