

Facsimile Message



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Date:	22 September 2005	Pages: 45
Recipient:	Australian Stock Exchange Limited	
Attention:	Company Announcements	
Fax Number:	1900 999 279	
From:	Chris McCaffery	
Subject:	RE: HAKIM - ON MARKET BID - NATIONAL TELECOMS GROUP LTD (ACN 094 312 704)	

Our Ref:
Enquiries:
Direct Line:
Email Address:
Responsible Partner:
Your Ref:

CHM/HAK/-/T1
Chris McCaffery
9265 3042
Mccaffery@eakin.com.au

ATTENTION: DAVID HUNT

We act for Anthony Hakim who is this day making an on market bid for all the shares in the above company.

Please find **attached**:

1. Letter dated this day from Findlay & Co Stock Brokers Limited, and
2. A copy of the Bidders Statement incorporating Offer and Brokers Deed.

As discussed with Mr Hunt, our client would prefer that Schedules 1 and 3 of the Brokers Deed not be posted by the ASX. Could you therefore, before posting is effected, call the writer on 9265 3000 to discuss this issue.

Should the ASX require further information in this regard, please contact Chris McCaffery of our firm.

Your faithfully
EAKIN McCAFFERY COX


Chris McCaffery
Consultant

0921CHM105



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approved under the Professional
Standards Act 1994 (NSW)

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Findlay & Co Stockbrokers Limited

Participant of the Australian Stock Exchange Ltd & Participant of the Newcastle Stock Exchange Ltd
Level 12, 10 Spring Street, Sydney NSW 2000
Phone: (02) 9259 8000, Fax: (02) 9247 9342
ABN 95 065 943 982
AFSL 247 085



22 September 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

**Market Bid for ordinary shares in National Telecoms Group Limited ACN 094 312 704
(ASX Code: NTG)
Bidder: Anthony Hakim**

During the period commencing on 7 October 2005 and expiring at 4 pm (Sydney time) on 7 November 2005 (the **"Offer Period"**), Findlay & Co Stockbrokers Limited ACN 065 943 982, on behalf of Anthony Hakim (the **"Bidder"**), offers to acquire on market at a price of A\$0.40 per share all the fully paid ordinary shares in National Telecoms Group Limited ACN 094 312 704 that exist at any time during the Offer Period.

The Offer Period may be extended and the offer price may be increased in accordance with the *Corporations Act* 2001 (Cth). Offers may be accepted at official meetings of Australian Stock Exchange Ltd held on the stock exchange of Australian Stock Exchange Ltd.

As at the date of this announcement, there are 19,660,578 fully paid ordinary shares in National Telecoms Group Limited ACN 094 312 704 on issue. The number of fully paid ordinary shares in National Telecoms Group Limited ACN 094 312 704 which the Bidder had a relevant interest in immediately prior to this announcement is 3,673,884, being 18.69 % of the total number of fully paid ordinary shares on issue as at the date of announcement.

During the period commencing 22 September 2005 and ending on 6 October 2005, Findlay & Co Stockbrokers Limited on behalf of the Bidder will accept, at the price specified above of A\$0.40 per share, every fully paid ordinary share in National Telecoms Group Limited ACN 094 312 704 offered to it at an official meeting of the Australian Stock Exchange Ltd.

Yours faithfully

Robin Armstrong
Director

Bidder's Statement and Offer

Cash Offer by

Mr Anthony Hakim

Of \$0.40 (forty cents) per share

(on market offer) to acquire 100% of your Ordinary Shares in

National Telecoms Group Limited

(ACN 094 312 704)

This document contains a Bidder's Statement and an Offer. This is an important document that requires your immediate attention. If you are in any doubt how to act, you should consult your broker, financial or other professional adviser as soon as possible.

Words used in the Bidder's Statement and Offer have the same meaning.

Letter to Shareholders

Dear National Telecoms Group Shareholder,

I am pleased to enclose an offer to buy your shares in National Telecoms Group LTD.

The Offer of \$AUD 0.40 per share is open and is scheduled to close on 7 November 05

Reasons why you should accept

The Offer is unconditional and "on market" and therefore easy to understand. You can accept via your stockbroker.

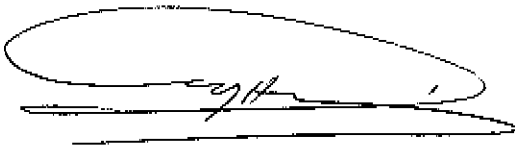
The Offer gives you the opportunity to sell out of your shares at a price well above current trading levels. The share price has only traded above the bid price of \$0.40 (forty cents) on one occasion this financial year.

The Offer represents a premium of approximately 33% to the average closing price for National Telecoms Group of \$0.297 (twenty nine point seven cents) for this financial year;

Other reasons why you should accept the bid are further outlined in Section 3: **Why you should accept the bid**, of the Bidders Statement. These include, poor and declining liquidity in NTG shares, deteriorated cash flow between 2003 and 2004 financial years, and inability to access new capital.

I believe my offer to buy all the outstanding shares of NTG is priced at a level where I expect most shareholders to accept.

Yours faithfully,



Anthony Hakim

22 September 2005

BIDDERS STATEMENT

IMPORTANT INFORMATION

KEY TERMS

Offeror:	Mr Anthony Hakim ("Mr Hakim" or "The Bidder")
Offer Price:	AUD\$0.40 (forty cents) for every National Telecoms Group Limited (NTG) Share you hold.
Date of Offer:	This Offer is dated 22 September 2005.
Closing Date:	7 November 2005 unless extended or withdrawn in accordance with the Corporations Act.
Acquisitions made prior to Offer Period:	Mr Hakim is offering to acquire NTG Shares on-market at the Offer Price from 22 September 2005 to 6 October 2005 – the day before the Offer Period commences.
Payment:	If you accept the Offer consideration will be issued to you as per the normal settlement rules of the ASX and ASTC being 3 trading days from the date on which you complete your sale (T+3).
Tax consequences:	There may be tax consequences for NTG shareholders who accept the Offer. You should seek your own professional advice in relation to any possible tax consequences.
No fees:	No stamp duty or goods and services tax will be payable by you on acceptance of this Offer. Brokerage may be charged by your broker.
Conditions:	The Offer is unconditional.
The Target:	The Target of this Takeover Bid is National Telecoms Group Limited ACN 094 312 704.

KEY DATES

Announcement of Offer:	22 September 2005
Bidder's Statement lodged with ASIC:	22 September 2005
Acquisitions prior to Offer Period:	22 September 2005 to 6 October 2005
Date of Offer:	22 September 2005
Offer Closing Date:	7 November 2005, unless extended or withdrawn in accordance with the Corporations Act

OFFER AND BIDDER'S STATEMENT

This Offer and Bidder's Statement is given by Mr Hakim to National Telecoms Group Limited (ACN 094 312 704) (**the Target**) under Part 6.5 of the Corporations Act. The Terms of the Offer are set out in Section 1 of the Offer.

Please refer to the glossary, located in Section 1 of the Offer, for definitions of terms used in this Offer and Bidder's Statement. Unless stated, terms used in this Offer and Bidder's Statement have the same meaning as in the Corporations Act.

IMPORTANT INFORMATION (continued)

INVESTMENT ADVICE

This Bidder's Statement does not take into account the individual investment objectives, financial situation, tax position or personal needs of each NTG Shareholder or any other person. Accordingly, you may wish to seek independent professional advice before deciding whether or not to accept the Offer.

BIDDER INFORMATION

Mr Hakim is a director of NTG. Accordingly Mr Hakim has access to information concerning NTG which is not in the public domain. However, Mr Hakim is not aware of any information material to the decision by NTG Shareholders to accept the Offer that is not in the public domain.

FORWARD LOOKING STATEMENTS

This Bidder's Statement may include forward looking statements. The forward looking statements relate to future matters that are subject to various inherent risks and uncertainties. Some of these risks and uncertainties are described in Section 10: Risks. Actual events or results may differ materially from forecasts. Neither Mr Hakim or any other person named with their consent in this Bidder's Statement can assure you that forecast or implied results will be achieved.

HOW TO ACCEPT

In order to accept the Offer you should complete the following 5 steps:

- 1 Read** Read this document, including the Bidder's Statement in full.
- 2 Consider** Consider the information provided on both Mr Hakim and NTG, including all the risk factors set out in Section 10: Risks, of the Bidder's Statement.
- 3 Consult** Consult your broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer.
- 4 Instruct** If your NTG Shareholding is CHESS sponsored, you will need to instruct your sponsoring market participant or ASTC settlement participant (formerly Broker) to sell your Shares.

If your holding is an Issuer Sponsored Holding, you may sell your shares through the Broker of your choice including Findlay Stockbroskers (Findlay Stockbrokers can be contacted on 02 9259 8000).

FURTHER INFORMATION

If you have any questions about this Offer or how to accept, please email your query to

Findlay Stockbrokers
L12, 10 Spring Street
Sydney 2000

Tel: (02) 92598000

Email: Carmen@findlay.com.au

Mr Hakim recommends you obtain independent advice in relation to the Offer.

Table of Contents

1. TERMS OF THE OFFER	1
2. HOW TO ACCEPT THE OFFER	1
2.1 CHESS HOLDINGS	1
2.2 ISSUER SPONSORED HOLDINGS	1
3. WHY YOU SHOULD ACCEPT THE BID	1
3.1 PRICE	1
3.2 LACK OF SUPPORT BY MAJOR SHAREHOLDERS REFLECTED BY:	2
3.3 LACK OF MARKET SUPPORT FOR THE COMPANY REFLECTED BY	2
3.4 PERFORMANCE OF THE COMPANY	3
3.5 DELISTING	3
4. BIDDER'S INTENTIONS	3
4.1 INTRODUCTION	3
4.2 ACQUISITION OF OUTSTANDING NTG SHARES	3
4.3 INTENTIONS FOR NATIONAL TELECOMS GROUP AS A WHOLLY OWNED SUBSIDIARY	3
4.4 INTENTIONS FOR NATIONAL TELECOMS GROUP AS A CONTROLLED ENTITY	4
5. PAYMENT OF CONSIDERATION	5
5.1 WHEN YOU WILL RECEIVE PAYMENT	5
5.2 COSTS AND STAMP DUTY	5
6. SOURCES OF CASH CONSIDERATION	5
7. INFORMATION ON SECURITIES IN NATIONAL TELECOMS GROUP	5
7.1 CAPITAL STRUCTURE OF NATIONAL TELECOMS GROUP	5
7.2 NATIONAL TELECOMS GROUP SHARES	5
7.3 MR HAKIM'S RELEVANT INTEREST IN NATIONAL TELECOMS GROUP SECURITIES	5
7.4 MR HAKIM'S VOTING POWER IN NATIONAL TELECOMS GROUP	6
8. OFFEREEES	6
8.1 REGISTERED HOLDERS	6
8.2 TRANSFEREEES	6
9. WITHDRAWAL AND VARIATION OF OFFER	6
9.1 WITHDRAWAL OF OFFER	6
9.2 VARIATION	6
10. RISKS	6
11. TAXATION CONSIDERATIONS	6
12. CONSENTS	7
13. FURTHER INFORMATION	7

BIDDER'S STATEMENT AND OFFER

1. TERMS OF THE OFFER

The Bidder	The Offer to buy your shares is made by Mr Anthony Hakim ("Mr Hakim")
The Offer	Mr Hakim is offering to acquire all of your NTG Shares on-market.
Consideration	You are offered AUD\$0.40 (forty cents) cash for each of your NTG Shares.
Closing date	Unless withdrawn or extended the Offer is open until 5:30 pm Sydney time on 7th November 2005
Conditions	The Offer is unconditional

2. HOW TO ACCEPT THE OFFER

This Offer is for all of your NTG Shares.

For details on how to accept, please see the sections immediately below. Should you require further assistance, or advice, you should contact your stockbroker, financial advisor or Findlay Stockbrokers.

2.1 Chess Holdings

If your NTG Shares are in a CHESS Holding, to accept you must instruct your Controlling Participant to initiate acceptance of the Offer on your behalf.

If you are a Participant (typically, a stockbroker who is a participating organisation of ASTC), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASTC Settlement Rules.

2.2 Issuer Sponsored Holdings

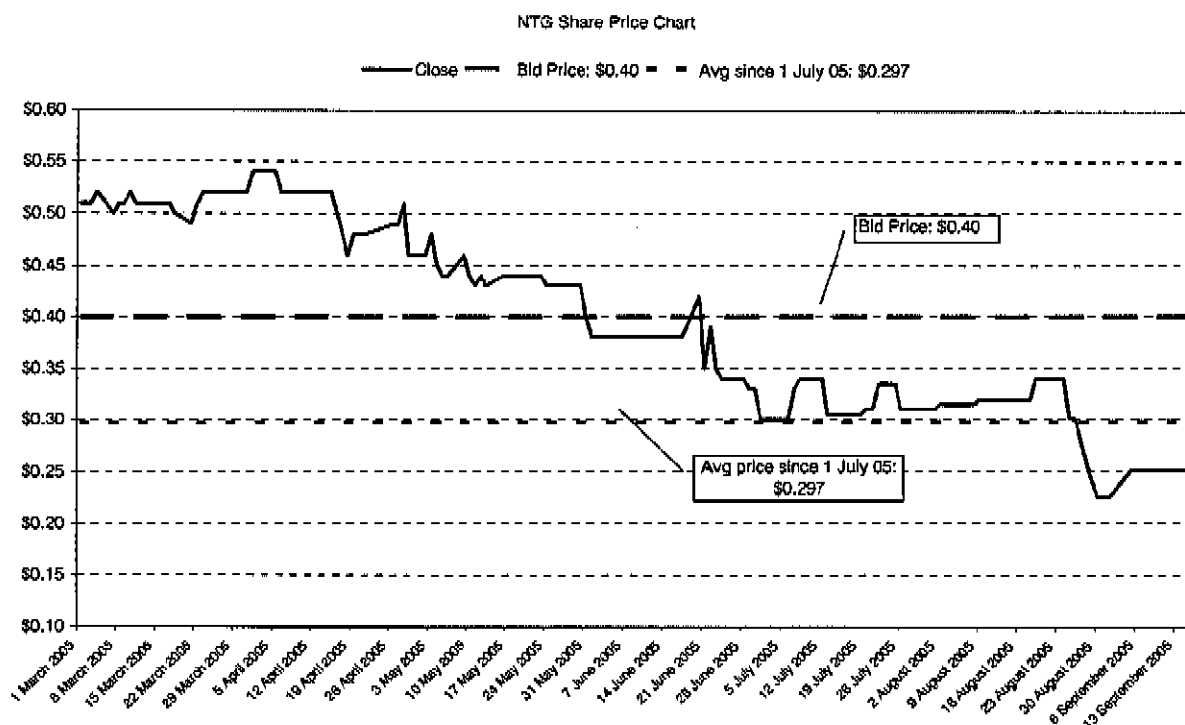
If your Security holder Reference Number (SRN) or Holder Identification Number begins with an "I", this indicates that your NTG Shares are in an Issuer Sponsored Holding. To accept this Offer, you may contact any broker to sell your shares on your behalf.

3. WHY YOU SHOULD ACCEPT THE BID

3.1 Price

- The Offer Price is approximately 33% above the average closing price since July 1st 2005.
- Shares in NTG have traded at lower than the bid price since June 1st 2005 on all but 1 trading day.

The following chart shows the closing prices for the Company since the 1st March 2005.



3.2 Lack of support by major shareholders reflected by:

• Lack of new capital raisings

At a General Meeting of shareholders on 2nd June 2005, 97.3% of votes received were in favour of resolution 2, to raise further capital by placement under listing rule 7.1. The intended use of funds to grow the business was outlined to shareholders in the notice as follows, "acquisition of investments, working capital, retiring debt and expansion of operations".

To date, the Company has not been successful in raising new capital. The initial timetable has now lapsed. It appears the Company has found it difficult to raise the required funds to grow the business. This was confirmed in an ASX announcement by the Board on September 8th.

• Sales of shares

Since May 2005, two substantial shareholders Danewell Pty Ltd (ACN 078 417 651) and Bell IXL Investments Ltd (ACN 113 669 908) have sold down their holdings in the Company. See ASX announcements dated May 2nd, May 30th and June 16th.

3.3 Lack of market support for the Company reflected by

• Lack of Liquidity

This bid gives shareholders excellent liquidity at a price well above recent levels. Liquidity has been declining significantly and consistently over the past two years. The average spread between buyers and sellers has widened from 4.5% in 2003 to 6.7% in 2005. Annualised turnover is down from 162% in 2003 to 35.8% in 2005.

- **Falling trading volumes**

Average daily volume during July and August is down to only 7,418 shares per day. This compares to the corresponding period in 2004 at 61,395 shares per day.

3.4 Performance of the Company

- **Deteriorating Cash Flow Position**

The Company has stated in its 30 June 05 accounts that cash flow for the 2005 financial year was \$367,000 down from \$2,985,000 in 2004.

- **Statement of Financial Position**

The Company accounts state as at 30 June 2005 that the Consolidated Entity has net liabilities of \$3,025,000.

- **Comments by the Auditors**

The Audit Report for the 2004/5 year will be available for shareholder review prior to the Closing Date, 7th November 2005.

3.5 Delisting

- **Possible Suspension of trading by the ASX**

There are approximately 900 shareholders in NTG. Should that number fall below 400 as acceptances are received by the bidder, the ASX has the right to suspend the Company.

4. BIDDER'S INTENTIONS

4.1 Introduction

This section sets out Mr Hakim's intentions in respect of the businesses, assets and employees of NTG on the basis of facts and information concerning NTG which are known to him as at the date of this document.

4.2 Acquisition of outstanding NTG Shares

If, as a result of the Offer, Mr Hakim becomes entitled to acquire outstanding NTG Shares compulsorily under Part 6A.1 of the Corporations Act, Mr Hakim presently intends to proceed with compulsory acquisition of those NTG Shares. Mr Hakim intends to consider appointing his nominee to the board of NTG.

4.3 Intentions for National Telecoms Group as a wholly owned subsidiary

The intentions of Mr Hakim, should he proceed to compulsory acquisition of NTG, are set out in this clause.

(a) Continuation of the business of the target

Mr Hakim intends to continue the NTG business in its current state under the existing management. However he also intends to conduct a detailed review of NTG assets and operations to evaluate their performance, prospects and strategic relevance to NTG and seek to identify ways in which Mr Hakim can use his experience and expertise to develop further NTG businesses ("Strategic Review").

(b) Any major changes to be made to the business of the target, including redeployment of the fixed assets of the target

If, as a result of the Strategic Review of the NTG businesses referred to above and if in the future any of the NTG businesses do not perform at a level that is acceptable to Mr Hakim, Mr Hakim intends to take whatever action is considered necessary to maximise returns.

It is not Mr Hakim's present intention to dispose of any NTG assets or to redeploy any of NTG fixed assets.

(c) Employees

Mr Hakim intends that the present employees of NTG and its subsidiaries will continue to be employed on the terms of their existing contracts. Until a review is undertaken of the operating performance of each of the NTG businesses determines the extent of areas for improvement and/or rationalisation, Mr Hakim cannot formulate a final intention in relation to all NTG employees.

(d) Corporate and head office functions

Mr Hakim intends to review the number of board members and their function. At this stage no changes to existing board and management are proposed.

4.4 Intentions for National Telecoms Group as a controlled entity

Mr Hakim's intentions if, following the close of the Offer, Mr Hakim procures control of NTG are as follows:

(a) General intentions

Mr Hakim intends to seek to implement, to the extent possible and appropriate, the steps mentioned in clause 4.3 above.

(b) Restrictions

The extent to which Mr Hakim will be able to implement these intentions may be subject to:

Mr Hakim will seek any necessary approval, as required by law, to implement those steps.

(c) Specific intentions

Mr Hakim also intends to:

- (i) consider appointing nominees of Mr Hakim to the Board so that the number of Mr Hakim's nominees is approximately proportionate to Mr Hakim's holding of NTG shares;
- (ii) review NTG overall capital management (including dividend policy) to ensure it is appropriate, having regard to any capital funding requirements of NTG identified in the Strategic Review; and
- (iii) dependent on market conditions and other factors, Mr Hakim may also seek to acquire further NTG shares on market in accordance with the Corporations Act.

(d) Other Intentions

Except as described above, it is the intention of Mr Hakim, on the basis of the facts and information concerning NTG which are known to it at the date of this Bidder's Statement, that:

- (i) the businesses of NTG will be continued in substantially the same manner as they are presently being conducted;
- (ii) no major changes will be made to the businesses of NTG;
- (iii) there will not be any redeployment of the fixed assets of NTG; and

- (iv) present employees of NTG will continue to be employed on their current terms and conditions.

5. PAYMENT OF CONSIDERATION

5.1 When you will receive payment

Subject to this Section 5, if you accept this Offer, the consideration for your NTG Shares will be paid according to normal ASTC Settlement Rules being 3 Business Days following your acceptance of this Offer (T+3).

5.2 Costs and stamp duty

Mr Hakim will pay all costs and expenses of the preparation and circulation of the Bidder's Statement and Offer. No stamp duty or GST is payable on the transfer of any NTG Shares to Mr Hakim.

As the Offer will be on the market, accepting offers may only be made in accordance with Section 2 of this Offer. Any brokerage charged by such brokers and any GST thereon would be the sole responsibility of the accepting shareholders.

6. SOURCES OF CASH CONSIDERATION

The total amount that Mr Hakim would be required to pay for NTG Shares if Mr Hakim acquires all of the NTG Shares in which it (or its associates) do not already have a relevant interest is AUD\$6,394,677.60. The consideration will be satisfied wholly in cash.

Cash is presently available to cover acceptances of the Offer.

7. INFORMATION ON SECURITIES IN NATIONAL TELECOMS GROUP

7.1 Capital Structure of National Telecoms Group

The following information on the securities in NTG is based upon documents lodged by NTG with ASX and with ASIC as at the date of this Bidder's Statement.

7.2 National Telecoms Group Shares

NTG shares are listed on the ASX.

The total number of issued NTG Shares is 19,660,578

7.3 Mr Hakim's relevant interest in National Telecoms Group securities

The number of securities of each class in which Mr Hakim had a relevant interest in (as at the dates specified) is shown below:

	Shares in NTG
Class:	Ordinary Shares
At date of this Bidder's Statement and Offer:	3,673,884

7.4 Mr Hakim's voting power in National Telecoms Group

Mr Hakim's voting power in NTG (as at the dates specified) is shown below:

Voting power in NTG

At date of this Bidder's Statement and Offer: 18.69%

8. OFFEREEES

8.1 Registered holders

Mr Hakim is making an offer in the form of this Offer to:

- (a) each holder of NTG Shares as set out in the NTG' register of members on the Register Date; and
- (b) each holder of any NTG Shares that may be issued between the Register Date and the Closing Date.

8.2 Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your NTG Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those NTG Shares.

9. WITHDRAWAL AND VARIATION OF OFFER

9.1 Withdrawal of Offer

The Offer may be withdrawn in accordance with the Corporations Act.

9.2 Variation

Mr Hakim may at any time, and from time to time, vary this Offer in accordance with the Corporations Act.

10. RISKS

Future Share Prices:

Share price fluctuations are a function of market influences and are beyond the control of any individual including Mr Hakim. The Bidder therefore makes no representations with respect to future share prices.

11. TAXATION CONSIDERATIONS

Acceptance of the Offer may have taxation implications. You should seek professional advice regarding the taxation implications of accepting the Offer.

No stamp duty is payable for the transfer of listed shares (such as NTG).

The disposal of NTG Shares pursuant to the Offer would not be subject to GST. No GST applies to the transfer of listed shares (such as NTG). To the extent that you are charged GST on any

brokerage fee by your Controlling Participant for carrying out your instructions under Section 1.3 of this Bidder's Statement you may not be able to claim any / full input tax credits.

12. CONSENTS

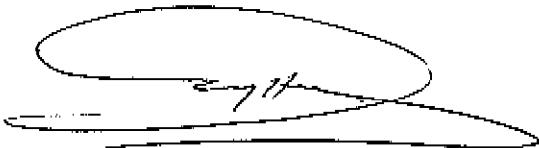
This Bidder's Statement includes or is accompanied by statements that are made in, or based on, statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of the ASIC class order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact Findlay Stockbrokers on 02 9259 8000.

13. FURTHER INFORMATION

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an Offeree whether or not to accept the Offer, being information that is presently known to Mr Hakim and that has not previously been disclosed to holders of NTG Shares.

DATED 22 September 2005

SIGNED by

A handwritten signature in black ink, appearing to read 'Anthony Hakim', is written over a horizontal line. The signature is enclosed within a large, loopy oval shape.

Anthony Hakim

GLOSSARY

The following defined terms are used throughout this Bidder's Statement, unless the contrary intention appears or the context requires otherwise:

Announcement Date	22 September 2005, being the date on which Mr Hakim announced details of the Offer to ASX.
ASIC	the Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd.
ASTC Settlement Rules	the settlement rules of ASTC.
ASX	means Australian Stock Exchange Limited.
Bidder	Mr Anthony Hakim or Mr Hakim.
Bidder's Statement	this Bidder's Statement, being the statement of Mr Hakim under Part 6.5 Division 2 of the Corporations Act relating to the Offers.
Business Day	a day which is not a Saturday, Sunday, bank or public holiday in Sydney.
CGT	capital gains tax.
CHESS	the Clearing House Electronic Sub-register System operated by the ASTC.
CHESS Holding	a holding of NTG Shares on the CHESS sub-register of NTG.
Closing Date	means 7 th November 2005
Company	means National Telecoms Group Limited ACN 094 312 704 and its subsidiaries.
Consolidated Entity	means National Telecoms Group Limited ACN 094 312 704 and its subsidiaries.
Controlling Participant	in relation to NTG Shares in a CHESS Holding, the Controlling Participant with whom the holder has a sponsorship agreement, as defined in the ASTC Settlement Rules (usually your broker).
Corporations Act	the Corporations Act 2001 (Cth).
Encumbrance	any mortgage, charge (whether fixed or floating), pledge, lien, option, restriction as to transfer or any other encumbrance or security or adverse interest whatsoever.
Foreign Shareholder	a person whose address, as shown in NTG's register of members, is a place outside Australia and its external territories.
Glossary	the Glossary set out in this Section 1.
GST	has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Issuer Sponsored Holding	a holding of NTG Shares on NTG's issuer sponsored subregister.
Listing Rules	the Listing Rules of ASX.
Offer	the offer of AUD\$0.40 for each Share on issue contained in this Bidder's Statement and denotes the several like offers for each Share sent or to be sent to other NTG Shareholders (or persons entitled to receive such offers under the Takeover Bid).
Offer Period	the period commencing on 6 October 2005 and (unless the Offer is withdrawn) ending at 5.30pm (Sydney time) on 7 November

	2005, or such later date to which the Offer has been extended.
Offer Price	means AUD\$0.40 (forty cents) per Share.
Participant	has the meaning given in the ASTC Settlement Rules.
Register Date	means the date of this Offer, 22 nd September 2005.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the meaning given to that term in the Corporations Act.
Rights	all accretions, rights or benefits attaching to or arising from NTG Shares on or after the Announcement Date (including all rights to receive dividends, bonuses or other shares of its profits or assets as well as rights to receive or subscribe for shares, stock units, notes or options and all other distributions or entitlements declared, paid, made or issued by NTG or any of its subsidiaries).
NTG	means National Telecoms Group Limited ACN 094 312 704 and its subsidiaries.
National Telecoms Group Shareholder	a holder of NTG Shares.
National Telecoms Group Shares	fully paid ordinary shares in the capital of National Telecoms Group Limited.
Takeover Bid	the on-market bid in accordance with Part 6.5 of the Corporations Act under which Mr Hakim offers to acquire all NTG shares.
Your National Telecoms Group Shares	all the NTG Shares held by you

Anthony Hakim

and

Findlay & Co Stockbrokers Limited

ACN 065 943 982

Market Bid and Indemnity Deed

Findlay & Co Stockbrokers Limited

ACN 065 943 982

Level 12, 10 Spring Street
SYDNEY NSW 2000

Telephone: (02) 9259 8000

Facsimile: (02) 9247 2342

THIS DEED is made on 22nd September 2005

PARTIES

1. **Anthony Hakim** of 4 Woolwich Road, Hunters Hill, NSW 2110 ("**Bidder**")
2. **FINDLAY & CO STOCKBROKERS LIMITED** ACN 065 943 982 of Level 12, 10 Spring Street, Sydney, NSW 2000 ("**Findlay**")

RECITALS

- A. The Bidder proposes to acquire all of the Target Shares through the Market Bid.
- B. The Target is an entity admitted to the official list of the ASX and the Target Shares are quoted on its exchange.
- C. Findlay is the holder of Australian Financial Services Licence No.247085 and it is both a Market Participant and a Trading Participant.
- D. The Bidder wishes to appoint Findlay as his agent for the purposes of announcing the Market Bid and to acquire the Target Shares on his behalf through the Market Bid.
- E. Findlay accepts its appointment as agent on the terms and conditions set out in this Deed.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

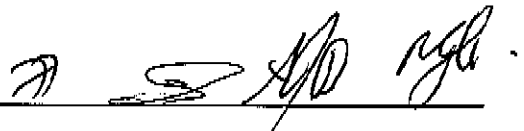
In this Deed, unless the context otherwise requires :

ACH Rules means the operating rules of the Australian Clearing House Pty Limited which provides the central counterparty and clearing facility for the ASX's market and all clearing and counterparty risk management services.

Announcement means the announcement made to the ASX by Findlay in relation to the Market Bid in accordance with the ASX Market Rules and in the form of the document attached to this Deed as Schedule 1.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Stock Exchange Limited ABN 98 008 624 691.



ASX Market Rules means the operating rules introduced pursuant to the *Corporations Act* by the ASX (as the holder of a licence to operate a financial market) which rules take effect as a contract under seal between the ASX and each Market Participant and between the Market Participants themselves.

Bidder's Statement means a statement prepared by the Bidder that complies with the provisions of the *Corporations Act* including sections 636 and 637 of the said Act and is in the form of the document set out in Schedule 2 to this Deed.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Listing Rules means the listing rules of ASX.

Market Bid means a takeover bid for the Target Shares made by the Bidder under Chapter 6 of the *Corporations Act* as a market bid.

Market Participant means a person admitted as a participant under the ASX Market Rules.

Offer means the offer for the Target Shares made by Findlay on market on behalf of the Bidder pursuant to the Market Bid from the commencement of the Offer Period.

Offer Price means AS\$0.40 per Target Share.

Offer Period means the period of 7 October to 7 November 2005 or as extended.

Products has the same meaning as that word is defined in the ASX Market Rules

Target Shares means the fully paid ordinary shares in the Target.

Target means National Telecoms Group Limited ACN 094 312 704.

Trading Participant means a Market Participant which has Trading Permission in respect of one or more Products or Trading Platforms.

Trading Permission has the same meaning as that phrase is defined in the ASX Market Rules.

Trading Platforms has the same meaning as that phrase is defined in the ASX Market Rules.

1.2 INTERPRETATION

In this Deed unless the context otherwise requires or permits:

- (a) references to a party will include as the context requires respective executors, administrators, successors and permitted assigns;
- (b) references to a person includes any other entity recognised by law and vice versa;
- (c) references to legislation or legislative provisions will include modifying, consolidating or replacing legislation or legislative provisions; legislation (including subordinate legislation) references to months and years means calendar months and years;

- (d) references to a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
- (e) headings, underlinings and marginal notes are only included for ease of reference and do not affect interpretation;
- (f) words denoting the singular number include the plural and vice versa;
- (g) words denoting one gender include the other gender;
- (h) words denoting natural persons include any corporation or other body corporate or government body and vice versa;
- (i) where any word or phrase is given a defined meaning any other grammatical form of that word or phrase will have a corresponding meaning;
- (j) every covenant or provision applying to or binding more than one person will bind them jointly and each of them severally;
- (k) if any part of this Deed is void or unenforceable or would be so unless severed, then the rest of the document will continue to have full force and effect.

2. MARKET BID

2.1 APPOINTMENT OF FINDLAY

The Bidder appoints Findlay to act as his agent to make the Market Bid during the Offer Period on the terms and conditions of this Deed. Findlay shall make the Offer at the Offer Price.

2.2 COMPLIANCE WITH LEGISLATION AND RULES

The Bidder and Findlay agree that they shall at all times during the Market Bid for the Target Shares comply with the provisions of the *Corporations Act*, the ASX Market Rules, the Listing Rules, the ACH Rules and with the customs and usages of ASX's market in the acquisition and disposal of the Target Shares by Findlay on behalf of the Bidder.

2.3 INDEMNITY

In consideration of Findlay acting on behalf of the Bidder, the Bidder covenants with Findlay that he will at all times hereafter indemnify and keep indemnified Findlay for all its costs and expenses pursuant to the Offer and in respect of any claims, demands, damages or any other liabilities that may be made against Findlay by any party arising out of, in connection with or relating to the Offer, and also against all sums of money whether for damages, costs, charges, expenses or otherwise for which Findlay may become liable or be required to pay in connection with or arising out of the withdrawal of the Offer before its expiration for any reason whatsoever on a full indemnity basis.

Nothing in this clause 2.3 shall be interpreted as extending or be deemed to extend the subject indemnity to the circumstance where a liability incurred by Findlay has arisen because of any action or omission on its part or because of its failure to comply with the terms of this Deed.

2.4 INDEMNITY FOR THE BENEFIT OF SERVANTS AND AGENTS

The Bidder acknowledges that the indemnity granted by the Bidder in clause 2.3 above shall enure to the benefit of all servants and agents of Findlay as if they were parties to this Deed.

2.5 SET OFF

The Bidder shall have no right of set off against any monies payable by the Bidder to Findlay under this Deed.

2.6 MONIES ON ACCOUNT

The Bidder shall within 24 hours of any request by Findlay being made deposit with it such sum (in cleared funds) as in the sole discretion of Findlay (exercised reasonably) shall be sufficient as moneys on account of the Bidder's liability to indemnify Findlay pursuant to this Deed including the Bidder's liability to indemnify Findlay in respect of costs, such sum or sums to be held and applied by Findlay in a manner or manners contemplated by this Deed.

3. CONDUCT OF THE MARKET BID

3.1 LODGEMENT OF THIS DEED

The parties agree that a copy of this Deed shall be lodged with the ASX on the day that this Deed is executed.

3.2 TAKEOVER ANNOUNCEMENT

On the day that this Deed is lodged with the ASX, Findlay shall make the Announcement.

3.3 BIDDER'S STATEMENT

On the date that the Announcement is made, the Bidder shall serve the Bidder's Statement upon the Target, the ASX and ASIC. Within 14 days of the Announcement, the Bidder shall serve a copy of the Bidder's Statement on each holder of the Target Shares.

3.4 WARRANTIES IN RELATION TO BIDDER'S STATEMENT

The Bidder warrants that the Bidder's Statement complies with the requirements of the *Corporations Act* and is not misleading or deceptive in any manner.

3.5 VARIATION OF OFFER PRICE

The Bidder agrees to consult Findlay in relation to any proposals to increase the Offer Price. Any increase in the Offer Price shall be announced to the market.

3.6 EXTENSION OF OFFER PERIOD

The Bidder agrees to consult Findlay in relation to any proposals to extend the Offer Period. Any extension of the Offer Period shall be announced to the market.

3.7 WITHDRAWAL AND SUSPENSION OF OFFER

The Bidder acknowledges that he may not withdraw or suspend the Offer except where it is permitted by or in accordance with the provisions of the *Corporations Act*.

3.8 PRE-OFFER PERIOD ACQUISITION

The Bidder wishes to acquire shares in the Target during the period immediately after the Announcement and up to the commencement of the Offer Period on terms as set out in the Announcement and hereby appoints Findlay as his agent for the same. The provisions referred to in clauses 2.3 to 2.6 above shall equally apply in relation to such pre-offer period acquisitions referred to in this clause.

3.9 GENERAL

The parties agree that they shall take all reasonable steps necessary to ensure the success and integrity of the Market Bid. The Bidder agrees to keep Findlay fully informed of all matters relating to the Market Bid.

4. REMUNERATION

4.1 FEES AND CHARGES PAYABLE TO FINDLAY

In consideration of the services to be provided by Findlay in relation to the Market Bid and as set out in this Deed, the Bidder agrees to pay Findlay the fees and charges as set out in Schedule 3 of this Deed.

5. LAW AND JURISDICTION

5.1 GOVERNING LAW

This Deed is governed by the laws applicable in New South Wales.

5.2 SUBMISSION TO JURISDICTION

The parties submit to the exclusive jurisdiction of the courts of New South Wales and any court that may hear appeals from those courts.



6. GENERAL

6.1 AMENDMENT

This Deed may only be amended or supplemented in writing signed by the parties.

6.2 COUNTERPARTS

This Deed may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.

6.3 WAIVER

The non-exercise of or the delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party entitled to that power or right.

6.4 FURTHER ASSURANCE

Each party must :

- (a) do all things reasonably necessary to give full effect to this Deed and the transactions contemplated by it (including the execution of any documents if necessary);
- (b) refrain from doing anything that might hinder performance of this Deed or to intentionally deprive any other party of any benefit it might otherwise receive pursuant to this Deed; and
- (c) if necessary, use all reasonable endeavours to cause relevant parties to do likewise.

6.5 ENTIRE AGREEMENT

This Deed constitutes the entire agreement between the parties in relation to the Market Bid and supersedes any prior arrangements, understandings, negotiations, agreements, representations, warranties or undertakings (whether written or oral) in relation to the Market Bid.

6.6 COSTS

The Bidder shall bear the parties' legal and other costs and expenses in connection with the preparation, execution and completion of this Deed.

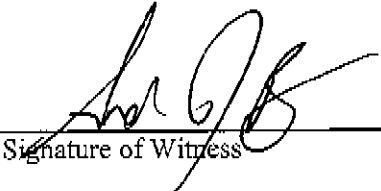
6.7 STAMP DUTY

The Bidder agrees that he shall be liable for any stamp duty payable in respect of or in connection with this Deed.

EXECUTED AS A DEED

SIGNED SEALED and DELIVERED by)

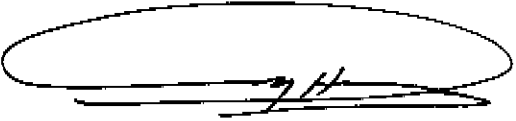
ANTHONY HAKIM in the presence of :)



Signature of Witness

Andrea BALD

Name of Witness



Signature

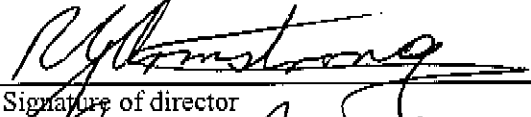
TONY HAKIM

Print Name

EXECUTED by FINDLAY & CO)

STOCKBROKERS LIMITED ACN 065 943 982)

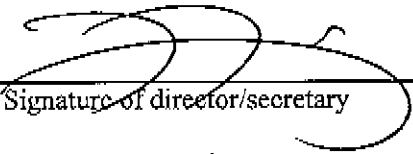
in accordance with the Corporations Act 2001 by:



Signature of director

Robin Armstrong

Name of director - please print



Signature of director/secretary

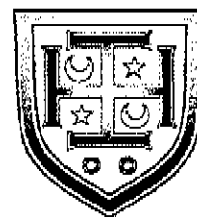
IVOR FINDLAY

Name of director/secretary - please print

SCHEDULE 1
ANNOUNCEMENT

Findlay & Co Stockbrokers Limited

Participant of the Australian Stock Exchange Ltd & Participant of the Newcastle Stock Exchange Ltd
Level 12, 10 Spring Street, Sydney NSW 2000
Phone: (02) 9259 8000, Fax: (02) 9247 9342
ABN 95 065 943 982
AFSL 247 085



22 September 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

**Market Bid for ordinary shares in National Telecoms Group Limited ACN 094 312 704
(ASX Code: NTG)
Bidder: Anthony Hakim**

During the period commencing on 7 October 2005 and expiring at 4 pm (Sydney time) on 7 November 2005 (the "**Offer Period**"), Findlay & Co Stockbrokers Limited ACN 065 943 982, on behalf of Anthony Hakim (the "**Bidder**"), offers to acquire on market at a price of A\$0.40 per share all the fully paid ordinary shares in National Telecoms Group Limited ACN 094 312 704 that exist at any time during the Offer Period.

The Offer Period may be extended and the offer price may be increased in accordance with the *Corporations Act* 2001 (Cth). Offers may be accepted at official meetings of Australian Stock Exchange Ltd held on the stock exchange of Australian Stock Exchange Ltd.

As at the date of this announcement, there are 19,660,578 fully paid ordinary shares in National Telecoms Group Limited ACN 094 312 704 on issue. The number of fully paid ordinary shares in National Telecoms Group Limited ACN 094 312 704 which the Bidder had a relevant interest in immediately prior to this announcement is 3,673,884, being 18.69 % of the total number of fully paid ordinary shares on issue as at the date of announcement.

During the period commencing 22 September 2005 and ending on 6 October 2005, Findlay & Co Stockbrokers Limited on behalf of the Bidder will accept, at the price specified above of A\$0.40 per share, every fully paid ordinary share in National Telecoms Group Limited ACN 094 312 704 offered to it at an official meeting of the Australian Stock Exchange Ltd.

Yours faithfully

Robin Armstrong
Director

SCHEDULE 2
BIDDER'S STATEMENT

Bidder's Statement and Offer

Cash Offer by

Mr Anthony Hakim

Of \$0.40 (forty cents) per share

(on market offer) to acquire 100% of your Ordinary Shares in

National Telecoms Group Limited

(ACN 094 312 704)

This document contains a Bidder's Statement and an Offer. This is an important document that requires your immediate attention. If you are in any doubt how to act, you should consult your broker, financial or other professional adviser as soon as possible.

Words used in the Bidder's Statement and Offer have the same meaning.

Bidder's Statement and Offer

Cash Offer by

Mr Anthony Hakim

Of \$0.40 (forty cents) per share

(on market offer) to acquire 100% of your Ordinary Shares in

National Telecoms Group Limited

(ACN 094 312 704)

This document contains a Bidder's Statement and an Offer. This is an important document that requires your immediate attention. If you are in any doubt how to act, you should consult your broker, financial or other professional adviser as soon as possible.

Words used in the Bidder's Statement and Offer have the same meaning.

Letter to Shareholders

Dear National Telecoms Group Shareholder,

I am pleased to enclose an offer to buy your shares in National Telecoms Group LTD.
The Offer of \$AUD 0.40 per share is open and is scheduled to close on 7 November 05

Reasons why you should accept

The Offer is unconditional and "on market" and therefore easy to understand. You can accept via your stockbroker.

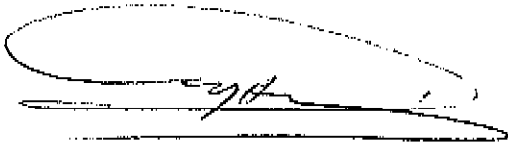
The Offer gives you the opportunity to sell out of your shares at a price well above current trading levels. The share price has only traded above the bid price of \$0.40 (forty cents) on one occasion this financial year.

The Offer represents a premium of approximately 33% to the average closing price for National Telecoms Group of \$0.297 (twenty nine point seven cents) for this financial year;

Other reasons why you should accept the bid are further outlined in Section 3: **Why you should accept the bid**, of the Bidders Statement. These include, poor and declining liquidity in NTG shares, deteriorated cash flow between 2003 and 2004 financial years, and inability to access new capital.

I believe my offer to buy all the outstanding shares of NTG is priced at a level where I expect most shareholders to accept.

Yours faithfully,



Anthony Hakim

22 September 2005

BIDDERS STATEMENT

IMPORTANT INFORMATION

KEY TERMS

- Offeror:** Mr Anthony Hakim ("Mr Hakim" or "The Bidder")
- Offer Price:** AUD\$0.40 (forty cents) for every National Telecoms Group Limited (NTG) Share you hold.
- Date of Offer:** This Offer is dated 22 September 2005.
- Closing Date:** 7 November 2005 unless extended or withdrawn in accordance with the Corporations Act.
- Acquisitions made prior to Offer Period:** Mr Hakim is offering to acquire NTG Shares on-market at the Offer Price from 22 September 2005 to 6 October 2005 – the day before the Offer Period commences.
- Payment:** If you accept the Offer consideration will be issued to you as per the normal settlement rules of the ASX and ASTC being 3 trading days from the date on which you complete your sale (T+3).
- Tax consequences:** There may be tax consequences for NTG shareholders who accept the Offer. You should seek your own professional advice in relation to any possible tax consequences.
- No fees:** No stamp duty or goods and services tax will be payable by you on acceptance of this Offer. Brokerage may be charged by your broker.
- Conditions:** The Offer is unconditional.
- The Target:** The Target of this Takeover Bid is National Telecoms Group Limited ACN 094 312 704.

KEY DATES

- Announcement of Offer:** 22 September 2005
- Bidder's Statement lodged with ASIC:** 22 September 2005
- Acquisitions prior to Offer Period:** 22 September 2005 to 6 October 2005
- Date of Offer:** 22 September 2005
- Offer Closing Date:** 7 November 2005, unless extended or withdrawn in accordance with the Corporations Act

OFFER AND BIDDER'S STATEMENT

This Offer and Bidder's Statement is given by Mr Hakim to National Telecoms Group Limited (ACN 094 312 704) (**the Target**) under Part 6.5 of the Corporations Act. The Terms of the Offer are set out in Section 1 of the Offer.

Please refer to the glossary, located in Section 1 of the Offer, for definitions of terms used in this Offer and Bidder's Statement. Unless stated, terms used in this Offer and Bidder's Statement have the same meaning as in the Corporations Act.

IMPORTANT INFORMATION (continued)

INVESTMENT ADVICE

This Bidder's Statement does not take into account the individual investment objectives, financial situation, tax position or personal needs of each NTG Shareholder or any other person. Accordingly, you may wish to seek independent professional advice before deciding whether or not to accept the Offer.

BIDDER INFORMATION

Mr Hakim is a director of NTG. Accordingly Mr Hakim has access to information concerning NTG which is not in the public domain. However, Mr Hakim is not aware of any information material to the decision by NTG Shareholders to accept the Offer that is not in the public domain.

FORWARD LOOKING STATEMENTS

This Bidder's Statement may include forward looking statements. The forward looking statements relate to future matters that are subject to various inherent risks and uncertainties. Some of these risks and uncertainties are described in Section 10: Risks. Actual events or results may differ materially from forecasts. Neither Mr Hakim or any other person named with their consent in this Bidder's Statement can assure you that forecast or implied results will be achieved.

HOW TO ACCEPT

In order to accept the Offer you should complete the following 5 steps:

- 1 Read** Read this document, including the Bidder's Statement in full.
- 2 Consider** Consider the information provided on both Mr Hakim and NTG, including all the risk factors set out in Section 10: Risks, of the Bidder's Statement.
- 3 Consult** Consult your broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer.
- 4 Instruct** If your NTG Shareholding is CHESs sponsored, you will need to instruct your sponsoring market participant or ASTC settlement participant (formerly Broker) to sell your Shares.

If your holding is an Issuer Sponsored Holding, you may sell your shares through the Broker of your choice including Findlay Stockbros (Findlay Stockbrokers can be contacted on 02 9259 8000).

FURTHER INFORMATION

If you have any questions about this Offer or how to accept, please email your query to

Findlay Stockbrokers
L12, 10 Spring Street
Sydney 2000

Tel: (02) 92598000

Email: Carmen@findlay.com.au

Mr Hakim recommends you obtain independent advice in relation to the Offer.

Table of Contents

1. TERMS OF THE OFFER	1
2. HOW TO ACCEPT THE OFFER	1
2.1 CHESS HOLDINGS	1
2.2 ISSUER SPONSORED HOLDINGS	1
3. WHY YOU SHOULD ACCEPT THE BID	1
3.1 PRICE	1
3.2 LACK OF SUPPORT BY MAJOR SHAREHOLDERS REFLECTED BY:	2
3.3 LACK OF MARKET SUPPORT FOR THE COMPANY REFLECTED BY	2
3.4 PERFORMANCE OF THE COMPANY	3
3.5 DELISTING	3
4. BIDDER'S INTENTIONS	3
4.1 INTRODUCTION	3
4.2 ACQUISITION OF OUTSTANDING NTG SHARES	3
4.3 INTENTIONS FOR NATIONAL TELECOMS GROUP AS A WHOLLY OWNED SUBSIDIARY	3
4.4 INTENTIONS FOR NATIONAL TELECOMS GROUP AS A CONTROLLED ENTITY	4
5. PAYMENT OF CONSIDERATION	5
5.1 WHEN YOU WILL RECEIVE PAYMENT	5
5.2 COSTS AND STAMP DUTY	5
6. SOURCES OF CASH CONSIDERATION	5
7. INFORMATION ON SECURITIES IN NATIONAL TELECOMS GROUP	5
7.1 CAPITAL STRUCTURE OF NATIONAL TELECOMS GROUP	5
7.2 NATIONAL TELECOMS GROUP SHARES	5
7.3 MR HAKIM'S RELEVANT INTEREST IN NATIONAL TELECOMS GROUP SECURITIES	5
7.4 MR HAKIM'S VOTING POWER IN NATIONAL TELECOMS GROUP	6
8. OFFEREEES	6
8.1 REGISTERED HOLDERS	6
8.2 TRANSFEREES	6
9. WITHDRAWAL AND VARIATION OF OFFER	6
9.1 WITHDRAWAL OF OFFER	6
9.2 VARIATION	6
10. RISKS	6
11. TAXATION CONSIDERATIONS	6
12. CONSENTS	7
13. FURTHER INFORMATION	7

BIDDER'S STATEMENT AND OFFER

1. TERMS OF THE OFFER

The Bidder	The Offer to buy your shares is made by Mr Anthony Hakim ("Mr Hakim")
The Offer	Mr Hakim is offering to acquire all of your NTG Shares on-market.
Consideration	You are offered AUD\$0.40 (forty cents) cash for each of your NTG Shares.
Closing date	Unless withdrawn or extended the Offer is open until 5:30 pm Sydney time on 7th November 2005
Conditions	The Offer is unconditional

2. HOW TO ACCEPT THE OFFER

This Offer is for all of your NTG Shares.

For details on how to accept, please see the sections immediately below. Should you require further assistance, or advice, you should contact your stockbroker, financial advisor or Findlay Stockbrokers.

2.1 Chess Holdings

If your NTG Shares are in a CHESS Holding, to accept you must instruct your Controlling Participant to initiate acceptance of the Offer on your behalf.

If you are a Participant (typically, a stockbroker who is a participating organisation of ASTC), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASTC Settlement Rules.

2.2 Issuer Sponsored Holdings

If your Security holder Reference Number (SRN) or Holder Identification Number begins with an "I", this indicates that your NTG Shares are in an Issuer Sponsored Holding. To accept this Offer, you may contact any broker to sell your shares on your behalf.

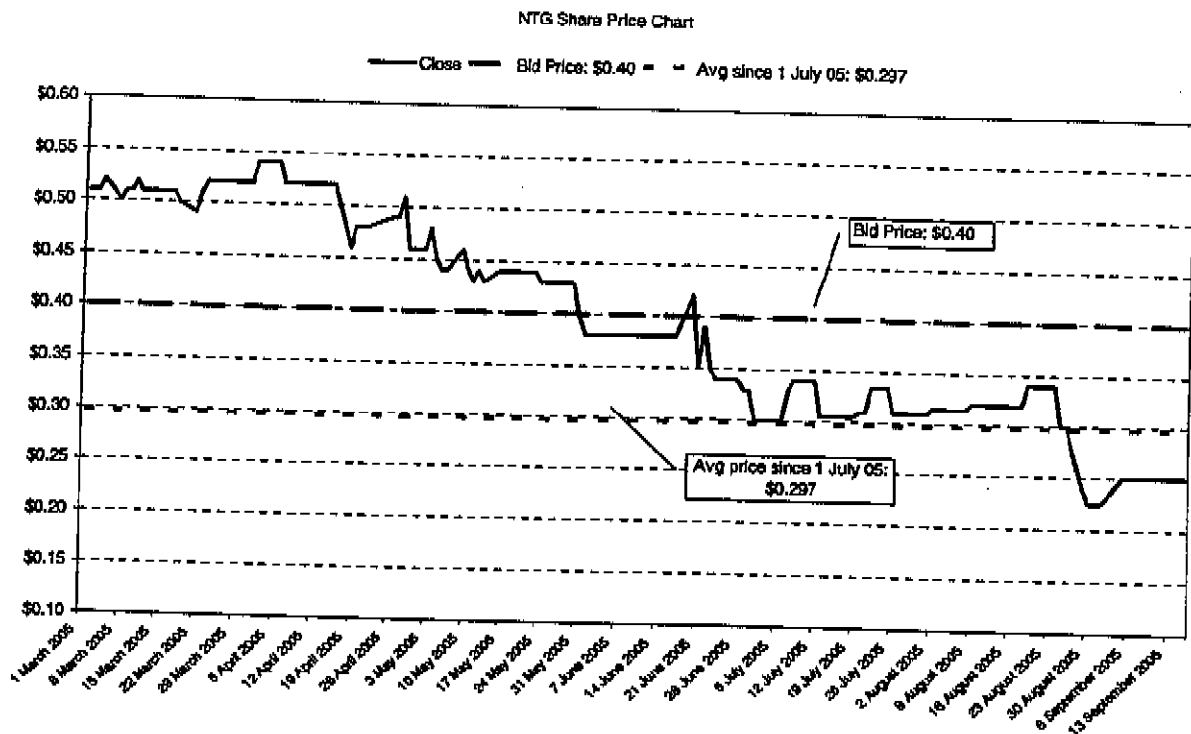
3. WHY YOU SHOULD ACCEPT THE BID

3.1 Price

- The Offer Price is approximately 33% above the average closing price since July 1st 2005.
- Shares in NTG have traded at lower than the bid price since June 1st 2005 on all but 1 trading day.

The following chart shows the closing prices for the Company since the 1st March 2005.

BIDDER'S STATEMENT AND OFFER (cont.)



3.2 Lack of support by major shareholders reflected by:

- **Lack of new capital raisings**

At a General Meeting of shareholders on 2nd June 2005, 97.3% of votes received were in favour of resolution 2, to raise further capital by placement under listing rule 7.1. The intended use of funds to grow the business was outlined to shareholders in the notice as follows, "acquisition of investments, working capital, retiring debt and expansion of operations".

To date, the Company has not been successful in raising new capital. The initial timetable has now lapsed. It appears the Company has found it difficult to raise the required funds to grow the business. This was confirmed in an ASX announcement by the Board on September 8th.

- **Sales of shares**

Since May 2005, two substantial shareholders Danewell Pty Ltd (ACN 078 417 651) and Bell IXL Investments Ltd (ACN 113 669 908) have sold down their holdings in the Company. See ASX announcements dated May 2nd, May 30th and June 16th.

3.3 Lack of market support for the Company reflected by

- **Lack of Liquidity**

This bid gives shareholders excellent liquidity at a price well above recent levels. Liquidity has been declining significantly and consistently over the past two years. The average spread between buyers and sellers has widened from 4.5% in 2003 to 6.7% in 2005. Annualised turnover is down from 162% in 2003 to 35.8% in 2005.

- **Falling trading volumes**

Average daily volume during July and August is down to only 7,418 shares per day. This compares to the corresponding period in 2004 at 61,395 shares per day.

3.4 Performance of the Company

- **Deteriorating Cash Flow Position**

The Company has stated in its 30 June 05 accounts that cash flow for the 2005 financial year was \$367,000 down from \$2,985,000 in 2004.

- **Statement of Financial Position**

The Company accounts state as at 30 June 2005 that the Consolidated Entity has net liabilities of \$3,025,000.

- **Comments by the Auditors**

The Audit Report for the 2004/5 year will be available for shareholder review prior to the Closing Date, 7th November 2005.

3.5 Delisting

- **Possible Suspension of trading by the ASX**

There are approximately 900 shareholders in NTG. Should that number fall below 400 as acceptances are received by the bidder, the ASX has the right to suspend the Company.

4. BIDDER'S INTENTIONS

4.1 Introduction

This section sets out Mr Hakim's intentions in respect of the businesses, assets and employees of NTG on the basis of facts and information concerning NTG which are known to him as at the date of this document.

4.2 Acquisition of outstanding NTG Shares

If, as a result of the Offer, Mr Hakim becomes entitled to acquire outstanding NTG Shares compulsorily under Part 6A.1 of the Corporations Act, Mr Hakim presently intends to proceed with compulsory acquisition of those NTG Shares. Mr Hakim intends to consider appointing his nominee to the board of NTG.

4.3 Intentions for National Telecoms Group as a wholly owned subsidiary

The intentions of Mr Hakim, should he proceed to compulsory acquisition of NTG, are set out in this clause.

(a) Continuation of the business of the target

Mr Hakim intends to continue the NTG business in its current state under the existing management. However he also intends to conduct a detailed review of NTG assets and operations to evaluate their performance, prospects and strategic relevance to NTG and seek to identify ways in which Mr Hakim can use his experience and expertise to develop further NTG businesses ("Strategic Review").

(b) Any major changes to be made to the business of the target, including redeployment of the fixed assets of the target

If, as a result of the Strategic Review of the NTG businesses referred to above and if in the future any of the NTG businesses do not perform at a level that is acceptable to Mr Hakim, Mr Hakim intends to take whatever action is considered necessary to maximise returns.

It is not Mr Hakim's present intention to dispose of any NTG assets or to redeploy any of NTG fixed assets.

(c) Employees

Mr Hakim intends that the present employees of NTG and its subsidiaries will continue to be employed on the terms of their existing contracts. Until a review is undertaken of the operating performance of each of the NTG businesses determines the extent of areas for improvement and/or rationalisation, Mr Hakim cannot formulate a final intention in relation to all NTG employees.

(d) Corporate and head office functions

Mr Hakim intends to review the number of board members and their function. At this stage no changes to existing board and management are proposed.

4.4 Intentions for National Telecoms Group as a controlled entity

Mr Hakim's intentions if, following the close of the Offer, Mr Hakim procures control of NTG are as follows:

(a) General intentions

Mr Hakim intends to seek to implement, to the extent possible and appropriate, the steps mentioned in clause 4.3 above.

(b) Restrictions

The extent to which Mr Hakim will be able to implement these intentions may be subject to:

Mr Hakim will seek any necessary approval, as required by law, to implement those steps.

(c) Specific intentions

Mr Hakim also intends to:

(i) consider appointing nominees of Mr Hakim to the Board so that the number of Mr Hakim's nominees is approximately proportionate to Mr Hakim's holding of NTG shares;

(ii) review NTG overall capital management (including dividend policy) to ensure it is appropriate, having regard to any capital funding requirements of NTG identified in the Strategic Review; and

(iii) dependent on market conditions and other factors, Mr Hakim may also seek to acquire further NTG shares on market in accordance with the Corporations Act.

(d) Other Intentions

Except as described above, it is the intention of Mr Hakim, on the basis of the facts and information concerning NTG which are known to it at the date of this Bidder's Statement, that:

(i) the businesses of NTG will be continued in substantially the same manner as they are presently being conducted;

(ii) no major changes will be made to the businesses of NTG;

(iii) there will not be any redeployment of the fixed assets of NTG; and

- (iv) present employees of NTG will continue to be employed on their current terms and conditions.

5. PAYMENT OF CONSIDERATION

5.1 When you will receive payment

Subject to this Section 5, if you accept this Offer, the consideration for your NTG Shares will be paid according to normal ASTC Settlement Rules being 3 Business Days following your acceptance of this Offer (T+3).

5.2 Costs and stamp duty

Mr Hakim will pay all costs and expenses of the preparation and circulation of the Bidder's Statement and Offer. No stamp duty or GST is payable on the transfer of any NTG Shares to Mr Hakim.

As the Offer will be on the market, accepting offers may only be made in accordance with Section 2 of this Offer. Any brokerage charged by such brokers and any GST thereon would be the sole responsibility of the accepting shareholders.

6. SOURCES OF CASH CONSIDERATION

The total amount that Mr Hakim would be required to pay for NTG Shares if Mr Hakim acquires all of the NTG Shares in which it (or its associates) do not already have a relevant interest is AUD\$5,394,677.60. The consideration will be satisfied wholly in cash.

Cash is presently available to cover acceptances of the Offer.

7. INFORMATION ON SECURITIES IN NATIONAL TELECOMS GROUP

7.1 Capital Structure of National Telecoms Group

The following information on the securities in NTG is based upon documents lodged by NTG with ASX and with ASIC as at the date of this Bidder's Statement.

7.2 National Telecoms Group Shares

NTG shares are listed on the ASX.

The total number of issued NTG Shares is 19,660,578

7.3 Mr Hakim's relevant interest in National Telecoms Group securities

The number of securities of each class in which Mr Hakim had a relevant interest in (as at the dates specified) is shown below:

	Shares in NTG
Class:	Ordinary Shares
At date of this Bidder's Statement and Offer:	3,673,884

7.4 Mr Hakim's voting power in National Telecoms Group

Mr Hakim's voting power in NTG (as at the dates specified) is shown below:

Voting power in NTG

At date of this Bidder's Statement and Offer: 18.69%

8. OFFEREES

8.1 Registered holders

Mr Hakim is making an offer in the form of this Offer to:

- (a) each holder of NTG Shares as set out in the NTG' register of members on the Register Date; and
- (b) each holder of any NTG Shares that may be issued between the Register Date and the Closing Date.

8.2 Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your NTG Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those NTG Shares.

9. WITHDRAWAL AND VARIATION OF OFFER

9.1 Withdrawal of Offer

The Offer may be withdrawn in accordance with the Corporations Act.

9.2 Variation

Mr Hakim may at any time, and from time to time, vary this Offer in accordance with the Corporations Act.

10. RISKS

Future Share Prices:

Share price fluctuations are a function of market influences and are beyond the control of any individual including Mr Hakim. The Bidder therefore makes no representations with respect to future share prices.

11. TAXATION CONSIDERATIONS

Acceptance of the Offer may have taxation implications. You should seek professional advice regarding the taxation implications of accepting the Offer.

No stamp duty is payable for the transfer of listed shares (such as NTG).

The disposal of NTG Shares pursuant to the Offer would not be subject to GST. No GST applies to the transfer of listed shares (such as NTG). To the extent that you are charged GST on any

BIDDER'S STATEMENT AND OFFER (cont.)

brokerage fee by your Controlling Participant for carrying out your instructions under Section 1.3 of this Bidder's Statement you may not be able to claim any / full input tax credits.

12. CONSENTS

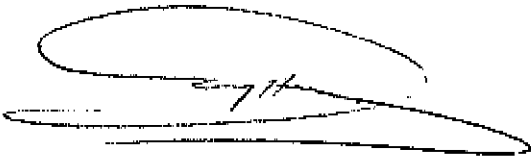
This Bidder's Statement includes or is accompanied by statements that are made in, or based on, statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of the ASIC class order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact Findlay Stockbrokers on 02 9259 8000.

13. FURTHER INFORMATION

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an Offeree whether or not to accept the Offer, being information that is presently known to Mr Hakim and that has not previously been disclosed to holders of NTG Shares.

DATED 22 September 2005

SIGNED by



Anthony Hakim

GLOSSARY

The following defined terms are used throughout this Bidder's Statement, unless the contrary intention appears or the context requires otherwise:

Announcement Date	22 September 2005, being the date on which Mr Hakim announced details of the Offer to ASX.
ASIC	the Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporation Pty Ltd.
ASTC Settlement Rules	the settlement rules of ASTC.
ASX	means Australian Stock Exchange Limited.
Bidder	Mr Anthony Hakim or Mr Hakim.
Bidder's Statement	this Bidder's Statement, being the statement of Mr Hakim under Part 6.5 Division 2 of the Corporations Act relating to the Offers.
Business Day	a day which is not a Saturday, Sunday, bank or public holiday in Sydney.
CGT	capital gains tax.
CHESS	the Clearing House Electronic Sub-register System operated by the ASTC.
CHESS Holding	a holding of NTG Shares on the CHESS sub-register of NTG.
Closing Date	means 7 th November 2005
Company	means National Telecoms Group Limited ACN 094 312 704 and its subsidiaries.
Consolidated Entity	means National Telecoms Group Limited ACN 094 312 704 and its subsidiaries.
Controlling Participant	in relation to NTG Shares in a CHESS Holding, the Controlling Participant with whom the holder has a sponsorship agreement, as defined in the ASTC Settlement Rules (usually your broker).
Corporations Act	the Corporations Act 2001 (Cth).
Encumbrance	any mortgage, charge (whether fixed or floating), pledge, lien, option, restriction as to transfer or any other encumbrance or security or adverse interest whatsoever.
Foreign Shareholder	a person whose address, as shown in NTG's register of members, is a place outside Australia and its external territories.
Glossary	the Glossary set out in this Section 1.
GST	has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth).
Issuer Sponsored Holding	a holding of NTG Shares on NTG's issuer sponsored subregister.
Listing Rules	the Listing Rules of ASX.
Offer	the offer of AUD\$0.40 for each Share on issue contained in this Bidder's Statement and denotes the several like offers for each Share sent or to be sent to other NTG Shareholders (or persons entitled to receive such offers under the Takeover Bid).
Offer Period	the period commencing on 6 October 2005 and (unless the Offer is withdrawn) ending at 5.30pm (Sydney time) on 7 November

Offer Price	2005, or such later date to which the Offer has been extended.
Participant	means AUD\$0.40 (forty cents) per Share.
Register Date	has the meaning given in the ASTC Settlement Rules.
Related Body Corporate	means the date of this Offer, 22 nd September 2005.
Relevant Interest	has the meaning given to that term in the Corporations Act.
Rights	has the meaning given to that term in the Corporations Act.
	all accretions, rights or benefits attaching to or arising from NTG Shares on or after the Announcement Date (including all rights to receive dividends, bonuses or other shares of its profits or assets as well as rights to receive or subscribe for shares, stock units, notes or options and all other distributions or entitlements declared, paid, made or issued by NTG or any of its subsidiaries).
NTG	means National Telecoms Group Limited ACN 094 312 704 and its subsidiaries.
National Telecoms Group Shareholder	a holder of NTG Shares.
National Telecoms Group Shares	fully paid ordinary shares in the capital of National Telecoms Group Limited.
Takeover Bid	the on-market bid in accordance with Part 6.5 of the Corporations Act under which Mr Hakim offers to acquire all NTG shares.
Your National Telecoms Group Shares	all the NTG Shares held by you

SCHEDULE 3

FEES & CHARGES PAYABLE TO FINDLAY & Co STOCKBROKERS LIMITED

1. Fees of A\$50,000.00 plus Goods and Services Tax (GST) payable at the end of the Offer Period.
2. A\$15.00 per contract note issued by Findlay in respect of the Market Bid and the acquisitions referred to in clause 3.8 of this Deed.
3. Reimbursement of legal fees incurred by Findlay in relation to the Market Bid up to a maximum amount of A\$3,000 plus GST.