



MARKET RELEASE

1 December 2008

Pipe Networks Limited

TRADING HALT

The securities of Pipe Networks Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Thursday, 4 December 2008 or when the announcement is released to the market.

Security Code: PWK

A handwritten signature in black ink, appearing to read 'Finucan', is written in a cursive style.

Frances Finucan
Senior Adviser, Issuers (Brisbane)

1st December 2008

Mrs Frances Finucan
Australian Stock Exchange Limited
PO Box 7055
Riverside Centre
BRISBANE QLD 4001

Dear Frances

Request for trading halt

I refer to our telephone conversation and confirm that PIPE Networks Limited ACN 099 104 122 (**the Company**) requests that a Trading Halt be applied to its securities immediately under Listing Rule 17.1.

The reason for the Trading Halt is that a subsidiary of the Company has today withdrawn from proposed arrangements with financiers of the PPC-1 undersea cable project and is now negotiating with customers and suppliers as to the future of this project. These negotiations are incomplete and remain confidential and the outcome is likely to affect the Company's share price. We attach further detail.

The Company would like the Trading Halt to last until the conclusion of these sensitive negotiations when an announcement can be made (but in any event not beyond the time prescribed by the ASX Market Rules).

The Company is not aware of any reason why the Trading Halt should not be granted.

Yours faithfully



Malcolm Thompson
Company Secretary



MEDIA/ASX RELEASE

01 December 2008

PPC-1 UPDATE

PIPE Networks Limited (ASX:PWK) advised today that, given the unacceptable delays in the credit approval process, the Board of PPC-1 (Bermuda) Ltd has decided to withdraw from proposed arrangements with those financiers.

As previously advised as an alternative course of action, PPC-1 has recently been negotiating with key PPC-1 customers and its major supplier with a view to arranging alternative financial accommodation. Negotiations with those parties are confidential, ongoing and incomplete in nature, and while material progress is being made in these efforts, the Board of PPC-1 does not yet have certainty or a final position on these potential arrangements. It is anticipated the position will be resolved within the coming days.

The underlying demand for future capacity sales on PPC-1 remains robust. Pioneer Consulting (www.pioneerconsulting.com), an independent expert advisor to the telecommunications sector, has recently predicted in due diligence investigations that, by 2012, PPC-1 should be able to achieve a 22% share of the incremental international wholesale capacity market connecting to Australia. Pioneer's analysis also indicates PPC-1 will benefit from access to PIPE Networks' existing customer base and the ability to deliver end-to-end services, particularly in Australia where PIPE Networks has its own terrestrial network for backhaul.

While the Directors are encouraged by the recent progress made regarding alternate funding arrangements, at this stage they remain incomplete. As previously advised, PPC-1 has been structured as a non-recourse special purpose vehicle (SPV) that is a separate legal entity from PIPE Networks Limited. Accordingly, a scenario that involved the write-off of PIPE Networks' investment in PPC-1 would result in a one-time, non-cash write-off which would be recorded in the accounts of PIPE Networks of approximately \$30M. This would have no impact on current year's revenue or underlying EBITDA.

Should the project be discontinued, PIPE Networks' revised guidance for continuing operations (excluding one-time, non-cash write-offs relating to the PPC-1 project) for 2008/9 year are estimated to be in the range of \$8 million to \$9 million of NPAT. Such a revision downwards of the NPAT for 2008/9 year would relate solely to PIPE Networks no longer capitalising interest related to loans to the PPC-1 SPV. PIPE Networks would also be expected to hold net debt of only \$27 million to \$29 million, with Debt-to-EBITDA from continuing operations expected to be reduced to a ratio of approximately 1.5 times (approx 7 times interest cover) by the end of the 2008/9 financial year. The Board considers that any decision to discontinue the project is unlikely to have any other material impact on PIPE Networks' domestic business performance.

The Board will provide an update when further information is available.



ENDS

For more information: Bevan Slattery
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***This update is to provide information on the progress of the Company's undersea cable project. In accordance with our continuous disclosure obligations, we will release further updates as information becomes available that can be released to the market.**