

PPC-1 Update – Landing of Cable in Sydney

Further to **PIPE Networks Limited's (ASX:PWK)** ASX announcements of 3 March 2009 and 30 April 2009, PIPE Networks is excited to announce that its wholly-owned subsidiary, PIPE International (Australia) Pty Ltd, has reached another milestone in the construction of the PPC-1 submarine cable system with the commencement of 'Lay 1' of the cable in Sydney.

The landing of the cable at Collaroy in Sydney's northern beaches occurred this morning and was completed from the Tyco Telecom cable ship "*Durable*", which is carrying 4787.486 km of submarine cable, 52 repeaters and 4 branching units plus lay spares. This morning's operations completes the second of three landings in the project. The first landing took place in Guam on 29 April 2009 and the third will follow in Madang in Papua New Guinea in the coming weeks.

At a press conference in Sydney today, PIPE Networks' CEO, Bevan Slattery, said, "The completion of this cable landing is a major milestone in the ultimate goal of providing Australia with enhanced, competitive connectivity to the rest of the world. We believe the increased competition that PPC-1 will generate will filter down to ordinary Australian users, and that's why the landing in Sydney, our home country, is particularly exciting."

The PPC-1 cable will connect Australia, Papua New Guinea and Guam and provide onward connectivity to Asia and the United States. With a capacity of 1.92 terabits per second over two fiber pairs the system will provide diversity to the few existing routes in the region. The project was launched in January 2008 and is scheduled for completion by September 2009. In addition, there are branching units in the system that will allow for future connectivity to other locations.

David Coughlan, CEO of Tyco Telecommunications, said, "We are pleased to complete the cable landings for the PPC-1 system, which is testament to the successful collaboration between the PIPE International and Tyco Telecommunications teams. Upon completion later this year, the system, which is comprised of the newest, most advanced generation of subsea equipment, will provide Australia with needed enhanced connectivity and bandwidth." Bevan Slattery agrees, commenting that, "The PPC-1 system brings Australia one step closer to cheaper bandwidth. The countdown to competition has begun."

The progress of the PPC-1 project is tracked by PIPE International's blog at www.pipeinternational.com. Additional footage and photos will be posted on the blog in the next 48 hours.

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