



**ASX RELEASE**

**20 November 2009**

## **Letter to Shareholders – Payment of 2009 Dividend**

Attached to this release is a letter from **PIPE Networks Limited's (ASX: PWK)** Chairman, Roger Clarke, which is being sent to shareholders together with their cheque or direct deposit notification advice for the company's 2009 dividend.

As previously announced, the Board of PIPE Networks approved the payment of an 8 cent per share dividend for all shareholders on the share register as at 5:00 pm on 6 November 2009.

***ENDS***

For more information:

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20 November 2009

Dear Shareholder

As you will be aware, the Board of PIPE Networks Limited approved the payment of an 8 cent per share dividend for all shareholders on the share register as at 6 November 2009.

Accordingly, I am pleased to enclose your cheque or direct deposit notification advice for the company's 2009 dividend.

You may also be aware of the suspension of the company's Dividend Reinvestment Plan (DRP) announced on 11 November 2009. Suspension of the DRP has resulted in all dividend payments being made in cash (i.e in accordance with your prior nomination for cash or direct deposit).

We also enclose a copy of the announcement of a takeover proposal for PIPE Networks received from SP Telemedia Limited (SPT) dated 11 November 2009. As stated in the announcement, the Board considers that SPT's proposal to acquire all of the shares outstanding in PIPE Networks via a Scheme of Arrangement (Scheme) for \$6.30 cash per share (SPT Proposal) provides an opportunity for shareholders to realise significant gains on their investment in PIPE Networks. As a consequence, the PIPE Networks' Board is recommending acceptance of the SPT Proposal in the absence of a superior offer and subject to the Independent Expert appointed by PIPE Networks confirming that the SPT Proposal is in the best interests of the Company's shareholders.

Further information on the SPT Proposal, including a copy of the Merger Implementation Agreement which sets out the obligations of PIPE Networks and SPT in relation to the Scheme to be proposed to shareholders, can be found at PIPE Networks' website (<http://www.pipenetworks.com>) under the Investor tab.

In the coming weeks we will be writing to you to provide you with further information on the SPT Proposal, as for now, given the conditional nature of the proposal and that the Independent Expert's report is yet to be completed, the Board is presently not in a position to comment further. However, please be assured that throughout this period we are endeavouring to work in yours and other shareholders' best interests.

On behalf of my fellow Directors I thank you for your continued support of PIPE Networks.

Yours faithfully,

Roger Clarke  
Chairman