



3 July 2007

The Manager
Company Announcements Office
ASX Limited

Dear Sir,

**SIRIUS TELECOMMUNICATIONS LIMITED (SIU)
NON-RENOUNCEABLE RIGHTS ISSUE**

Attached for release to the market is a copy of a letter to shareholders informing them of the 1:1 Non-Renounceable Rights Issue at A\$0.05 a share as announced to the Exchange on 27 June 2007.

Yours faithfully,

SIRIUS TELECOMMUNICATIONS LIMITED

A handwritten signature in black ink that reads "R Moore".

**Roger Moore
Company Secretary**





3 July 2007

Dear Shareholder,

**One for One Pro-Rata Non-Renounceable Rights Issue
Sirius Telecommunications Limited (SIU)**

I am pleased to advise that your directors have resolved to make a non-renounceable rights issue of up to a maximum of 45,907,500 fully paid ordinary shares ("New Shares") in SIU to existing shareholders on a one-for-one basis at a price of \$0.05 per New Share ("Issue") as announced to the ASX Limited ("ASX") on 27 June 2007. The Issue is intended to raise up to a maximum of \$2,295,375.

The capital raised under the Issue will enable SIU to complete the acquisition of 100% of the issued capital of IFMA Pty Ltd (trading as InfoMaster). It will also, depending on the level of subscriptions, enable SIU to invest funds in sales and marketing activities as part of the re-launch of Phoneware into the Telecom Expense Management (TEM) sector, and also for the integration of InfoMaster into the Sirius group (including for general working capital and restructuring).

The issue price of \$0.05 represents a discount of 28 per cent on the volume weighted average market sale price of \$0.07 over the last four months (as at close of trading on 29 June 2007) of SIU shares on the ASX.

Eligible shareholders may also apply for additional shares which are not taken up under the Issue pursuant to a shortfall offer at an issue price of \$0.05 each. The additional shares are being offered in addition to each shareholder's entitlement under the Issue and will be offered on the same terms as the Issue.

Shareholder approval of the Issue is not required.

Your current shareholding as at 29 June 2007 is SIU shares.

If your holding remains the same until the record date we calculate you would be entitled to New Shares.

The application money required to take up all these rights would be \$

Terms of Issue

The New Shares will rank equally with Existing Shares.



A prospectus for the Issue ("Prospectus") has been lodged with both the Australian Securities & Investments Commission and ASX and is available on the ASX website at www.asx.com.au and on the Company's website at www.sirius.com.au.

The issue is partially underwritten by BMG Finance Pty Ltd, to an amount of no more than \$1,000,000 (less its Entitlement to 4,942,358 New Shares under the Issue which represents an amount of \$247,118 at the issue price of \$0.05 cents). BMG Finance Pty Ltd has undertaken to take up its Entitlement to New Shares in full. An underwriting fee of 5% of the funds underwritten will be payable to BMG Finance Pty Ltd. There is no broker to the Issue.

Record Date for Entitlements to New Shares

Shareholders will be entitled to 1 New Share for every 1 Existing Share held as at 7.00pm on 11 July 2007. Shares held on separate registers (or sub-registers) for the same holder will not be aggregated.

Share Capital on Completion of the Rights Issue and Placement

The Company currently has 45,907,500 ordinary shares on issue. On completion of the Issue the share capital of the Company will consist of between 79,907,500 ordinary shares (at the minimum subscription) and 91,815,000 ordinary shares (assuming full subscriptions).

The Company has unquoted securities consisting of 1,200,000 share options in favour of two of the directors of the Company that are subject to performance hurdles and will not vest until July 2008. The optionholders are not entitled to exercise their options nor will the options confer any right to participate in the issue.

A copy of the Prospectus for the Issue, and personalised entitlement and acceptance form ("Form") setting out your entitlement, will be mailed to you on 17 July 2007.

The closing date for acceptances and payment of A\$0.05 for each new share is 5.00 p.m. on 31 July 2007.

Shareholders with addresses in countries other than Australia and New Zealand will not be entitled to participate because it is not reasonably practicable to meet the requirements relating to an offer of securities in those countries.

Subsequent to the Offer it is anticipated that the Company will seek to raise further capital of approximately \$600,000 in the form of a private placement of Shares to invest further capital in sales and marketing activities and to provide working capital for the Company including integration costs for IFMA, product development and customisation of the Company's US-based products, any outstanding costs associated with the Acquisition of IFMA and costs relating to downsizing the Company's corporate head office. The terms of that placement have yet to be determined.



Dealing with Your Entitlement

If you wish to take up all or part of your entitlement or to apply for additional shares as part of any shortfall, complete the Form and send it and your cheque to Sirius Telecommunications Limited in the reply paid envelope no later than 5.00 p.m. Melbourne time on 31 July 2007.

Where the Company receives applications for New Shares which in aggregate exceed 45,907,500 shares, all applications for entitlement shares will be fully satisfied and the applications for additional shares will be subject to "scale back".

In respect of the Pro Rata Non-Renounceable Rights Issue the key dates are as follows:

Announcement	27 June 2007
Lodge Prospectus	3 July 2007
Ex-Entitlement Date	5 July 2007
Record Date	11 July 2007
Dispatch Prospectus and Entitlement Acceptance Form	17 July 2007
Closing Date	31 July 2007
Securities Quoted on Deferred Settlement Basis	1 August 2007
Dispatch Holding Statements	9 August 2007

For further information, please contact Managing Director, Frank Licciardello on (03) 9520 7941 or email your question to Melbourne@sirius.com.au

Yours sincerely,

SIRIUS TELECOMMUNICATIONS LIMITED

A handwritten signature in black ink, appearing to read "Roger Mason".

Roger Mason
Executive Chairman

