



ASX Announcement SALE OF DIVISION

Wednesday 28th June 2006

Sirius Telecommunications Ltd (ASX:SIU) announced today that it will sell its Converged Solutions Division. (SCS) This division is one of only three Tier One Avaya Partners in Australia delivering enterprise level communications systems to Corporate and Government clients. The growing adoption of Avaya VOIP technology by Australian business necessitates substantial capital investment in this division of Sirius and requires the financial backing of a large company.

A global corporation has issued a Letter of Intent to the Sirius Board and the Sirius Directors have agreed to the terms and sale price subject to satisfactory due diligence and Board approval by the acquiring company. The interested party has stated that the two key reasons for acquisition are the blue chip client base and the telephony skills of the SCS staff.

Staff and clients can expect a seamless transition with minimum change.

The cash sale price is approximately \$1.2M (AUD) subject to final adjustments. The transaction is expected to be completed within two months.

The cash injection will provide working capital to enable the expansion of the Phoneware business with its recently launched VoIP ready and telecommunications expense management product, VXT. VXT is the 'next generation' software to the company's CADS 'call accounting' software. The CADS call accounting software allows measurement of internal department phone bills for segmental reporting. The VXT software can assess a company's readiness for VoIP and monitor, alert, and report in real time on a VoIP network.

Sirius will retain its Managed Services Division and develop new services that compliment its high margin Phoneware business and build upon the extensive Phoneware client base.

For further information, please contact:

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About Sirius Telecommunications Ltd

Sirius Telecommunications (ASX:SIU) is an Australian-listed telecommunication service provider. The Company has the capabilities to sell, implement, support and manage internet protocol (IP) telephony solutions ranging from PABX/telephony to contact centres, messaging and mobility. Sirius has a national footprint with offices in Sydney, Melbourne, Canberra, Adelaide. Phoneware Communication Systems Pty Ltd, an independently managed subsidiary of Sirius, is the exclusive distributor of Phoneware VXT in Australasia. Sirius Converged Solutions, also an independently managed subsidiary of Sirius, has been appointed a tier 1 business partner of US-based Avaya Inc. www.sirius.com.au