



OFFER DOCUMENT AND BIDDER'S STATEMENT

'yes'
OPTUS

CASH OFFER

by

OPTUS NETWORKS PTY LIMITED
(ABN 92 008 570 330)

a wholly owned subsidiary of

SINGTEL OPTUS PTY LIMITED
(ABN 90 052 833 208)

to acquire all your ordinary shares in

UECOMM LIMITED
(ABN 56 079 083 195)

Optus Networks Pty Limited is offering \$0.40 for every ordinary share in Uecomm Limited.

The Offer is dated 2 July 2004 and expires at 7.00pm Sydney, Australia time on 3 August 2004, unless withdrawn or extended.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to how to deal with this document or the Offer contained in it, please consult your financial or other professional adviser.

FINANCIAL ADVISER TO OPTUS



LEGAL ADVISER TO OPTUS

**Minter
Ellison**
LAWYERS

CORPORATE INFORMATION FOR OPTUS NETWORKS PTY LIMITED ABN 92 008 570 330

DIRECTORS

Christopher Anderson

Patrick O'Sullivan

Paul Fletcher

Paul O'Sullivan

COMPANY SECRETARY

Paul O'Brien

REGISTERED OFFICE

Level 29 Optus Centre
101-103 Miller Street
North Sydney NSW 2060

SHARE REGISTRY FOR THIS OFFER

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

LEGAL ADVISER TO THE OFFER

Minter Ellison
Aurora Place
88 Phillip Street
Sydney NSW 2000

FINANCIAL ADVISER TO THE OFFER

ABN AMRO Corporate Finance
ABN AMRO Tower
88 Phillip Street
Sydney NSW 2000

CONTENTS

Corporate information	1
Important dates	5
Defined terms	5
Investment decisions	5
Bidder's statement	5
Letter from the SingTel Optus CEO-elect	6
Summary of the Offer and how to accept	8
Reasons why you should accept the Offer	10
Part 1 – Statutory information	13
1 Introduction to Optus	13
1.1 Optus	13
1.2 SingTel	13
1.3 Bidder's statement	14
1.4 Defined terms	14
2 Optus' interest in Uecomm securities	14
2.1 Uecomm's issued capital	14
2.2 Voting power	14
2.3 Declaration by ASIC	14
3 Dealings in Uecomm Shares	15
3.1 Pre-Bid Agreement	15
3.2 Consideration in previous four months	16
3.3 Other benefits given, offered or agreed	16
3.4 Declaration by ASIC	16
4 How cash consideration will be provided	16
4.1 Uecomm Shares to which the Offer relates	16
4.2 Intra-group arrangements	17
4.3 Source of funds for Optus Finance	17
5 Intentions of Bidder regarding Uecomm's business, assets and employees	18
5.1 Introduction	18
5.2 Context	18

5.3	Optus' intentions if it acquires 100% ownership of Uecomm	19
5.4	Change to Optus' intentions if it acquires less than 100% ownership of Uecomm	21
6	Australian tax implications	22
6.1	Introduction	22
6.2	Capital gains tax (CGT) implications	23
6.3	Stamp duty and the goods and services tax (GST)	24
7	Other material information	24
7.1	Information	24
7.2	Agreements with Alinta	24
7.3	Agreements with Uecomm	25
7.4	Agreements with Uecomm directors	26
7.5	Financial position of Uecomm	26
7.6	Due diligence on Uecomm	27
7.7	Modifications to and exemptions from the Corporations Act	27
7.8	Uecomm's ASX announcements	28
7.9	Status of conditions	28
7.10	Approvals for payment of consideration	28
7.11	Consents	28
7.12	Date for determining holders of securities	29
	Part 2 – Terms of the Offer	30
1	Offer	30
1.1	The Offer	30
1.2	Persons to whom Offers are made	30
1.3	Offer Date	30
1.4	Offer Period	30
1.5	Extension of the Offer Period	30
1.6	Conditions	31
1.7	If you have sold any of your Uecomm Shares	31
1.8	If you are a trustee or nominee	31
2	Price	31
2.1	Price payable	31
2.2	Time of payment	31
2.3	Contract avoided	32
2.4	Certain overseas residents	32
3	How to accept	32
3.1	Full acceptance required	32
3.2	Acceptance Form	32
3.3	CHESS Holdings	33
3.4	Participant	33
3.5	Issuer Sponsored Holdings	33
3.6	Optus' discretion regarding incomplete or invalid acceptance	33

4	Application of this Offer	34
4.1	If another person is entitled to your Uecomm Shares	34
4.2	If you are a trustee or nominee	34
4.3	Notice of separate parcels	34
5	Effect of acceptance	34
6	Dividends and other entitlements	36
6.1	Cash Rights	36
6.2	Non-cash Rights	36
7	Conditions of the Offer	36
7.1	Condition precedent	36
7.2	Conditions subsequent	37
7.3	Declaration of Offer being free from conditions	39
7.4	Breach of conditions	39
7.5	Benefit of conditions	39
7.6	Status notice	39
7.7	Void contracts	40
8	Withdrawal	40
9	Variation	40
9.1	Optus' entitlement	40
9.2	Extension of Offer	40
10	Costs	40
11	Notices	40
11.1	Service on Uecomm	40
11.2	Service on Optus	41
11.3	Service on you	41
12	Governing law	41
	Part 3 – Defined terms and interpretation	42
1	Defined terms	42
2	Interpretation	44
3	Headings	44
	Signing page	45
	Annexure A – Conformed copy of Pre-Bid Agreement	46
	Annexure B – Conformed copy of Implementation Agreement	79
	Annexure C – Uecomm's announcements to ASX since 30 December 2003	99

IMPORTANT DATES

Announcement Date	21 May 2004
Bidder's statement lodged with ASIC	11 June 2004
Record Date	22 June 2004
Date Offer is made	2 July 2004
Offer ends, unless extended	7.00pm Sydney, Australia time on 3 August 2004

DEFINED TERMS

Defined terms are used in this document. The defined terms are in Part 3 of this document.

All amounts are in Australian dollars unless otherwise stated.

INVESTMENT DECISIONS

This document does not take into account the individual investment objectives, financial situation or particular needs of each Uecomm shareholder or any other person.

Uecomm shareholders may wish to seek independent financial and taxation advice before deciding whether to accept the Offer.

BIDDER'S STATEMENT

This bidder's statement is dated 11 June 2004. It includes an Offer dated 2 July 2004.

A copy of this bidder's statement was lodged with ASIC on 11 June 2004. ASIC takes no responsibility for the content of this bidder's statement.

LETTER FROM THE SINGTEL OPTUS CEO-ELECT



11 June 2004

Dear Uecomm shareholder

I have pleasure in enclosing an offer from Optus Networks Pty Limited (**Optus**), a wholly owned subsidiary of SingTel Optus Pty Limited (**SingTel Optus**), to acquire all of your shares in Uecomm Limited (**Uecomm**). Optus is offering **\$0.40 cash per Uecomm share (Offer Price)**.

SingTel Optus together with its subsidiaries (**Optus Group**) is one of Australia's leading integrated communications companies serving around 6 million customers each day and employing over 8,800 staff. Since commencing operations in 1992, the Optus Group has invested more than \$7 billion in the construction of fixed, mobile and satellite networks in Australia. SingTel Optus is a wholly owned subsidiary of Singapore Telecommunications Limited (**SingTel**), one of Asia's leading communications companies.

The Offer Price of \$0.40 per Uecomm Share represents:

- a 15.9% premium to the Uecomm closing share price on 18 May 2004 of \$0.345 (the last full day of trading before Uecomm Shares were placed in a trading halt prior to the announcement of the Optus Offer);
- a 20.6% premium to the volume weighted average price of Uecomm Shares of \$0.332 for the 1 week prior to 18 May 2004;
- a 22.5% premium to the volume weighted average price of Uecomm Shares of \$0.327 for the 1 month prior to 18 May 2004; and
- a 17.3% premium to the volume weighted average price of Uecomm Shares of \$0.341 for the 3 months prior to 18 May 2004.

Uecomm's Independent Directors have unanimously recommended that Uecomm shareholders accept the Optus Offer of \$0.40 per share, in the absence of a superior proposal.

Optus and Uecomm have entered into an implementation agreement under which the parties have agreed to co-operate to implement Optus' Offer.

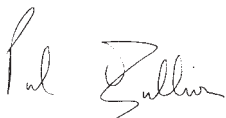
Alinta Limited (**Alinta**), Uecomm's major shareholder with a shareholding of approximately 66%, has signed a Pre-Bid Agreement with Optus whereby it granted Optus options to acquire up to 20% of Uecomm Shares outstanding at an exercise price of \$0.325 per share payable in cash. Alinta has also stated that its current intention is to accept Optus' Offer for its remaining 46% shareholding (subject to no higher offer being publicly announced or made to Alinta for its Uecomm interests).

The Offer is subject to conditions which are set out in this bidder's statement, including Optus and its associates having relevant interests in at least 65% of Uecomm Shares.

This bidder's statement sets out the full details of the Offer for your Uecomm Shares, as well as Optus' intentions if it is successful in acquiring Uecomm.

I encourage you to accept the Offer as soon as possible. The Offer is scheduled to close at 7.00pm Sydney, Australia time on 3 August 2004. To accept this Offer, please follow the instructions on the enclosed Acceptance Form. If you accept this Offer, Optus will mail you a cheque within 7 Business Days after the later of the date of your acceptance and the date on which the Offer becomes or is declared unconditional. No brokerage or stamp duty will be payable by you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Paul O'Sullivan', with a stylized flourish at the end.

Paul O'Sullivan

Chief Executive Officer-elect
SingTel Optus Pty Limited

SUMMARY OF THE OFFER AND HOW TO ACCEPT

This summary gives an overview of the Offer. You should read this document in full before deciding whether to accept the Offer.

The Bidder Optus Networks Pty Limited ABN 92 008 570 330 (**Optus**), a wholly owned subsidiary of SingTel Optus Pty Limited ACN 052 833 208 which, itself, is a wholly owned subsidiary of Singapore Telecommunications Limited ARBN 096 701 567 (**SingTel**), a company registered in Singapore.

The Offer Optus is offering to acquire all Uecomm Shares of which you are the registered holder on the Record Date.

The Offer also extends to any Uecomm Shares issued on the conversion of, or the exercise of rights attached to, Uecomm Options or Uecomm Performance Rights before the end of the Offer Period.

Offer Price \$0.40 cash for each Uecomm Share.

How to Accept Your acceptance must be received before the end of the Offer Period (7.00pm Sydney, Australia time on 3 August 2004, unless the Offer Period is extended). Depending on the nature of your holding, you may accept the Offer in the following ways.

CHESSE Holding

If your Uecomm Shares are in a CHESSE Holding:

- complete the enclosed Acceptance Form (plain white) in accordance with the instructions on the form and send it in the enclosed reply paid envelope to the address below; or
- instruct your Controlling Participant to initiate acceptance of the Offer.

Participant

If you are a Participant, initiate acceptance of the Offer in accordance with the ASTC Settlement Rules.

Issuer sponsored holding

If your Uecomm Shares are in an Issuer Sponsored Holding:

- complete the enclosed Acceptance Form (blue striped) in accordance with the instructions on the form; and
- send it with your Uecomm Share certificates (if any) and all other documents required by the instructions on the Acceptance Form in the enclosed reply paid envelope to the address below.

You will only be sent one Acceptance Form with this Bidder's Statement depending on whether your Uecomm Shares are in a CHESS Holding or in an Issuer Sponsored Holding. That will be the Acceptance Form to be used in relation to your Uecomm Shares.

Send your Acceptance Form and other documents (if any) required by the instructions on the Acceptance Form to:

Post:

Optus Offer
Computershare Investor Services Pty Limited
GPO Box 7045
Sydney NSW 2001

OR

Delivery:

Optus Offer
Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

Closing Date The Offer is scheduled to close at 7.00pm Sydney, Australia time on 3 August 2004.

Key conditions of the Offer The Offer is subject to the conditions set out in clause 7 of Part 2. They include:

- Australian Foreign Investment Review Board approval (**FIRB Condition**).
- The Australian Competition and Consumer Commission not objecting to Optus acquiring Uecomm (**ACCC Condition**).
- Optus and its associates having relevant interests in at least 65% of Uecomm shares on issue at any time before the end of the Offer Period (**Minimum Acceptance Condition**).

When you will be paid If you accept (and return any document required with your acceptance) and this Offer becomes or is declared unconditional, a cheque will be mailed to you on or before 7 Business Days after the later of your acceptance and the Offer becoming or being declared unconditional.

No brokerage You will not pay brokerage if you accept the Offer.

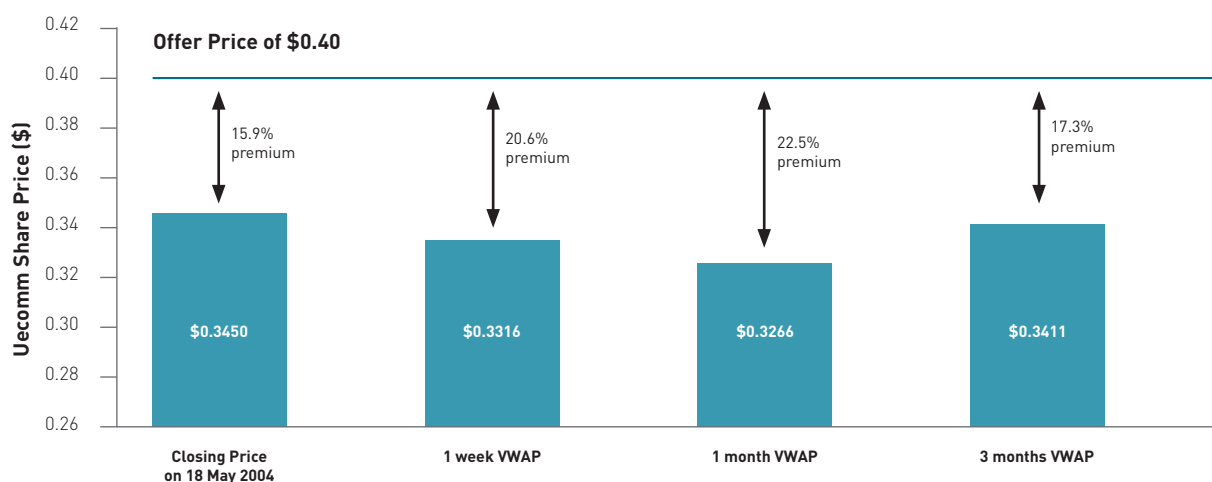
REASONS WHY YOU SHOULD ACCEPT THE OFFER

YOU WILL RECEIVE A SUBSTANTIAL PREMIUM TO THE UECOMM SHARE PRICE BEFORE ANNOUNCEMENT OF OPTUS' OFFER

Optus is offering cash consideration of \$0.40 for each Uecomm Share, a significant premium to Uecomm's share price immediately before announcement of the Offer by Optus. Mr Peter Shore, Chairman of Uecomm, has stated that "Optus' Offer delivers a substantial premium to Uecomm's current and recently traded share price".

The Offer Price of \$0.40 per Uecomm Share represents:

- a 15.9% premium to the Uecomm closing share price on 18 May 2004 of \$0.345 (the last full day of trading before Uecomm Shares were placed in a trading halt prior to the announcement of the Optus Offer);
- a 20.6% premium to the volume weighted average price of Uecomm Shares of \$0.332 for the 1 week prior to 18 May 2004;
- a 22.5% premium to the volume weighted average price of Uecomm Shares of \$0.327 for the 1 month prior to 18 May 2004; and
- a 17.3% premium to the volume weighted average price of Uecomm Shares of \$0.341 for the 3 months prior to 18 May 2004.



YOU WILL RECEIVE A SUBSTANTIAL PREMIUM TO THE PRICE RECEIVED BY THE CONTROLLING SHAREHOLDER

The Offer Price of \$0.40 per Uecomm Share represents a 23.1% premium to the \$0.325 price that Alinta is prepared to accept for its 66% controlling shareholding in Uecomm.

Alinta has advised Optus that, over the 9 months prior to the announcement of the Optus Offer, it has undertaken (with the assistance of Uecomm) a process to investigate the most favourable manner in which to facilitate its exit from its Uecomm shareholding and debt facility.

Alinta has indicated that its current intention is to accept Optus' Offer for its remaining 46% shareholding in the absence of a higher offer for its Uecomm interests. This, and Alinta's decision to grant Optus call options over just less than 20% of Uecomm, suggests that the effective price of \$0.325 per Uecomm Share payable to Alinta is the best offer received by Alinta following its investigation of options to facilitate its exit.

If Alinta accepts Optus' Offer, Optus will acquire control of Uecomm at an effective price of \$0.325 per Uecomm Share.

OPTUS' OFFER TO ALL UECOMM SHAREHOLDERS FOLLOWS A THOROUGH REVIEW OF STRATEGIC OPTIONS BY UECOMM

Concurrent with the Alinta process referred to above, the Uecomm Independent Directors, management and Uecomm's advisers have reviewed Uecomm's strategic options which maximise value and are in the best interest of all shareholders.

Following this process, Uecomm's Independent Directors have recommended Optus' Offer.

THE OFFER REPRESENTS AN ATTRACTIVE MULTIPLE OF UECOMM'S EARNINGS

For Uecomm's minority shareholders, the Offer Price of \$0.40 per Uecomm Share is equivalent to an attractive multiple of Uecomm's historical and forecast earnings.

IMPLIED VALUATION MULTIPLES AT OFFER PRICE OF \$0.40 PER SHARE

Uecomm Earnings	2003A	2004F ¹
EBITDA	20.2	30.0
Net Profit After Tax ²	2.0	No forecast provided
Implied Multiples		
Enterprise Value ³ / EBITDA	12.9x	8.7x
Price / Earnings ³	102.2x	n/a

Notes

- 1 Sourced from Uecomm's 2003 full year results presentation
- 2 2003A NPAT of \$2.041m has been normalised to exclude the effect of the bringing to account of \$8.262m in tax losses
- 3 Implied equity value of \$208.5m is based on 521.3m shares, which includes 10.3m options and 1.5m performance rights at the Offer Price
- 4 Implied enterprise value of \$259.9m is based on implied equity value plus net debt of \$51.4m as at 9 June 2004. Net debt is based on the following assumptions: debt outstanding of \$54.0m, accrued interest of \$1.9m as at 9 June 2004 and cash at bank of \$4.5m as at 9 June 2004

Optus believes that the \$0.40 Offer Price for Uecomm is highly attractive for Uecomm's minority shareholders.

OPTUS' OFFER HAS BEEN UNANIMOUSLY RECOMMENDED BY UECOMM'S INDEPENDENT DIRECTORS

Uecomm's Independent Directors have unanimously recommended that shareholders accept the Optus Offer of \$0.40 per Uecomm Share in respect of their shares in the absence of a superior proposal.

Uecomm has been advised by each Uecomm Independent Director that they intend to accept the Offer in respect of all of their Uecomm Shares, subject to no superior proposal being announced.

Mr Peter Shore, Chairman of Uecomm, has publicly stated that the Uecomm Independent Directors believe that the Optus Offer reflects the quality of the business that Uecomm staff have built over the past 2 years, and that the Optus Offer represents good value for all shareholders. He has also publicly stated that Optus' Offer delivers a substantial premium to Uecomm's current and recently traded share price¹.

THERE IS NO HIGHER OFFER

At this time, no other party has made an offer for Uecomm Shares which is higher than the Optus Offer. Further, Uecomm has advised Optus that it is not aware at this time of any other party intending to make a higher offer in the future.

OPTUS BELIEVES THAT THE LIKELIHOOD OF ANOTHER BIDDER EMERGING IS LOW

Alinta has advised Optus that it has undertaken a process to investigate the most favourable manner in which to facilitate its exit from Uecomm, which included testing the market with a view to placing its 66% shareholding with institutional investors in March 2004. This process and the review of strategic options by Uecomm's Independent Directors mean that the likelihood of another bidder emerging is low.

In addition, Optus has secured call options over up to 20% of Uecomm Shares at \$0.325 per share, which Optus can exercise even in the event of another bidder emerging. If Optus exercises this option, it will preclude any other bidder from reaching the 90% compulsory acquisition threshold, and thereby deny any other bidder from attaining 100% control and the ability to fully integrate Uecomm with their existing operations.

UECOMM'S SHARE PRICE MAY FALL

For the 2 months² prior to the announcement of the Optus Offer, Uecomm's share price traded between \$0.305 and \$0.345. Following the announcement of the Offer, Uecomm's share price has traded between \$0.39 and \$0.395. Whilst there are many factors that may influence the market price of Uecomm Shares, there is a risk that the Uecomm share price may fall if Optus' Offer does not succeed and no other takeover offer is made for Uecomm.

THE OFFER IS A STRAIGHTFORWARD ALL CASH OFFER

By accepting Optus' Offer, you will receive a cash payment of \$0.40 for each of your Uecomm Shares if the Offer becomes or is declared unconditional. You will not incur any brokerage or stamp duty if you accept this Offer.

YOU WILL RECEIVE YOUR CASH SOONER THAN USUAL

If you accept this Offer and the Offer becomes or is declared unconditional, Optus will mail you a cheque within 7 Business Days after the later of the date of your acceptance and the date on which the Offer becomes or is declared unconditional. Normally, bidders pay accepting shareholders within 1 month after the later of the date of the acceptance and the date on which the offer becomes unconditional, or within 3 weeks after the close of the offer.

¹ See page 10.

² Period from 19 March 2003 to 18 May 2004, being the last full day of trading before Uecomm shares were placed in a trading halt.

PART 1 – STATUTORY INFORMATION

1 Introduction to Optus

1.1 Optus

Optus is a wholly owned subsidiary of SingTel Optus which, itself, is a wholly owned subsidiary of SingTel. Optus is making a takeover bid for all your shares in Uecomm.

Optus holds a carrier licence and operates a fixed national backbone network, suburban local access customer network, a digital mobile network and a satellite network. These networks are complementary, having been designed to be fully integrated with major system elements located throughout Australia.

SingTel Optus and its subsidiaries (**Optus Group**) is Australia's second largest provider of telecommunications services. The Optus Group employs over 8,800 people in locations all around Australia. Its head office is in North Sydney. It also has significant offices in Melbourne, Brisbane, Canberra, Adelaide and Perth, and sales and technical service centres in the other locations.

The Optus Group provides integrated communications to more than 6 million customers each day. It provides a broad range of communications services including mobile, national and long distance services, local telephony, international telephony, business network services, Internet and satellite services and subscription television. The financial reports of the Optus Group are audited by PricewaterhouseCoopers.

1.2 SingTel

SingTel is a company incorporated in Singapore and has been listed on the main board of the Singapore Exchange Securities Trading Limited since November 1993. Following its takeover of SingTel Optus in late 2001, SingTel also listed on the Australian Stock Exchange. As at 10 June 2004, SingTel had a market capitalisation of about \$34.0³ billion (S\$40.4 billion).

SingTel's asset base is located primarily in Singapore and Australia. However, it has established operations in 31 cities in 15 countries and territories across the Asia-Pacific, the United Kingdom and the United States of America.

As at 31 March 2004, SingTel and its subsidiaries including SingTel Optus (**SingTel Group**) had total assets of \$29.0 billion⁴ (S\$36.9 billion) and net assets of \$15.5 billion⁴ (S\$19.8 billion). For the financial year ended 31 March 2004, the SingTel Group made a profit before tax of \$4.4 billion⁴ (S\$5.6 billion), while the Optus Group made a profit before tax of \$661 million.

³ The Singapore dollar amount has been converted into an Australian dollar amount using the AUD/SGD closing exchange rate as at 10 June 2004 of 1.1870 as reported on Reuters.

⁴ The Singapore dollar amounts have been converted into Australian dollar amounts using the AUD/SGD closing exchange rate as at 31 March 2004 of 1.2745 as reported on Reuters.

1.3 Bidder's statement

This document is a bidder's statement. It contains the formal terms of Optus' Offer and other information relevant to your decision whether to accept the Offer. It comprises the letter from the SingTel Optus CEO-elect, Parts 1 to 3 and Annexures A to C.

1.4 Defined terms

Defined terms in this bidder's statement and accompanying material are capitalised. The defined terms are in Part 3.

2 Optus' interest in Uecomm securities

2.1 Uecomm's issued capital

As at the date of this bidder's statement and immediately before the first Offer is sent, the total number of securities on issue in each class of securities of Uecomm (according to documents lodged by Uecomm with ASX), and the relevant interest of Optus in those securities, were as follows:

CLASS OF SECURITY	NUMBER ON ISSUE	RELEVANT INTEREST OF OPTUS IN SECURITIES
Uecomm Shares	509,463,008	101,892,600 (19.9999996%)
Uecomm Options	10,347,670	Nil
Uecomm Performance Rights	5,288,429	Nil

2.2 Voting power

As at the date of this bidder's statement and immediately before the first Offer is sent, Optus' voting power in Uecomm was 19.9999996%.

2.3 Declaration by ASIC

ASIC has declared that Optus is not required to disclose in this bidder's statement Optus' relevant interest in each class of Uecomm securities and Optus' voting power in Uecomm in respect of relevant interests that Optus has because certain related bodies corporate of SingTel or subsidiaries of SingTel have relevant interests in Uecomm Shares that were acquired in certain circumstances. See section 7.7 for further information about the declaration. The statements made in this section 2 are made in reliance on that declaration.

3 Dealings in Uecomm Shares

3.1 Pre-Bid Agreement

On the Announcement Date, Optus entered into the Pre-Bid Agreement with Alinta and Alinta Finance under which Alinta granted to Optus rights to purchase from Alinta a total of 101,892,600 Uecomm Shares (**Call Option Shares**) at \$0.325 per Uecomm Share. The number of Uecomm Shares the subject of these options represent 19.9999996% of Uecomm's issued share capital. As the bidder making the Offer, Optus has agreed to act in accordance with the Pre-Bid Agreement.

Under the Pre-Bid Agreement:

- (a) Alinta cannot dispose of the Call Option Shares to any person other than Optus until 4 months after the Announcement Date (unless the Offer Period expires or the Pre-Bid Agreement terminates earlier). Alinta may, however, accept the Call Option Shares into the Offer.
- (b) Alinta has confirmed to Optus that its current intention is to accept Optus' takeover offer for the balance of its shareholding as at the Announcement Date (that is, 233,107,400 Uecomm Shares) provided no higher offer is publicly announced or made to Alinta in respect of its interests in Uecomm. Alinta's intention is to accept the Offer within 2 Business Days after all of the conditions to the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions, other than the Minimum Acceptance Condition.
- (c) If:
 - (i) Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue; and
 - (ii) all of the conditions to the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions,then:
 - (iii) Alinta must pay to Optus a rebate that has the effect of reducing the price Alinta receives for each of its shares to \$0.325 (unless that amount is increased by Optus to an amount that does not exceed the Offer Price);
 - (iv) Optus will acquire the Debt Facility for \$45.9 million plus accrued but unpaid interest and any further amounts drawn down at the time of the acquisition of the Debt Facility; and
 - (v) Optus will indemnify Alinta from any obligation or claim in relation to the Guarantee Facility (under which Alinta guarantees the performance of Uecomm's obligations) until such time as Optus procures for Alinta a release of its obligations under the facility.
- (d) Optus is not permitted to waive the Minimum Acceptance Condition for so long as Alinta is the registered holder of 233,107,400 Uecomm Shares unless a competing proposal or transaction in relation to Uecomm is announced.

- (e) Alinta must pay to Optus \$2.25 million if Alinta materially breaches the Pre-Bid Agreement or if all of the conditions to the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions, other than the Minimum Acceptance Condition, and Optus does not receive acceptances of the Offer in respect of 65% of the Uecomm Shares before the end of the Offer Period.
- (f) Alinta has undertaken not to solicit any competing proposals to acquire Uecomm, and to notify Optus if it is approached by any person in respect of a competing proposal for Uecomm. These restrictions apply for up to 4 months from the Announcement Date unless the agreement is terminated sooner.

The Pre-Bid Agreement may be terminated in certain circumstances including if Optus is in material breach of a material term of the Pre-Bid Agreement.

A conformed copy of the Pre-Bid Agreement appears in Annexure A.

3.2 Consideration in previous four months

During the 4 months before the date of this bidder's statement and in the period between the date of this bidder's statement and the date of the Offer, neither Optus nor any of its associates has provided or agreed to provide consideration for a Uecomm Share except pursuant to the Pre-Bid Agreement.

3.3 Other benefits given, offered or agreed

During the 4 months before the date of this bidder's statement and in the period between the date of this bidder's statement and the date of the Offer, neither Optus nor any of its associates gave, offered to give or agreed to give a benefit to another person that induced, or was likely to induce, the other person or an associate to:

- (a) accept the Offer; or
- (b) dispose of Uecomm Shares,

that was not offered to all holders of securities in the bid class, other than as described in section 3.1.

3.4 Declaration by ASIC

ASIC has declared that Optus is not required to disclose in this bidder's statement certain information about consideration that certain related bodies corporate of SingTel or subsidiaries of SingTel have provided or agreed to provide for Uecomm Shares under a purchase or agreement in certain circumstances during the 4 months before the date of this bidder's statement. See section 7.7 for further information about the declaration. The statements made in this section 3 are made in reliance on that declaration.

4 How cash consideration will be provided

4.1 Uecomm Shares to which the Offer relates

The information in this section 4 is given to the knowledge of Optus based on documents lodged by Uecomm with ASX.

As at the date of this bidder's statement and immediately before the first Offer is sent, there were 509,463,008 Uecomm Shares, 10,347,670 Uecomm Options and 5,288,429 Uecomm Performance Rights on issue. Some of the Uecomm Options and the Uecomm Performance Rights may be convertible into Uecomm Shares during the Offer Period.

As at the date of this bidder's statement and immediately before the first Offer is sent, Optus had a relevant interest in 101,892,600 Uecomm Shares pursuant to the Pre-Bid Agreement and no relevant interest in any of the Uecomm Options or the Uecomm Performance Rights (see further section 2.1).

The total amount payable by Optus to Alinta under the Pre-Bid Agreement to acquire the Debt Facility and title to the 101,892,600 Uecomm Shares in which Optus already has a relevant interest is approximately \$81.2 million.

If none of the Uecomm Options and none of the Uecomm Performance Rights are converted into Uecomm Shares during the Offer Period, the total amount that Optus would be required to pay for Uecomm Shares if it acquires all of the Uecomm Shares in which it or its associates do not already have a relevant interest is approximately \$145.6 million. This amount is in addition to the total amount payable by Optus to Alinta under the Pre-Bid Agreement. In this scenario, the maximum amount payable by Optus under the Offers and the Pre-Bid Agreement would be \$226.8 million.

If all of the Uecomm Options and all of the Uecomm Performance Rights are converted into Uecomm Shares during the Offer Period, the total amount that Optus would be required to pay for Uecomm Shares if it acquires all of the Uecomm Shares in which it or its associates do not already have a relevant interest is approximately \$151.9 million. This amount is in addition to the total amount payable to Alinta under the Pre-Bid Agreement. In this scenario, the maximum amount payable by Optus under the Offers and the Pre-Bid Agreement would be \$233.1 million.

4.2 Intra-group arrangements

Optus will fund the cash consideration payable under the Offers and the Pre-Bid Agreement by using cash provided by Optus Finance, a member of the Optus Group and a wholly owned subsidiary of SingTel Optus. SingTel Optus has irrevocably and unconditionally undertaken to provide (or procure that Optus Finance provides) such funds to Optus as are necessary to fund the total cash consideration required to satisfy Optus' obligations under the Offers and the Pre-Bid Agreement, together with amounts required to cover all transaction costs associated with the Offers and the Pre-Bid Agreement in a manner to be agreed between SingTel Optus and Optus.

In the event that no agreement is reached as to an alternative funding method, the funds will be provided by way of an unsecured loan to Optus, bearing interest at the rate, and repayable at such times, as may be specified by Optus Finance. There will be no conditions precedent to Optus drawing down these funds from Optus Finance. No demand for repayment of the funds may be made by Optus Finance during the period in which Optus has an outstanding obligation to make payment under the Offers or under the Pre-Bid Agreement.

4.3 Source of funds for Optus Finance

Optus Finance will source these funds:

- (a) first, from internal cash reserves; and

- (b) secondly, from a syndicated facility (**Facility**) already available to Optus Finance from Australia and New Zealand Banking Group Limited as Facility Agent and various lenders, namely ABN AMRO Australia Limited, ABN AMRO Bank N.V., Australia and New Zealand Banking Group Limited, Barclays Bank PLC, BNP Paribas, Commonwealth Bank of Australia (through its Singapore branch), Deutsche Bank AG, Sydney branch and Deutsche Australia Limited, JP Morgan Chase Bank, The Toronto-Dominion Bank, SG Australia Limited, Citibank N.A., Royal Bank of Canada and Westpac Banking Corporation.

The undrawn amount of the Facility is sufficient to fully fund the maximum amount of the cash consideration which could be payable by Optus under the Offers and the Pre-Bid Agreement (that is, approximately \$233.1 million). Funds will be drawn down in Australian dollars. No event of default has occurred under the Facility that is continuing and has not been waived.

The following is a general summary (which does not purport to be comprehensive or exhaustive) of the key terms of the Facility:

- (a) The Facility is for a maximum amount of \$500 million and at the date of this bidder's statement is drawn to \$200 million.
- (b) The Facility will mature in May 2005. Outstanding funds are payable on maturity, at the option of Optus Finance or in the event of default.
- (c) The Facility may be used to fund or partially fund the cash consideration payable under the Offers and the Pre-Bid Agreement.
- (d) Funds may be drawn down by Optus Finance upon the provision of both 3 Business Days prior notice and a warranty to the effect that there is no event of default. There are no other preconditions to the draw down of funds under the Facility.
- (e) Interest is charged at commercial rates.
- (f) There are no unusual banking terms or conditions applicable to the Facility.

5 Intentions of Bidder regarding Uecomm's business, assets and employees

5.1 Introduction

This section 5 sets out Optus' intentions in relation to:

- (a) the continuation of the business of Uecomm;
- (b) any major changes to be made to the business of Uecomm, including any redeployment of the fixed assets of Uecomm; and
- (c) the future employment of the present employees of Uecomm.

5.2 Context

Optus' intentions referred to in this section 5 are based on the facts and information concerning Uecomm and the circumstances affecting Uecomm's business activities that are known to Optus at the date of this

bidder's statement. They have been formed with the benefit of a review of certain limited information about Uecomm's business activities made available by Uecomm during Optus' due diligence review of Uecomm prior to the announcement of the Offer (as to which see section 7.6).

However, as Optus does not currently have access to all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of its current intentions, final decisions on these matters have not been made. After completion of the acquisition of Uecomm, Optus will conduct a review of the activities, assets and employees of Uecomm in light of the information that then becomes available to it. Final decisions will only be reached after that review and in the light of all material facts and circumstances. The contents of this section 5 should be read against this background.

The intentions of Optus as set out in this section 5 are also those of SingTel Optus.

5.3 Optus' intentions if it acquires 100% ownership of Uecomm

(a) Compulsory acquisition

If, at the end of the Offer Period, Optus becomes entitled to compulsorily acquire all outstanding Uecomm Shares, Optus intends to proceed with compulsory acquisition and to seek the removal of the listing of Uecomm, and the quotation of Uecomm Shares, on ASX.

In these circumstances, Optus has also agreed with Uecomm (in the Implementation Agreement) that it will offer to acquire:

- (i) any Uecomm Performance Rights in respect of which performance hurdles have been satisfied, at the same price per right as the Offer Price per Uecomm Share; and
- (ii) Uecomm Options at fair value, which will be assessed using the Black-Scholes option pricing methodology.

(b) Review of business activities

At the end of the Offer Period, Optus intends to undertake a review of Uecomm's business to verify (or to identify any deviation from) Optus' understanding of the facts, information and circumstances concerning Uecomm's activities, assets and employees as at the date of this bidder's statement.

Optus will then work with Uecomm management to determine how best to utilise and further develop Uecomm as a stand-alone channel to focus on the mid-sized business market (50-500 employees) and government organisations, better utilise network infrastructure, optimise existing assets and resources and/or redeploy staff where appropriate.

(c) Uecomm's business

Optus sees Uecomm as a growth company and a natural complement to the Optus Group's existing strength in the corporate and government segment. Optus considers Uecomm's network footprint in Sydney, Melbourne, Brisbane and the Gold Coast, its provision of high bandwidth data services, its focus on ethernet technology and its emphasis on serving the corporate and government mid-market will strengthen the Optus Group's offerings to corporate customers. Uecomm's network will offer additional customer reach and capacity in key CBD and metropolitan locations.

Optus also considers that customers of both the Optus Group and Uecomm will benefit from Optus' acquisition of Uecomm through greater focus and an improved range of services at competitive prices.

Optus considers that the value of Uecomm is driven by its current business model and sales success. As such, in the event Optus is successful in acquiring 100% of Uecomm, Optus intends to retain Uecomm as a stand-alone channel to focus on the mid-sized business market (50-500 employees) and government organisations. Optus has no current plans to relocate Uecomm's operations or fully integrate them with Optus' current operations.

If Uecomm becomes a wholly owned subsidiary of Optus, Optus expects to find opportunities to streamline duplicate functions and overlapping activities which may lead to some positions becoming redundant. Optus will, where possible, offer affected employees redeployment to other positions within the Optus Group to the extent that suitable positions are available.

On the basis of information about Uecomm known to Optus and other than as referred to elsewhere in this section 5, Optus intends to:

- (i) honour all existing Uecomm customer contracts and maintain the existing levels of service to all Uecomm customers;
- (ii) ensure that new capacity sales to new and existing customers are accompanied by managed service arrangements;
- (iii) work with Uecomm management to identify opportunities to increase the utilisation of the Optus network for Uecomm customers (and vice versa); and
- (iv) work with Uecomm management to identify opportunities to optimise existing assets and resources.

(d) Debt reduction

Optus considers that Uecomm should, as a matter of priority, seek to eliminate its external debt (including under the Debt Facility and the Guarantee Facility). Optus intends that Uecomm should seek to apply, or set aside to provide for repayment, all free cash flow (after capital expenditure) to the retirement of such debt to the extent required by the relevant facility agreements, and that the declaration of dividends should be deferred until sufficient amounts have been set aside to repay the debt and sufficient profits are available.

The terms of the Debt Facility require repayment of all amounts outstanding on 29 June 2007. The Guarantee Facility is subject to review on each 31 May. If the Guarantee Facility is terminated for any reason, Uecomm is required to repay all amounts outstanding immediately upon the termination taking effect.

(e) Uecomm's board of directors

If Uecomm becomes a wholly owned subsidiary of Optus, Optus intends to replace the board of Uecomm with its own nominees. The likely nominees are Paul O'Sullivan, Patrick O'Sullivan and Peter Kaliaropoulos.

(f) Financial reporting

Optus' limited due diligence review of Uecomm's business identified differences in accounting treatment between Uecomm and Optus. These differences appear to reflect the application of different accounting principles that are available. Optus intends to undertake further investigation into Uecomm's accounting policies, and if it deems appropriate, change Uecomm's accounting policies to align them with Optus' accounting policies. Items identified to date that are likely to or may require a change in accounting treatment include:

- (i) Uecomm capitalises certain overhead expenses as part of the acquisition cost of plant and equipment, and then amortises them over the useful life of the plant and equipment. Under Optus' accounting policies, these overhead expenses would be expensed. The effect of this change would be to reduce Uecomm's reported EBITDA, depreciation expense and net profit in 2003 and over the next few years. Optus is not presently in a position to assess the impact of this change on Uecomm's EBITDA, depreciation expense or net profit for 2003 or the next few years;
- (ii) Uecomm currently recognises in revenue up to 20% of the value of new contracts up front as a connection charge. Optus recognises up front a lower proportion of the value of new contracts. Under Optus' accounting policies, Uecomm is likely to report lower connection revenue. The effect of this change would be to reduce Uecomm's reported revenue, EBITDA and net profit over the next few years. Optus is not presently in a position to assess the impact of this change on Uecomm's revenue, EBITDA or net profit over the next few years; and
- (iii) Uecomm currently depreciates its fibre optic cable over 30 years, whilst Optus uses a depreciation period shorter than 30 years. If Optus' depreciation period was adopted, Uecomm's reported depreciation expense would increase for the remaining depreciable life of Uecomm's fibre optic cable assets. This would have the effect of decreasing Uecomm's reported EBIT and net profit over that period. Optus is not presently in a position to assess the amount by which Uecomm's reported depreciation expense would increase. There may be other differences in the assessment of useful lives that have not yet been identified.

Optus' consideration of changing the treatment of the above items is not based on a view that Uecomm's financial statements do not comply with applicable accounting standards.

(g) Uecomm Performance Rights

Before the conditions or hurdles attached to any Uecomm Performance Rights are satisfied, Optus intends to procure that the holders of Uecomm Performance Rights (including any holders whose employment is terminated other than by reason of misconduct) are offered:

- (i) alternative value; or
- (ii) an alternative retention plan;

of no less value, subject to satisfaction of the conditions or hurdles.

5.4 Change to Optus' intentions if it acquires less than 100% ownership of Uecomm

If Uecomm becomes a partly owned controlled entity of Optus, Optus intends for Uecomm to maintain its listing, and the quotation of Uecomm Shares, on ASX, but only while Uecomm meets the relevant requirements of the ASX.

In these circumstances, Optus will still seek to implement its intentions referred to in section 5.3 as far as possible. However, its ability to implement these intentions will be subject to applicable legal and regulatory requirements which may delay or affect the extent of their implementation. These include:

- (a) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interest; and
- (b) the legal obligation of the Uecomm board of directors to act in good faith in the best interests of Uecomm and for proper purposes.

Any transactions between any member of the Optus Group or the SingTel Group (on the one hand) and Uecomm (on the other) required to effect those intentions (including the initiatives described in section 5.3) will be entered into on arm's length terms. In addition, if required by law or the ASX Listing Rules, Optus will seek any necessary approval of the remaining shareholders of Uecomm to implement those steps.

The changes in Optus' intentions if it does not acquire 100% ownership of Uecomm are as follows:

(a) Uecomm's business

Optus will still undertake a review of Uecomm's business activities and seek to work with Uecomm's board and management team to determine, as appropriate, how best to utilise and develop Uecomm as a stand-alone channel to focus on the mid-sized business market (50-500 employees) and government organisations, better utilise network infrastructure and optimise existing assets and resources. However, this will be done subject to applicable legal and regulatory requirements.

(b) Uecomm board of directors

Optus intends to seek the appointment of Optus' nominees to the Uecomm board. The number of Optus nominees will be determined in due course, having regard to the interests of minority shareholders and the principle of good corporate governance. The likely nominees will be drawn from those named in section 5.3(e).

(c) Financial reporting

Optus intends to undertake further investigations into Uecomm's accounting policies, and, to the extent it is appropriate, change Uecomm's accounting policies to align them with Optus' accounting policies. The potential changes are outlined in section 5.3(f).

6 Australian tax implications

6.1 Introduction

The following is a general description of the principal Australian income and capital gains tax consequences for the registered holders of Uecomm Shares upon the disposal of their shareholding to Optus.

The following description is based upon the law in effect at the date of this bidder's statement, but it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every registered holder of Uecomm Shares. In particular, the registered holders of Uecomm Shares should be aware that the levels and bases of taxation can change and that where reference is made to tax concessions, this is to tax concessions as currently applying. It is recommended that registered holders seek independent professional advice in relation to their own particular circumstances.

Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

The income tax implications outlined below are relevant to registered holders who hold their Uecomm Shares as capital assets for the purposes of investment and who do not hold their Uecomm Shares as trading stock, as part of a profit-making undertaking or scheme, or otherwise on revenue account. This section 6 in particular does not address in detail the tax considerations applicable to persons holding Uecomm Options or Uecomm Performance Rights, or registered holders that may be subject to special rules, such as banks, insurance companies, tax exempt organisations, trusts, superannuation funds, dealers in securities or registered holders who change their tax residence while holding Uecomm Shares.

6.2 Capital gains tax (CGT) implications

For CGT purposes, a “CGT event” will occur when you dispose of your Uecomm Shares to Optus. This should take place on the later of the date the Offer is accepted or the condition in clause 7.1(a) of Part 2 is satisfied. Any capital gain or loss from the CGT event will be determined by comparing the total consideration that you receive for your Uecomm Shares in accordance with clause 2.1 of Part 2 (**Total Price**) with the CGT cost base or reduced cost base of your Uecomm Shares.

The cost base or reduced cost base of your Uecomm Shares should broadly equal the money you paid or were required to pay to acquire your Uecomm Shares plus any incidental costs incurred in acquiring and disposing of the shares.

You will make a capital gain from the disposal of your Uecomm Shares to Optus if the Total Price you received exceeds the cost base of your shares.

Conversely, you will make a capital loss if the reduced cost base of your Uecomm Shares exceeds the Total Price you received.

The tax treatment of your capital gain or capital loss arising from the disposal of your Uecomm Shares depends on whether or not you are an Australian resident for taxation purposes:

(a) Australian residents

If you are an Australian resident and you have held your Uecomm Shares for at least 12 months, and you make a capital gain from the disposal of your Uecomm Shares, you may be entitled to the CGT discount. The CGT discount is available to individuals, trusts and complying superannuation funds.

The CGT discount will result in:

- (i) 50% of your capital gain being assessable, if you are an individual or a trust; or
- (ii) 66²/₃% of your capital gain being assessable, if you are a complying superannuation fund.

No CGT discount is available for companies.

If you make a capital loss from the disposal of your Uecomm Shares, that capital loss may only be offset against your future assessable capital gains (before taking into account the CGT discount, if applicable).

(b) Non-Australian residents

Capital gains or capital losses made by registered holders of Uecomm Shares who are non-Australian residents and who (together with their associates) hold less than 10% of the issued Uecomm Shares (by value at any time during the 5 years prior to this disposal) will be disregarded.

Non-Australian resident registered holders of Uecomm Shares who (together with their associates) hold 10% or more of the issued Uecomm Shares (by value at any time during the 5 years prior to this disposal) will be subject to CGT. If you make a capital gain from the disposal of your Uecomm Shares, you may be entitled to the CGT discount (as described above) and/or double tax treaty relief in some circumstances. If you make a capital loss from the disposal of your Uecomm Shares, that capital loss may only be offset against your future assessable capital gains (before taking into account the CGT discount, if applicable).

6.3 Stamp duty and the goods and services tax (GST)

No stamp duty or GST is payable by you on the sale of your Uecomm Shares to Optus pursuant to the Offer.

7 Other material information

7.1 Information

The information in this section 7 is known to Optus and is material to making a decision whether to accept the Offer.

Except for the information in this section 7 or elsewhere in this bidder's statement, there is no information material to the making of a decision by a person whether to accept the Offer, known to Optus and has not previously been disclosed to the holders of Uecomm Shares.

7.2 Agreements with Alinta

(a) Debt Facility and Guarantee Facility

Under the Pre-Bid Agreement, if:

- (i) Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue; and
- (ii) all of the conditions to the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions,

then:

- (iii) Alinta, Alinta Finance, and Optus must execute (and Optus must procure that Optus Finance executes) the Debt Facility Novation Deed (see below);

(iv) to the extent that Alinta does not receive a full release from any obligations or claims under the Guarantee Facility (which Optus must use reasonable endeavours to procure on behalf of Alinta), Optus indemnifies Alinta for any costs or liabilities it incurs, or claims made against it, in relation to the Guarantee Facility.

The Debt Facility Novation Deed provides for:

- the novation of the Debt Facility from Alinta Finance to Optus;
- the novation of the Debt Facility from Optus to Optus Finance immediately after its novation from Alinta Finance to Optus; and
- the release and discharge of Alinta from, and the assumption by SingTel Optus of the rights and obligations of Alinta under, the guarantee and indemnity provided by Alinta in favour of Uecomm in relation to the obligations of Alinta Finance under or in connection with the Debt Facility.

The Debt Facility Novation Deed contains terms and conditions which are usual for a document of that nature.

As at 31 March 2004, the Debt Facility was drawn down to \$54 million. The consideration payable by Optus to Alinta Finance for the novation of the Debt Facility is \$45.9 million plus accrued but unpaid interest and any further amounts drawn down under the Debt Facility as at the date of novation.

A conformed copy of the Pre-Bid Agreement appears in Annexure A. A summary of the other key terms of the Pre-Bid Agreement is set out in section 3.1.

(b) Other Agreements

Optus and Alinta have entered into one or more agreements relating to the provision of telecommunications services in the ordinary course of business. Those agreements were entered into on arms length terms.

7.3 Agreements with Uecomm

(a) Implementation Agreement

On the Announcement Date, Optus entered into the Implementation Agreement with Uecomm. A conformed copy of the agreement is set out in Annexure B. The key terms are summarised below:

- (i) Optus agrees to make offers under a takeover bid at \$0.40 for each Uecomm Share.
- (ii) Uecomm agrees to endeavour to ensure that the conditions to the bid are satisfied.
- (iii) If Optus becomes entitled to compulsorily acquire Uecomm Shares under Chapter 6A of the Corporations Act, Optus will offer to acquire:
 - (A) Uecomm Options at fair value which will be assessed using the Black-Scholes option pricing methodology; and

- (B) any Uecomm Performance Rights in respect of which performance hurdles have been satisfied, at the same price per right as the final Offer Price per Uecomm Share.
- (iv) Optus and Uecomm will prepare the formal takeover bid and response. Uecomm will use its best endeavours to ensure that its target's statement includes:
 - (A) an unanimous recommendation by the Independent Directors to Uecomm shareholders to accept the Offer in respect of all of their Uecomm Shares subject to no superior proposal being announced; and
 - (B) a statement by each Independent Director that that director intends to accept the Offer in respect of all Uecomm Shares held by that director or any associate of that director subject to no superior proposal being announced.
- (v) Subject to all of the conditions of the Offer having been fulfilled, or the Offers having been declared to be free of those conditions, Uecomm consents to the novation of the Debt Facility from Alinta Finance to Optus, and agrees to enter into a deed of novation of the Debt Facility. Uecomm also agrees to consult with Optus on a timely basis before making any further drawdown on the Debt Facility.
- (vi) Uecomm must co-operate and provide all reasonable assistance to Optus in relation to the assumption by Optus or release of Alinta's obligations under the Guarantee Facility.
- (vii) Uecomm represents to Optus that it is not in discussions, and will not hold discussions, with any other party in relation to any proposal to acquire more than 20% of Uecomm, or to take an assignment of the Debt Facility (**Competing Proposal**). Uecomm also promises not to seek or facilitate any enquiries about any Competing Proposal, or to allow any third party to conduct due diligence on Uecomm. These restrictions are subject to a drop dead date of 2 months after the date of dispatch of the target's statement. Some of the restrictions are also subject to a fiduciary duty carve out.

(b) Other Agreements

Optus and Uecomm have entered into one or more agreements relating to the provision of telecommunications services in the ordinary course of business. Those agreements were entered into on arms length terms.

7.4 Agreements with Uecomm directors

There is no agreement between Optus and a director or another officer of Uecomm in connection with or conditional on the outcome of the Offers.

7.5 Financial position of Uecomm

So far as Optus knows, there has not been a material change in the financial position of the Uecomm group of companies since 31 December 2003 (the date of the last financial report laid before Uecomm in general meeting on 25 May 2004).

7.6 Due diligence on Uecomm

Optus was invited by Uecomm to carry out a limited 'due diligence' review of the business and affairs of Uecomm and its subsidiaries in connection with the making of the Offers. During the course of the due diligence, representatives of Optus inspected certain records and management accounts of Uecomm.

The information obtained by Optus during this due diligence review is either in the public domain, is disclosed in this bidder's statement, or is not material to the making of a decision by a Uecomm Shareholder whether or not to accept the Offer.

7.7 Modifications to and exemptions from the Corporations Act

Optus has obtained from ASIC certain modifications to, and exemptions from, the Corporations Act under subsections 655A(1), 669(1) and 673(1) of the Corporations Act in relation to the Bid:

- (a) to modify section 12 of the Corporations Act so that Optus and Alinta do not become associates of one another merely because of the Pre-Bid Agreement;
- (b) to modify section 622(1) of the Corporations Act to permit Optus to receive (and agree to receive) the rebate from Alinta under the Pre-Bid Agreement;
- (c) to disregard, for the purposes of the requirements contained in Part 6C.1 of Chapter 6C of the Corporations Act regarding substantial holding notices, relevant interests in Uecomm Shares of each related body corporate of SingTel (other than a body corporate which SingTel controls) if that related body corporate is operated and managed outside Australia, is an associate of SingTel only because of paragraph (a) of the definition of 'associate' in subsection 12(2) of the Corporations Act and is not involved in the planning or progress of the Bid;
- (d) to exempt Optus from compliance with section 621(3) and 636(1)(h) of the Corporations Act (which relate to certain acquisitions of Uecomm securities by Optus and its associates in the 4 month period prior to the date of the Offer) in respect of any purchase or agreement by any of the following (each a **Foreign Associate**):
 - (i) each related body corporate of SingTel (other than SingTel and its subsidiaries) which is operated and managed outside Australia, is an associate of Optus only because of paragraph (a) of the definition of 'associate' in subsection 12(2) of the Corporations Act and is not involved in the planning or progress of the Bid; or
 - (ii) a subsidiary of SingTel which is operated and managed outside Australia, is an associate of Optus only because of paragraph (a) of the definition of 'associate' in subsection 12(2) of the Corporations Act and is not involved in the planning or progress of the Bid (**Downstream Foreign Associate**),

by reason of a decision made and implemented by a Foreign Associate who acted independently and without direction from SingTel, SingTel Optus or any subsidiary of SingTel Optus. The exemption does not apply where the aggregate number of Uecomm Shares in which related bodies corporate of SingTel had a relevant interest (other than under the Pre-Bid Agreement), during the 4 month period before the date of the Offer, exceeds 5% of the issued Uecomm Shares or in respect of any relevant purchase or agreement by a Downstream Foreign Associate of which Optus had actual knowledge prior to lodgement of this bidder's statement.

(e) to exempt Optus from section 636(1)(k) and 636(1)(l) of the Corporations Act in respect of any Uecomm securities in which Optus has a relevant interest because a Foreign Associate has, or commences to have, a relevant interest by means of a decision made and implemented by a Foreign Associate which acted independently and without direction from SingTel, SingTel Optus or any subsidiary of SingTel Optus. The exemption does not apply where the aggregate number of Uecomm Shares in which related bodies corporate of SingTel had a relevant interest (other than under the Pre-Bid Agreement), in the 4 month period before the date of the Offer, exceeds 5% of the issued Uecomm Shares, or in respect of any relevant interest of any Downstream Foreign Associate of which Optus had actual prior knowledge prior to lodgement of this bidder's statement.

In addition, ASIC has published various instruments providing for modifications and exemptions that apply generally to all persons, including Optus.

7.8 Uecomm's ASX announcements

Annexure C contains a description of each announcement made by Uecomm to ASX between 31 December 2003 (the date of the last financial report laid before Uecomm in general meeting on 25 May 2004) and the date of this bidder's statement. If you would like to receive a copy of any of these announcements, please contact Optus' Company Secretary's Office on +612 9342 7761 and you will be sent copies free of charge. Information may also be obtained from Uecomm's website at www.uecomm.com.au.

7.9 Status of conditions

As at the date of this bidder's statement, Optus is not aware of any events which would result in a breach of the conditions in clause 7 of Part 2.

7.10 Approvals for payment of consideration

Optus is not aware of any shareholders who require any approval referred to in clause 2.4 of Part 2 in order to be entitled to receive any consideration under the Offer.

7.11 Consents

This bidder's statement contains statements made by, or statements stated in this bidder's statement to be based on statements made by SingTel Optus. SingTel Optus has consented to the inclusion of such statements in the form and context in which they appear and has not withdrawn that consent as at the date of this bidder's statement.

This bidder's statement contains statements made by, or statements stated in this bidder's statement to be based on statements made by Uecomm. Uecomm has consented to the inclusion of such statements in the form and context in which they appear and has not withdrawn that consent as at the date of this bidder's statement.

This bidder's statement contains statements made by, or statements stated in this bidder's statement to be based on statements made by Alinta. Alinta has consented to the inclusion of such statements in the form and context in which they appear and has not withdrawn that consent as at the date of this bidder's statement.

In addition, this bidder's statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the company announcement platform of ASX by Uecomm and others. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this bidder's statement. If you would like to receive a copy of any of these documents, please contact Optus' Company Secretary's Office on +612 9342 7761 and you will be sent copies free of charge. Information may also be obtained from Uecomm's website at www.uecomm.com.au.

7.12 Date for determining holders of securities

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) for each Offer is the Record Date.

PART 2 – TERMS OF THE OFFER

1 Offer

1.1 The Offer

Optus offers to acquire on the terms and subject to the conditions of this Offer:

- (a) all Uecomm Shares of which you are the registered holder on the Record Date; and
 - (b) all Uecomm Shares (if any) issued to you during the period from the Record Date to the end of the Offer Period because of the conversion of, or the exercise of rights attached to, Uecomm Options or Uecomm Performance Rights,
- and all Rights attaching to them.

1.2 Persons to whom Offers are made

An Offer in the same form and with the same date is being made to and will be sent to:

- (a) each holder of Uecomm Shares registered in Uecomm's register of members; and
- (b) each holder of Uecomm Options or Uecomm Performance Rights registered in Uecomm's register of option holders,

at 9.00am Sydney, Australia time on the Record Date.

1.3 Offer Date

This Offer is dated 2 July 2004, being the date on which the first of the Offers is sent to the persons referred to in clause 1.2.

1.4 Offer Period

The Offers will remain open for the 1 month period:

- (a) starting on the Offer Date; and
 - (b) ending at 7.00pm Sydney, Australia time on the day 1 month after the Offer Date,
- unless this period is extended or the Offers are withdrawn in accordance with the Corporations Act.

1.5 Extension of the Offer Period

- (a) Optus may, in its sole discretion, extend the Offer Period in accordance with the Corporations Act.
- (b) If, within the last 7 days of the Offer Period:

- (i) the Offer is varied to improve the consideration offered; or
 - (ii) Optus' voting power in Uecomm increases to more than 50%,
- the Offer Period will be automatically extended so that it ends 14 days after the relevant event.

1.6 Conditions

Each Offer is subject to the conditions in clause 7.

1.7 If you have sold any of your Uecomm Shares

If you have sold some or all of your Uecomm Shares when this Offer is made to you, or you sell some or all of your Uecomm Shares during the Offer Period, please refer to clause 4.1.

1.8 If you are a trustee or nominee

If you are a trustee or nominee of some or all of your Uecomm Shares, please refer to clause 4.2.

2 Price

2.1 Price payable

The amount offered for each of your Uecomm Shares is \$0.40 in cash.

2.2 Time of payment

- (a) If the Acceptance Form does not require you to give another document for your acceptance, Optus will dispatch payment to you for your Uecomm Shares on or before the date that is 7 Business Days after the later of:
 - (i) the date this Offer is accepted by you; and
 - (ii) if this Offer is subject to a defeating condition when you accept this Offer, the date the takeover contract resulting from your acceptance of this Offer becomes unconditional.
- (b) If the Acceptance Form requires another document to be given for your acceptance (like a power of attorney):
 - (i) if the document is given with your acceptance, Optus will dispatch payment to you in accordance with clause 2.2(a);
 - (ii) if the document is given after your acceptance and before the end of the Offer Period and the Offer is subject to a defeating condition at the time Optus is given the document, Optus will dispatch payment to you on or before the date that is 7 Business Days after the date the takeover contract becomes unconditional;
 - (iii) if the document is given after your acceptance and before the end of the Offer Period and the Offer is unconditional at the time Optus is given the document, Optus will dispatch payment to you on or before that date that is 7 Business Days after Optus is given the document;

- (iv) if the document is given after your acceptance and after the end of the Offer Period and at the time Optus is given the document the takeover contract is unconditional, Optus will dispatch payment to you on or before the date that is 7 Business Days after Optus is given the document; or
 - (v) if the document is given after your acceptance and after the end of the Offer Period and at the time Optus is given the document the takeover contract is subject to a defeating condition that relates only to the happening of a Prescribed Occurrence, Optus will dispatch payment to you on or before the date that is 7 Business Days after the takeover contract becomes unconditional.
- (c) Payment will be by cheque in Australian currency. The cheque will be sent to you at your address stated on the Acceptance Form or another address notified by you to Optus.

2.3 Contract avoided

Optus may avoid a contract between Optus and you if Optus has not been given a document required in the Acceptance Form within 1 month after the end of the Offer Period.

2.4 Certain overseas residents

If, at the time you accept this Offer, any authority or clearance of the Reserve Bank of Australia, the Australian Taxation Office or the Minister for Foreign Affairs is required for you to receive any consideration under this Offer, or you are resident in, or a resident of, a place to which, or you are a person to whom:

- (a) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) the *Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002* (Cth);
- (c) the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cth);
- (d) the *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cth); or
- (e) any other law of Australia that would make it unlawful for Optus to provide consideration for your Uecomm Shares,

applies, then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained by Optus. See section 7.10 of Part 1 for information as to whether this restriction applies to you.

3 How to accept

3.1 Full acceptance required

Subject to clause 4.2, you may only accept this Offer during the Offer Period for all your Uecomm Shares.

3.2 Acceptance Form

Clauses 3.3 and 3.5 refer, among other things, to the different Acceptance Forms for use to accept this Offer depending on whether your Uecomm Shares are in a CHESS Holding or in an Issuer Sponsored Holding. You will only be sent one Acceptance Form with this bidder's statement, which will be the Acceptance Form to be used in relation to your Uecomm Shares.

3.3 CHESS Holdings

If your Uecomm Shares are in a CHESS Holding and you are not a Participant, you may:

- (a) instruct your Controlling Participant to initiate acceptance of this Offer for your Uecomm Shares in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period; or
- (b) authorise Optus to instruct your Controlling Participant (usually your broker) on your behalf to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASTC Settlement Rules, by completing, signing and returning the enclosed Acceptance Form (plain white) in accordance with the instructions on it. The Acceptance Form must be received at the address stated on it in sufficient time before the end of the Offer Period (7.00pm Sydney, Australia time on 3 August 2004, unless the Offer Period is extended) to enable Optus to instruct your Controlling Participant to effect acceptance of the Offer for your Uecomm Shares before the end of the Offer Period.

3.4 Participant

If your Uecomm Shares are in a CHESS Holding and you are a Participant, acceptance of this Offer may be initiated in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Offer Period (7.00pm Sydney, Australia time on 3 August 2004, unless the Offer Period is extended).

3.5 Issuer Sponsored Holdings

If you hold Uecomm Shares in an Issuer Sponsored Holding, to accept this Offer you must:

- (a) complete and sign the enclosed Acceptance Form (blue striped) in accordance with the instructions on it; and
- (b) send it, and all other documents required by the instructions on the Acceptance Form, so that they are received before the end of the Offer Period (7.00pm Sydney, Australia time on 3 August 2004, unless the Offer Period is extended) at the address stated on the Acceptance Form.

A reply paid return addressed envelope is enclosed for your use.

3.6 Optus' discretion regarding incomplete or invalid acceptance

Optus may, in its absolute discretion, determine that any Acceptance Form it receives is a valid acceptance, even if one or more of the requirements set out in the Acceptance Form has not been complied with or you have been sent (and you have therefore completed) the wrong Acceptance Form for the subregister on which your Uecomm Shares are held, but Optus may, in its absolute discretion, decide not to pay you until:

- (a) the irregularity has been resolved; and
- (b) the share certificate (if any), or an acceptable indemnity, and any other document required to enable Optus to be registered as the holder of your Uecomm Shares, have been given to Optus.

4 Application of this Offer

4.1 If another person is entitled to your Uecomm Shares

If, when this Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of your Uecomm Shares (**Transferred Shares**) then Optus will be taken to have:

- (a) made to the other person a corresponding offer for the Transferred Shares;
- (b) made you a corresponding offer for your Uecomm Shares except the Transferred Shares; and
- (c) withdrawn this Offer.

4.2 If you are a trustee or nominee

If at any time during the Offer Period you are a trustee for or nominee of 2 or more persons or your Uecomm Shares for some other reason consist of 2 or more separate parcels within the meaning of section 653B of the Corporations Act, then:

- (a) a separate Offer will be taken to have been made to you in relation to each separate parcel of Uecomm Shares; and
- (b) an acceptance by you of the Offer in respect of any separate parcel of Uecomm Shares will be ineffective unless:
 - (i) you have given Optus a notice, delivered in accordance with clause 4.3, stating that your Uecomm Shares consist of separate parcels; and
 - (ii) your acceptance specifies the number of Uecomm Shares in each separate parcel to which the acceptance relates.

4.3 Notice of separate parcels

A notice in accordance with clause 4.2(b) must:

- (a) if it relates to Uecomm Shares not in a CHESS Holding, be in writing; or
- (b) if it relates to Uecomm Shares in a CHESS Holding, be in an electronic form approved by the ASTC Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

5 Effect of acceptance

By initiating acceptance of this Offer through CHESS in accordance with clauses 3.3 or 3.4, or signing and returning an Acceptance Form in accordance with clauses 3.3 or 3.5, you will have:

- (a) accepted this Offer (and each variation of the Offer (if any) permitted under Part 6.6 of the Corporations Act) for all your Uecomm Shares;
- (b) subject to this Offer being declared free from the conditions in clause 7.2 (or those conditions being fulfilled) and the condition in clause 7.1 being fulfilled, agreed to transfer your Uecomm Shares to Optus;

- (c) represented and warranted to Optus that:
- (i) your Uecomm Shares are at the time of acceptance, and will be on registration of the transfer of your Uecomm Shares to Optus, fully paid up, and Optus will acquire good title to them and full beneficial ownership of them free from all mortgages, charges, liens and other encumbrances and restrictions on transfer of any kind; and
 - (ii) you have full power and capacity to sell and transfer those securities;
- (d) irrevocably authorised Optus (by its servants or agents) to complete the Acceptance Form on your behalf, correct details of your Uecomm Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form necessary to make the Acceptance Form an effective acceptance of this Offer or to enable the registration of the transfer of your Uecomm Shares to Optus;
- (e) if any of your Uecomm Shares are held in a CHESS Holding and you have signed an Acceptance Form for them, irrevocably authorised Optus (by its servants or agents) to:
- (i) instruct your Controlling Participant to initiate acceptance of this Offer for those Uecomm Shares in accordance with the ASTC Settlement Rules; and
 - (ii) give any other instructions in relation to those Uecomm Shares to your Controlling Participant on your behalf under the Sponsorship Agreement between you and the Controlling Participant;
- (f) irrevocably appointed Optus and its directors, secretaries and officers jointly and each of them severally as your attorney, with effect from the date this Offer or any contract resulting from the acceptance of this Offer is declared free from all its conditions or those conditions are fulfilled, with power to exercise the powers and rights which you could lawfully exercise as the registered holder of your Uecomm Shares including:
- (i) attending and voting at a meeting of Uecomm;
 - (ii) demanding a poll for a vote taken at or proposing or seconding a resolution to be considered at a meeting of Uecomm;
 - (iii) requisitioning a meeting of Uecomm;
 - (iv) signing any form, notice or instrument relating to your Uecomm Shares; and
 - (v) doing all things incidental and ancillary to any of clauses 5(f)(i) to (iv);
- and you acknowledge and agree that the attorney may exercise those powers in the interests of Optus as the intended registered holder of your Uecomm Shares;
- (g) agreed not to attend or vote in person at any meeting of Uecomm, or to exercise or purport to exercise any of the powers conferred on Optus and its directors, secretaries and officers in clause 5(f);
- (h) irrevocably authorised and directed Uecomm to pay or account to Optus for all Rights. Optus will account to you for any Rights received by it if this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rescinded under clause 7.4 or is rendered void under clause 7.7;
- (i) except where Rights have been paid or accounted for under clause 5(h), irrevocably authorised Optus to deduct from the consideration payable for your Uecomm Shares, the amount or value of all Rights under clauses 6.1 and 6.2; and

- (j) irrevocably authorised Optus to transmit a message to ASTC in accordance with Rule 14.17.1 of the ASTC Settlement Rules so as to enter your Uecomm Shares which are in a CHESS Holding to the Takeover Transferee Holding (even if Optus has not yet paid the consideration due to you).

6 Dividends and other entitlements

6.1 Cash Rights

If any cash Rights are declared, paid, made, arise or accrue to you as the holder of your Uecomm Shares, Optus may reduce the price specified in clause 2.1 by the amount of the Rights, unless the benefit of the Rights is passed to Optus under clause 5(h).

6.2 Non-cash Rights

If any non-cash Rights are issued, made, arise or accrue to you as the holder of your Uecomm Shares, Optus may reduce the price specified in clause 2.1 by the value (as reasonably determined by Optus) of the non-cash Rights, unless the benefit of the Rights is passed on to Optus under clause 5(h).

7 Conditions of the Offer

7.1 Condition precedent

(a) Approval by Treasurer

This Offer is conditional on one of the following occurring:

- (i) the Australian Treasurer issuing a notice under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) stating that the Commonwealth Government does not object to the transfer of the Uecomm Shares; or
- (ii) the Australian Treasurer being, by reason of lapse of time, not empowered to make an order under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) in relation to the transfer of the Uecomm Shares.

(b) Satisfaction of condition precedent

The condition in clause 7.1(a) is a condition precedent and a contract to sell your Uecomm Shares does not arise from an acceptance of this Offer until the condition in clause 7.1(a) has been fulfilled.

(c) No waiver

Optus cannot waive the condition in clause 7.1(a).

(d) Best efforts

Optus will use its best efforts to ensure that the condition in clause 7.1(a) is fulfilled as soon as possible after the date this bidder's statement is lodged with ASIC. Optus has applied to the Australian Treasurer for approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

7.2 Conditions subsequent

Subject to clause 7.3, this Offer and a contract resulting from your acceptance of this Offer is subject to the conditions set out below (each of which is a separate and independent condition).

(a) ACCC approval

Before the end of the Offer Period, the Australian Competition and Consumer Commission advises that it has no objection to, or will not be taking any action in respect of, the acquisition by Optus of Uecomm Shares.

(b) Minimum acceptance condition

Before the end of the Offer Period, Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue.

(c) Material adverse effect

Between the Announcement Date and the end of the Offer Period, no change, event or condition occurs, is announced, disclosed or otherwise becomes known to Optus (whether it becomes public or not) that has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of Uecomm or the Uecomm group of companies taken as a whole since 31 December 2003 other than changes, events or conditions publicly announced or publicly disclosed by Uecomm prior to the Announcement Date.

(d) No material acquisition or disposal

Except for any transaction or proposed expenditure publicly announced or publicly disclosed before the Announcement Date none of the following events occurs between the Announcement Date and the end of the Offer Period:

- (i) Uecomm or a subsidiary of Uecomm acquires, agrees to or comes under an obligation to acquire, or makes any public announcement or public disclosure about the acquisition of any companies, businesses or assets (or any interests in any companies, businesses or assets) for an amount in aggregate in excess of \$5 million; or
- (ii) Uecomm or a subsidiary of Uecomm disposes, agrees to or comes under an obligation to dispose, or makes any public announcement or public disclosure about the disposal of any companies, businesses or assets (or any interests in any companies, businesses or assets) for an amount in aggregate in excess of \$5 million.

(e) No Prescribed Occurrences

Between the Announcement Date and the end of the Offer Period, none of the following events occurs (each a **Prescribed Occurrence**):

- (i) Uecomm converts all or any of the Uecomm Shares into a larger or smaller number of shares;
- (ii) Uecomm or a subsidiary of Uecomm resolves to reduce its share capital in any way;

- (iii) Uecomm or a subsidiary of Uecomm:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Uecomm or a subsidiary of Uecomm issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the Announcement Date;
- (v) Uecomm or a subsidiary of Uecomm issues, or agrees to issue, convertible notes;
- (vi) Uecomm or a subsidiary of Uecomm charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (vii) Uecomm or a subsidiary of Uecomm resolves to be wound up;
- (viii) a liquidator or provisional liquidator of Uecomm or of a subsidiary of Uecomm is appointed;
- (ix) a court makes an order for the winding up of Uecomm or of a subsidiary of Uecomm;
- (x) an administrator of Uecomm, or of a subsidiary of Uecomm, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xi) Uecomm or a subsidiary of Uecomm executes a deed of company arrangement; or
- (xii) a receiver, a receiver and manager, or other controller (as defined in the Corporations Act) is appointed in relation to the whole, or a substantial part, of the property of Uecomm or of a subsidiary of Uecomm.

(f) No untrue statements

Between the Announcement Date and the end of the Offer Period, Optus does not become aware of any statement that is untrue or fact that is required to be stated to make a statement not misleading in any document filed by or on behalf of Uecomm with ASX, and which has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of Uecomm since 31 December 2003 other than changes, events or conditions publicly announced or publicly disclosed by Uecomm prior to the Announcement Date.

(g) No regulatory action

Between the Announcement Date and the end of the Offer Period:

- (i) there not being in effect any preliminary or final decision, order or decree issued by a public authority;
- (ii) no action or investigation being announced, commenced or threatened by any public authority;
- (iii) no application being made to any public authority (other than by Optus or any associate of Optus),

in consequence of or otherwise relating to the Bid (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act or if the regulatory action results from action or inaction of Optus or its associates relating to the Bid) which:

- (iv) restrains or prohibits or otherwise materially adversely impacts the completion of any transaction contemplated by this bidder's statement (including the acquisition of Uecomm Shares) or which threatens to do so; or
- (v) seeks to require or approve the divestiture of any assets of any company within the Uecomm group or the Optus group.

7.3 Declaration of Offer being free from conditions

- (a) Optus may, subject to the Corporations Act, declare this Offer and all other Offers and all contracts resulting from the acceptance of Offers free from the conditions (or any one or more or any part of them) in clause 7.2.
- (b) Subject to compliance with sections 630 and 650F of the Corporations Act, a declaration made under this clause 7.3 must be made by Optus by notice in writing to Uecomm:
 - (i) in the case of conditions relating to the happening of a Prescribed Occurrence, not later than 3 Business Days after the end of the Offer Period; and
 - (ii) in any other case, not less than 7 days before the end of the Offer Period.

7.4 Breach of conditions

Each of the conditions in clause 7.2 is a condition subsequent and does not prevent a contract to sell your Uecomm Shares resulting from an acceptance of this Offer. However, if a condition in clause 7.2 is breached or not fulfilled, Optus may by notice in writing to you rescind that contract as if that contract had not been formed.

7.5 Benefit of conditions

Subject to the Corporations Act:

- (a) Optus alone has the benefit of the conditions in clause 7.2; and
- (b) a breach or non-fulfilment of any of those conditions may be relied on only by Optus; and
- (c) Optus may, at its sole discretion, waive the breach or non-fulfilment of all or any of those conditions.

7.6 Status notice

The date for giving the notice referred to in section 630(1) of the Corporations Act relating to the status of the conditions in clauses 7.1 and 7.2 is 26 July 2004. This date may be extended in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

7.7 Void contracts

If at the end of the Offer Period:

- (a) the conditions in clause 7.2 have not been fulfilled and Optus has not declared this Offer and all contracts resulting from the acceptance of Offers free from those conditions; or
- (b) the condition in clause 7.1(a) has not been fulfilled,

all contracts resulting from the acceptance of Offers and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void. In that event Optus will, if you have accepted this Offer, return at your risk your Acceptance Form together with all documents forwarded by you with the Acceptance Form to your address shown in the Acceptance Form.

8 Withdrawal

Optus may withdraw this Offer with the written consent of ASIC. That consent may be given subject to any conditions specified in the consent.

9 Variation

9.1 Optus' entitlement

Optus may at any time before the end of the Offer Period vary this Offer in accordance with the Corporations Act:

- (a) by extending the Offer Period;
- (b) by increasing the consideration payable under the Offer; and
- (c) with the written consent of ASIC, and subject to any conditions specified by ASIC in that consent, in the manner that ASIC permits.

9.2 Extension of Offer

If Optus extends the Offer Period you will receive notice of the extension, unless, at the date of the extension, you have already accepted this Offer and the Offer has become free from the conditions in clauses 7.1 and 7.2 or those conditions have been fulfilled.

10 Costs

All costs and expenses of the preparation of this statement and any stamp duty payable on the transfer of Uecomm Shares for which Offers are accepted, will be paid by Optus.

11 Notices

11.1 Service on Uecomm

Optus may give a notice to Uecomm under the Bid by leaving it at, or sending it by prepaid ordinary post to, the registered office of Uecomm.

11.2 Service on Optus

You or Uecomm may give a notice to Optus under the Bid by leaving it at or sending it by prepaid ordinary post to Optus at the address set out in the Acceptance Form.

11.3 Service on you

Optus may give a notice to you under the Bid by leaving it at or sending it by prepaid ordinary post or by airmail (if your address is outside Australia), to your address given to Optus by Uecomm under section 641 of the Corporations Act.

12 Governing law

This Offer and any contract resulting from your acceptance of it is governed by the laws in force in New South Wales.

PART 3 – DEFINED TERMS AND INTERPRETATION

1 Defined terms

In this bidder's statement:

Acceptance Form means the form of acceptance and transfer enclosed with this bidder's statement and which forms part of this Offer.

Alinta means Alinta Limited ABN 40 087 857 001, having its registered office at 1 William Street, Perth, Western Australia 6000.

Alinta Finance means Alinta Finance Pty Limited ABN 94 089 531 993, having its registered office at 1 William Street, Perth, Western Australia 6000.

Announcement Date means 21 May 2004, being the date of the announcement by Optus of its intention to make the Bid.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Stock Exchange Limited.

Bid means the off-market bid constituted by the Offers.

Bidder means Optus Networks Pty Limited ABN 92 008 570 330 having its registered office at Level 29, Optus Centre, 101-103 Miller Street, North Sydney, New South Wales, 2060.

Business Day means a day on which banks are open for business in Sydney, Australia but not a Saturday, Sunday or public holiday.

CHESS Holding means a holding of Uecomm Shares on the CHESS Subregister of Uecomm (usually a CHESS Holding will be through a Controlling Participant).

CHESS Subregister has the meaning given to that term in the ASTC Settlement Rules.

Controlling Participant means, in relation to Uecomm Shares in a CHESS Holding, the Participant with whom the holder has a sponsorship agreement as defined in the ASTC Settlement Rules (usually, your broker).

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Facility means the debt facility provided by Alinta to Uecomm more particularly described in the Uecomm Loan Deed of Novation as the 'Uecomm Loan Agreement' (as amended by a letter agreement between Uecomm, Alinta and Alinta Finance dated 31 July 2003) with a facility limit of \$80 million.

Debt Facility Novation Deed means the form of the deed of novation in relation to the Debt Facility annexed to the Pre-Bid Agreement (as annexure 2).

Guarantee Facility means the facility deed entered into by Australia and New Zealand Banking Group Limited ABN 11 005 357 522, Uecomm and Alinta on 1 August 2003 with a facility limit of \$20 million.

Implementation Agreement means the agreement of that name entered into between Optus and Uecomm on 21 May 2004, a conformed copy of which is set out in Annexure B.

Independent Directors means the directors of Uecomm other than the nominees of Alinta.

Issuer Sponsored Holding has the meaning given to that term in the ASTC Settlement Rules.

Offer means the offer contained in clause 1.1 of Part 2.

Offer Date means the date referred to in clause 1.3 of Part 2.

Offer Period means the period referred to in clause 1.4 of Part 2.

Offers means the offers referred to in clause 1.2 of Part 2.

Optus means Optus Networks Pty Limited ABN 92 008 570 330 having its registered office at Level 29, Optus Centre, 101-103 Miller Street, North Sydney, New South Wales, 2060.

Optus Finance means Optus Finance Pty Limited ABN 31 086 656 162.

Optus Group means SingTel Optus and its subsidiaries.

Participant has the meaning given to that term in the ASTC Settlement Rules.

Pre-Bid Agreement means the letter agreement of that name entered into by Optus, Alinta and Alinta Finance on 21 May 2004, a conformed copy of which is set out in Annexure A.

Prescribed Occurrence means an occurrence listed in clause 7.2(e) of Part 2.

Record Date means 22 June 2004, being the date set by Optus under subsection 633(2) of the Corporations Act.

Rights means all accretions and rights that accrue to or arise from Uecomm Shares after the date this bidder's statement is lodged with ASIC, including all rights to receive dividends, to receive or subscribe for shares, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Uecomm after that date.

SingTel means Singapore Telecommunications Limited ARBN 096 701 567, a Singapore corporation.

SingTel Optus means SingTel Optus Pty Limited ABN 90 052 833 208, having its registered office at Level 29, Optus Centre, 101-103 Miller Street, North Sydney, New South Wales, 2060.

Takeover Transferee Holding has the meaning given to that term in the ASTC Settlement Rules.

Uecomm means Uecomm Limited ABN 56 079 083 195, having its registered office at Building 8, 658 Church Street, Cremorne, Victoria 3121.

Uecomm Loan Deed of Novation means the deed of that name between Uecomm, UE Energy Finance Pty Limited ABN 56 079 083 195, Alinta Finance and Alinta dated on or around 14 July 2003.

Uecomm Options means options to subscribe for Uecomm Shares granted by Uecomm and existing at the Record Date.

Uecomm Performance Rights means rights to subscribe for Uecomm Shares granted by Uecomm and existing at the Record Date.

Uecomm Shares means fully paid ordinary shares in the capital of Uecomm.

2 Interpretation

In this bidder's statement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (d) a reference in Part 1 of this bidder's statement to a clause, paragraph or part is to a clause, paragraph or part in Part 1 of this bidder's statement;
- (e) a reference in Part 2 of this bidder's statement to a section, paragraph or part is to a section, paragraph or part of Part 2 of this bidder's statement;
- (f) a reference in Part 1 of this bidder's statement to an annexure is to an annexure of this bidder's statement, and a reference to this bidder's statement includes its annexures;
- (g) a reference to \$, A\$, \$A, dollars, or cents or ¢ is to Australian currency;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- (i) a word or phrase defined in the Corporations Act, the ASX Listing Rules or the ASTC Settlement Rules has the meaning given to it in that Act or those rules.

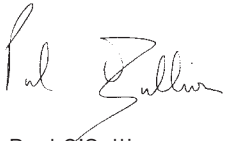
3 Headings

Headings are for ease of reference only and do not affect interpretation.

SIGNING PAGE

DATED 11 June 2004

Signed on behalf of Optus Networks Pty Limited according to a resolution of the directors of Optus Networks Pty Limited dated 11 June 2004.

A handwritten signature in black ink, appearing to read "Paul O'Sullivan". The signature is written in a cursive style with a large initial "P" and "O".

Paul O'Sullivan
Director



ANNEXURE A

Conformed copy of Pre-Bid Agreement

Annexure to bidder's statement

(OPTUS LETTERHEAD)

21 May 2004

Attention: Mr Robert Browning
Chief Executive Officer

Alinta Limited
1 William Street
Perth WA 6000

Alinta Finance Pty Limited
1 William Street
Perth WA 6000

Dear Robert

Pre-Bid Agreement – Uecomm Limited ABN 56 079 083 195 (Uecomm)

Alinta Limited ABN 40 087 857 001 (**Alinta**) together with Uecomm invited Optus Networks Pty Limited ABN 92 008 570 330 (**Optus**) and its related bodies corporate, and a number of other parties, to make proposals to acquire all or part of Uecomm. Optus has proposed a transaction, the principal terms and conditions of which are outlined in Annexure 1.

In consideration of the payment by Optus of \$10 to Alinta (receipt of which is acknowledged on execution of this agreement) and the various promises in this agreement, the parties agree as set out below.

Capitalised terms in this agreement have the meaning given in paragraph 23.2.

1 Background

- 1.1 Optus proposes to make an off-market bid under Chapter 6 of the *Corporations Act 2001* (Cth) to acquire all of the Uecomm Shares. The principal terms and conditions of the Offer are outlined in Annexure 1.
- 1.2 Alinta is the registered holder of 335 million Shares, representing approximately 65.8% of the issued capital of Uecomm.

2 First Call Option

- 2.1 Alinta grants Optus the right, exercisable at any time during the Call Option Period, to purchase the First Call Option Shares from Alinta for the Alinta Base Price per Share free of encumbrances and otherwise on the terms set out in clause 4.

2.2 Optus may exercise the First Call Option by giving notice in writing to Alinta during the Call Option Period.

3 Second Call Option

3.1 Subject to satisfaction of the condition in clause 3.2, Alinta grants Optus the right, exercisable at any time during the Call Option Period, to purchase the Second Call Option Shares from Alinta for the Alinta Base Price per Share free of encumbrances and otherwise on the terms set out in clause 4.

3.2 The condition referred to in clause 3.1 and clause 3.3 is that the Treasurer of the Commonwealth of Australia consents, under the terms of the FATA, to the transfer of the Second Call Option Shares or the Shares to Optus as contemplated by the Offer. For the purposes of this clause 3.2, the Treasurer is taken to have consented to the transfer of the Second Call Option Shares or the Shares under the Offer if:

- (a) the Treasurer issues a notice under the FATA stating that the Commonwealth Government does not object to the transfer of those Shares; or
- (b) the Treasurer is, by reason of lapse of time, not empowered to make an order under the FATA in relation to the transfer of those Shares.

3.3 Subject to satisfaction of the condition in clause 3.2, Optus may exercise the Second Call Option by giving notice in writing to Alinta during the Call Option Period.

4 Completion of Relevant Option Shares

4.1 Completion of the sale and purchase of the Relevant Option Shares must occur at the Sydney offices of Minter Ellison at 4.00pm on the second Business Day after Optus gives a notice to Alinta under clause 2.2 or clause 3.3 (as the case may be).

4.2 At completion of the sale and purchase of the Relevant Option Shares:

- (a) Alinta must deliver to Optus:
 - (i) a duly executed share transfer form or a proper SCH transfer form in respect of the Relevant Option Shares as requested by Optus; and
 - (ii) any other document reasonably required by Optus to effect the transfer to it of the Relevant Option Shares including any documents necessary to effect a conversion from the CHESS sub-register to the issuer sponsored sub-register; and
- (b) Optus must pay to Alinta, by bank cheque, an amount equal to the Alinta Base Price multiplied by the number of Relevant Option Shares.

4.3 A Call Option will lapse if it is not exercised before the End Date.

5 Restriction on dealing in Call Option Shares

Alinta undertakes that it will not, from the date of this agreement until the End Date, sell, transfer or otherwise dispose of (including through creation of a security interest, or acceptance of any takeover offer made in respect of Uecomm Shares by any person other than Optus) any of the Call Option Shares other than:

- (a) pursuant to the Call Options; or
- (b) by accepting the Offer.

6 Uncommitted Shares

- 6.1 Alinta makes no promise that it will accept or procure acceptance of any offer by Optus to acquire any Uncommitted Shares.
- 6.2 Alinta confirms that it is Alinta's current intention, subject to no higher offer being publicly announced or made to Alinta in respect of its Uecomm interests, to accept the Offer in so far as it applies to Uncommitted Shares, by 5.00pm on the second Business Day after the date on which all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions, other than the Minimum Acceptance Condition.
- 6.3 Optus and Alinta agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects Alinta's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

7 Rebate

- 7.1 If:
- (a) Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue; and
 - (b) all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions,

then Alinta must pay to Optus an amount determined in accordance with the following formula (**Total Rebate**):

$$TR = (233,107,400 \times (OP - AFP)) + ((101,892,600 - C) \times (OP - ABP))$$

where:

TR is the Total Rebate

C is, at the relevant time, the number of Call Option Shares

Note: The number of Call Option Shares will not be reduced by the exercise of either Call Option by Optus. It will only be reduced by Alinta accepting Original Call Option Shares into the Offer.

ABP is the Alinta Base Price

OP is the Offer Price

AFP is the Alinta Final Price

- 7.2 The Total Rebate is payable (subject to set off under clause 7.3, if applicable) to Optus by Alinta as follows:
- (a) on the first date on which Optus is required to pay to an accepting Uecomm shareholder the consideration payable under the Offer; and
 - (b) in order to catch any Shares subsequently disposed of by Alinta as a result of Alinta accepting the Call Option Shares into the Offer, every other time that consideration is payable to Alinta under the Offer in respect of those Shares,

with a credit allowed for all amounts previously paid or allowed to Optus by Alinta under this clause 7.2 or clause 7.3 (respectively).

- 7.3 Notwithstanding any other provision of the Offer:
- (a) if Alinta accepts the Offer in respect of any of the Shares, Optus will set off the amount of the Total Rebate against the amount of consideration due to Alinta under the terms of the Offer to the extent that such amount exceeds the Total Rebate; and
 - (b) in any event (but without prejudice to clause 7.4), Optus may set off the amount of the Total Rebate against any amount otherwise payable to Alinta by Optus to the extent that such amount exceeds the Total Rebate,
- and pay to Alinta a net amount in satisfaction and discharge of its obligations to Alinta under the terms of this agreement or the Offer (as the case may be).
- 7.4 The Total Rebate will be applied:
- (a) first, in reduction of the consideration payable by Optus to Alinta for Shares; and
 - (b) secondly, in reduction of any amount otherwise payable by Optus to Alinta.
- 7.5 For the purpose of this agreement:
- (a) any disposal of Shares by Alinta that results in it holding 101,892,600 Shares or more is to be treated as being a disposal of Uncommitted Shares;
 - (b) if Alinta has disposed of all the Uncommitted Shares and then accepts the Offer in respect of any Original Call Option Shares, then:
 - (i) to the extent that the number of Original Call Option Shares accepted into the Offer is less than or equal to 25,473,150 Shares, the number of Second Call Option Shares will be reduced by the number of Original Call Option Shares in respect of which Alinta accepts the Offer; and
 - (ii) to the extent that the number of Original Call Option Shares accepted into the Offer is greater than 25,473,150 Shares, the number of Second Call Option Shares will be reduced to nil and the number of First Call Option Shares will be reduced to the extent that the number of Original Call Option Shares in respect of which Alinta accepts the Offer exceeds 25,473,150.
- 7.6 Optus has informed Alinta that it has obtained ASIC relief to ensure that this agreement will not make Alinta an associate of Optus. For the avoidance of doubt, Optus acknowledges that Alinta is not an associate of Optus for any purpose (including this agreement).

8 Debt Facility and Guarantee Facility

- 8.1 Alinta must not vary, waive or agree to vary or waive a term or condition of the Debt Facility or the Guarantee Facility without Optus' prior written consent.
- 8.2 Until the payment of the Alinta Debt Price, Alinta must not accept for payment, or agree to accept for payment, from Uecomm any amount other than by way of repayment of principal or interest in respect of the Debt Facility.
- 8.3 Alinta and Alinta Finance jointly and severally represent and warrant to Optus that they are not aware of any proposal by Uecomm to draw down (including any deemed draw down of) any amount under the Debt Facility prior to the Novation Date.

- 8.4 If:
- (a) Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue; and
 - (b) all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions,
- then, on the Novation Date:
- (c) Optus must execute and deliver, and must procure that Optus Finance executes and delivers, to Alinta a deed of novation in the form set out in annexure 2 (or in another form agreed between the parties);
 - (d) each of Alinta and Alinta Finance must execute and deliver to Optus a deed of novation in the form set out in annexure 2 (or in another form agreed between the parties); and
 - (e) Optus must pay the Alinta Debt Price by bank cheque to Alinta Finance (or as directed by Alinta Finance).
- 8.5 Alinta Finance irrevocably directs Optus to pay the Alinta Debt Price to Alinta (on behalf of Alinta Finance).
- 8.6 The obligations of the parties under clause 8.4 are interdependent. All actions required to be performed on the Novation Date will be taken to occur simultaneously on the Novation Date and no action will be taken to have occurred until all required actions have occurred.
- 8.7 Optus must use reasonable endeavours to procure, on behalf of Alinta, the full release from any obligations of Alinta or claims against Alinta in relation to the Guarantee Facility on or before the Novation Date. If it has not procured the release by that date, Optus must use reasonable endeavours to procure, on behalf of Alinta, the full release from any obligations of Alinta or claims against Alinta in relation to the Guarantee Facility within a reasonable time after the Novation Date.
- 8.8 If both paragraphs (a) and (b) of clause 8.4 apply, then, to the extent that Alinta does not receive a full release from any obligations or claims against it in relation to the Guarantee Facility which arise on or after the Novation Date, Optus:
- (a) indemnifies Alinta for any costs or liabilities it incurs, or claims made against it, after the Novation Date in relation to the Guarantee Facility; and
 - (b) without double counting, must pay Alinta an amount equal to any cost or liability it incurs in relation to the Guarantee Facility after the Novation Date on demand by Alinta.
- 8.9 If the obligations of Optus and Alinta under clause 8.4 have been fully performed but the deed of novation contemplated by clauses 8.4(c) and 8.4(d) has not been executed by Uecomm then, until such time as it has been duly executed by Uecomm, Optus:
- (a) indemnifies Alinta and Alinta Finance for any costs or liabilities it incurs, or claims made against it, after the Novation Date in relation to the Debt Facility; and
 - (b) without double counting, must pay Alinta and Alinta Finance an amount equal to any cost or liability it incurs in relation to the Debt Facility after the Novation Date on demand by Alinta or Alinta Finance (as the case may be),
- to the extent that the rights and obligations of Alinta or Alinta Finance in relation to the Debt Facility are not novated to Optus.

9 The Offer

- 9.1 The principal terms and conditions of the Offer are set out in Annexure 1.
- 9.2 Optus will dispatch (or, if account details are provided by Alinta, pay directly into that account) the consideration payable to Alinta for any Shares it accepts into the Offer within 7 Business Days after the later of:
- (a) the date on which the Offer is accepted by Alinta; and
 - (b) the date on which all of the conditions of the Offer are satisfied or waived.
- 9.3 Optus must:
- (a) lodge a copy of its bidder's statement in connection with the Offer with ASIC on or before the date that is 21 days after the date of announcement of the Offer; and
 - (b) dispatch its Offers within 1 month of lodging the bidder's statement.
- 9.4 Optus may, subject to the *Corporations Act 2001* (Cth):
- (a) vary the terms and conditions of the Offer, provided that the varied terms and conditions are not substantially less favourable to Uecomm shareholders than those set out in Annexure 1; and
 - (b) vary or waive any condition in the Offer, declare the Offer unconditional or extend it at any time except that it may not waive the Minimum Acceptance Condition:
 - (i) for so long as Alinta is the registered holder of the Uncommitted Shares; or
 - (ii) unless a Competing Bid is announced.
- 9.5 Optus must lodge applications or submissions to satisfy the foreign investment approval condition in paragraph 4(a) of Annexure 1 and the ACCC approval condition in paragraph 4(b) of Annexure 1 as soon as practicable after the date of this agreement, and Optus must use its reasonable endeavours to satisfy those conditions as soon as possible.
- 9.6 Once the FIRB investment approval and ACCC approval conditions referred to in clause 9.5 have been satisfied, Optus must, subject to clause 9.7, promptly declare its Offer to be free of all conditions other than the Minimum Acceptance Condition.
- 9.7 Clause 9.6 does not apply if, prior to satisfaction of the FIRB investment approval and ACCC conditions, a condition of the Offer is breached and Optus publicly announces that it will not waive such breach (which it may do in its absolute discretion).

10 Announcement

- 10.1 Optus must announce the Offer on terms and conditions no less favourable to offerees than those set out in Annexure 1 promptly after execution of this agreement.
- 10.2 Except as required by law, Alinta must not make a public announcement in respect of this agreement until after Optus has first released its announcement as contemplated by clause 10.1.

11 Warranties

- 11.1 Alinta represents and warrants to Optus that Alinta is the registered holder and beneficial owner of the Original Call Option Shares and the Uncommitted Shares and there are no mortgages, charges, liens, restrictions against transfer, encumbrances or other third party interests over or affecting those Sale Shares.
- 11.2 Alinta and Alinta Finance jointly and severally represent and warrant to Optus that:
- (a) they have the power and lawful authority to enter into and perform this agreement and this agreement constitutes a legal, valid and binding obligation on them, enforceable in accordance with its terms;
 - (b) no approvals are required to be obtained by virtue of a law, rule or regulation or the rules of any stock exchange applicable to either of them or the constitution of either them or of any relevant governmental or regulatory authority, in order to permit either of them to undertake their obligations under this agreement (other than any regulatory relief Optus requires in relation to this agreement or the Offer);
 - (c) the copy of the Uecomm Loan Deed of Novation provided by Alinta's lawyers to Optus' lawyers on 20 May 2004 and the copy of the Side Letter provided by Alinta's lawyers to Optus' lawyers on 18 May 2004 are true and correct copies of those documents and, to the best of their knowledge and belief, are the only documents setting out the terms and conditions of the Debt Facility;
 - (d) the amount of principal outstanding under the Debt Facility as at the date of this agreement is \$54 million;
 - (e) the amount of interest outstanding under the Debt Facility as at 30 June 2004 will be approximately \$2.2 million (assuming no earlier repayment); and
 - (f) neither Alinta Finance nor Alinta is in default under the Debt Facility as at the date of this agreement and will not be in default on the Novation Date.
- 11.3 Optus represents and warrants to Alinta and Alinta Finance that:
- (a) Optus has the power and lawful authority to enter into and perform this agreement and this agreement constitutes a legal, valid and binding obligation on Optus, enforceable in accordance with its terms;
 - (b) no approvals are required to be obtained by virtue of a law, rule or regulation or the rules of any stock exchange applicable to Optus (or a related body corporate) or the constitution of Optus or any relevant governmental or regulatory authority, in order to permit Optus to undertake its obligations under this agreement other than the approvals referred to in Annexure 1.
- 11.4 This paragraph 11 survives termination or expiry of this agreement.

12 Exclusivity

- 12.1 Alinta represents and warrants that, other than the discussions with Optus in connection with the proposed Offer and this agreement, Alinta:
- (a) is not currently in negotiations or discussions in respect of any Competing Proposal with any party; or
 - (b) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.

- 12.2 Until the End Date, Alinta must ensure that neither it nor any of its Related Parties directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- 12.3 Until the End Date, Alinta must promptly inform Optus if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Optus:
- (a) the identity of that person; and
 - (b) details of:
 - (i) the Competing Proposal made by the person making the approach; and
 - (ii) any discussions between such person and Alinta (or its representatives).

13 Reimbursement of costs and losses

- 13.1 Alinta acknowledges that:
- (a) the Offer proposed by Optus responds to a comprehensive solicitation by Alinta and Uecomm of proposals to acquire all or part of the Shares of Uecomm. As a result of that solicitation, Alinta has formed the opinion that the price and terms of the Offer are the best reasonably available. Optus will announce the Offer on the basis of these facts; and
 - (b) Optus would not have entered into this agreement without the benefit of this clause; and
 - (c) Optus has advised Alinta that it has incurred significant external advisory costs and some internal costs of a similar kind in relation to the proposed Offer and will suffer significant further costs and losses if it makes the Offer but it is not successful (**Optus Costs**), either as a result of:
 - (i) a more favourable acquisition proposal being made by a third party; or
 - (ii) Alinta simply determining that there is more value to Alinta in retaining its Shares.

In either case Alinta acknowledges that it anticipates that it would realise greater value as a direct or indirect result of the Offer than currently and in the absence of the Offer.
- 13.2 Alinta represents and warrants that:
- (a) it has received legal advice on this agreement and the operation of this clause 13; and
 - (b) it considers this clause 13 to be fair and reasonable and that it is appropriate to agree to the terms of this clause 13 in order to secure the significant benefits to it resulting from the Offer and the resulting acquisition of Shares by Optus.
- 13.3 Alinta does not promise that it will accept the Offer. In this regard, clause 6.3 is paramount. Nevertheless, Alinta agrees to reimburse Optus for the Optus Costs if:
- (a) both:
 - (i) all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions, other than the Minimum Acceptance Condition; and

(ii) Optus does not receive acceptances of the Offer in respect of 65% of the Shares in Uecomm by the close of the Offer Period; or

(b) Alinta is in material breach of this agreement and:

(i) if the breach is capable of being remedied, the breach has not been remedied within 2 Business Days of the date of the breach; or

(ii) the breach is incapable of being remedied.

13.4 Alinta and Optus acknowledge that the precise amount of the Optus Costs is inherently unascertainable. As a genuine and reasonable pre-estimate of the costs that Optus will suffer in the event that the Offer is not successful, Alinta and Optus agree that, for the purposes of this clause 13, the Optus Costs will be \$2.25 million. Alinta and Optus further acknowledge that the sum of \$2.25 million is a reasonable amount in the context of the Offer and the resulting transactions, representing less than 1.5% of the total value of the Original Call Option Shares and the Uncommitted Shares implied by the Offer and the Alinta Debt Price.

13.5 The reimbursement of Optus Costs by Alinta provided for in this clause 13 must be made within 2 Business Days of receipt of a written demand for payment by Optus. The demand may only be made after the occurrence of an event referred to in paragraph 13.3.

14 Termination

14.1 A party may terminate this agreement (without affecting accrued rights or liabilities) if any of the following applies:

(a) if the other party is in material breach of a material term of this agreement and:

(i) if the breach is capable of being remedied, the breach is not remedied within 2 Business Days of the breach; or

(ii) the breach is incapable of being remedied;

(b) Optus does not issue an announcement of an Offer on terms and conditions no less favourable to offerees than those set out in Annexure 1 within 2 Business Days after execution and exchange of this agreement;

(c) Optus does not lodge a copy of its bidder's statement in connection with the Offer with ASIC on or before the date that is 21 days after the date of announcement of the Offer or Optus does not dispatch its Offers within 1 month after lodgement of its bidder's statement; or

(d) on any day on or after 4 months following the date of this agreement.

14.2 Clauses 8, 13, 16, 18, 19 and this clause 14.2 survive the termination of this agreement.

15 Notices

15.1 A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

(a) in writing, in English and signed by a person duly authorised by the sender; and

- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

Optus

Address: 101 Miller Street, North Sydney, NSW 2060

Facsimile: (02) 9342 7667

Attention: Rohan Lund

Alinta

Address: Level 7, 1 William Street, Perth, WA 6000

Facsimile: (08) 9486 3065

Attention: Company Secretary

- 15.2 A Notice given in accordance with clause 15.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within 8 Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

16 Stamp Duty

Optus must pay all stamp duty in respect of this agreement and the acquisition of Call Option Shares contemplated by this agreement.

17 Equitable remedies

Each party acknowledges to the other that damages are likely to be an inadequate remedy for breach of this agreement. Accordingly, a party may seek the remedy of injunction or specific performance (or other equitable remedy) in respect of any breach or threatened breach by the other party.

18 Confidentiality

Each party must keep the existence and the terms of this agreement and any confidential information of the other party confidential except where:

- (a) the information is public knowledge (but not because of a breach of this agreement) or the party has independently created the information;
- (b) disclosure is required by law or a regulatory body (including a relevant stock exchange); or
- (c) disclosure is made to a person who must know for the purposes of this agreement on the basis that the person keeps the information confidential.

19 **Governing Law**

This agreement is governed by the laws of New South Wales, Australia, and the parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

20 **Severability**

A term or part of a term of this agreement (other than clauses 7, 8 or 8.9) that is illegal or unenforceable or which the Takeovers Panel decides constitutes unacceptable circumstances may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

21 **Counterparts**

This agreement may be executed in counterparts including by facsimile.

22 **Authority**

Each person signing this agreement on behalf of a party warrants the authority to do so.

23 **Interpretation and defined terms**

23.1 In this agreement headings are for convenience only and do not affect interpretation and unless the context indicates a contrary intention:

- (a) words importing the singular include the plural (and vice versa);
- (b) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has corresponding meaning; and
- (c) where the day on or by which any sum is payable hereunder or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or the act, matter or thing will be done on the next succeeding Business Day.

23.2 In this agreement:

Alinta Base Price means \$0.325 less any amount paid, on or after the date of this agreement and prior to Alinta ceasing to hold the Call Option Shares, in respect of a Share by way of dividend, return of capital or other distribution.

Alinta Debt Price means \$45.9 million plus any further amounts drawn down or deemed, by the Side Letter or the Debt Facility, to be drawn down by Uecomm under the Debt Facility on or after the date of this agreement (but before the Novation Date):

- (a) without double counting, plus the amount of any accrued but unpaid interest;
 - (b) less any amount of principal that is repaid to Alinta under the Debt Facility,
- in each case, as at the Novation Date.

Alinta Final Price means the lower of:

- (a) the Alinta Base Price plus any amount that Optus may determine, in its absolute discretion; and
- (b) the Offer Price.

Alinta Finance means Alinta Finance Pty Ltd ABN 94 089 531 993.

ASIC means Australian Securities & Investments Commission.

Business Day means a day on which banks are open for business in Sydney, excluding Saturday, Sunday or public holidays.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Call Option Period means the period:

- (a) commencing on the date on which all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions other than the Minimum Acceptance Condition; and
- (b) ending on the End Date.

Call Option Shares means the First Call Option Shares and the Second Call Option Shares.

Call Options means the First Call Option and the Second Call Option and **Call Option** means either one of them.

Competing Bid means any proposal or transaction that, if completed, would mean a person (other than Optus and its related bodies corporate) would:

- (a) directly or indirectly, acquire an interest, a relevant interest in or become the holder of:
 - (i) 20% or more of Uecomm's share capital or of the share capital of any of its subsidiaries; or
 - (ii) all or a substantial part or a material part of Uecomm's business,including by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale of shares or joint venture;
- (b) acquire control of Uecomm, within the meaning of section 50AA of the *Corporations Act 2001* (Cth); or
- (c) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Uecomm.

Competing Proposal means any proposal or transaction which, if completed, would result in any person other than Optus acquiring either Shares, or an interest in or right to the Debt Facility, held by Alinta.

Debt Facility means the Uecomm Loan Agreement as defined in the Uecomm Loan Deed of Novation, as amended by the Side Letter.

End Date means the earliest of:

- (a) the day after the date of termination of this agreement;
- (b) the end of the Offer Period; and
- (c) 4 months after the date of this agreement.

FATA means *Foreign Acquisitions and Takeovers Act 1975* (Cth).

First Call Option means the call option granted to Optus by Alinta under clause 2.1.

First Call Option Shares means, subject to clause 7.5(b), 76,419,450 Shares.

Guarantee Facility means the facility deed dated 1 August 2003 between Australia and New Zealand Banking Group Limited ABN 11 005 357 522, Uecomm and Alinta.

Minimum Acceptance Condition means the condition in paragraph 4(c) of Annexure 1.

Novation Date means the date that is 7 Business Days after the date on which all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions.

Offer means the offer to acquire Uecomm Shares to be made by Optus under an off-market bid, the principal terms and conditions of which are described in Annexure 1.

Offer Period means the period during which the Offer is open for acceptance.

Offer Price means the amount per Share offered to Uecomm shareholders under the Offer.

Optus Finance means Optus Finance Pty Limited ABN 31 086 656 162.

Original Call Option Shares means all of the Shares held by Alinta at the date of this agreement other than the Uncommitted Shares.

Optus Costs is defined in clause 13.1(c).

Related Parties means in relation to a party, its related bodies corporate (as that term is defined in the *Corporations Act 2001* (Cth)), directors, officers, advisers and agents.

Relevant Option Shares means the First Call Option Shares, the Second Call Option Shares or both, as the case may be.

Second Call Option means the call option granted to Optus by Alinta under clause 3.1.

Second Call Option Shares means, subject to clause 7.5(b), 25,473,150 Shares.

Shares or **Uecomm Shares** means fully paid ordinary shares in the capital of Uecomm.

Side Letter means the agreement between Uecomm, Alinta and Alinta Finance dated 31 July 2003.

Total Rebate is defined in clause 7.1.

Uecomm Loan Deed of Novation means the deed of that name between Uecomm, UE Energy Finance Pty Limited ABN 56 079 083 195, Alinta Finance and Alinta dated on or around 14 July 2003.

Uncommitted Shares means 233,107,400 Shares held by Alinta.

24 Acceptance

Please indicate your acceptance of these terms by signing this letter where indicated below.

Yours faithfully,

Optus Networks Pty Limited

(Signed by Pat O'Sullivan)

Pat O'Sullivan
Director

(Signed by Paul O'Brien)

Paul O'Brien
Company Secretary

Agreed to and accepted by:

Alinta Limited

(Signed by Robert Browning)

Robert Browning
Director

(Signed by Murray King)

Murray King
Company Secretary

Agreed to and accepted by:

Alinta Finance Pty Limited

(Signed by Robert Browning)

Robert Browning
Director

(Signed by Murray King)

Murray King
Company Secretary

ANNEXURE 1 – PRINCIPAL TERMS AND CONDITIONS OF OFFER

1 Offer

Optus proposes to make an off-market bid under Chapter 6 of the *Corporations Act 2001* (Cth) to acquire all of the Shares.

2 Offer price

The offer price per Share under the Offer will be not less than the Alinta Base Price.

3 Offer Period

The Offer Period will be 1 month. Optus may decide to extend this Offer Period.

4 Conditions to the Offer

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

- (a) **(Foreign investment approval)** Before the end of the Offer Period:
 - (i) the Treasurer issues a notice under the FATA stating that the Commonwealth Government does not object to the transfer of the Shares; or
 - (ii) the Treasurer is, by reason of lapse of time, not empowered to make an order under the FATA in relation to the transfer of the Shares.
- (b) **(ACCC approval)** Before the end of the Offer Period the Australian Competition and Consumer Commission advises that it has no objection to, or will not be taking any action in respect of, the acquisition by Optus of Shares.
- (c) **(Minimum acceptance condition)** Before the end of the Offer Period Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue.
- (d) **(Material adverse effect)** Between the date of the announcement of the bid and the end of the Offer Period no change, event or condition occurs, is announced, disclosed or otherwise becomes known to Optus (whether it becomes public or not) that has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of Uecomm or the Uecomm group of companies taken as a whole since 31 December 2003 other than changes, events or conditions publicly announced or publicly disclosed by Uecomm prior to the date of the announcement.
- (e) **(No material acquisition or disposal)** Except for any transaction or proposed expenditure publicly announced or publicly disclosed before the date of announcement of the bid, none of the following events occurs between the date of the announcement of the bid and the end of the Offer Period:
 - (i) Uecomm or a subsidiary of Uecomm acquires, agrees to or comes under an obligation to acquire, or makes any public announcement or public disclosure about the acquisition of any companies, businesses or assets (or any interests in any companies, businesses or assets) for an amount in aggregate in excess of \$5 million; or

- (ii) Uecomm or a subsidiary of Uecomm disposes, agrees to or comes under an obligation to dispose, or makes any public announcement or public disclosure about the disposal of any companies, businesses or assets (or any interests in any companies, businesses or assets) for an amount in aggregate in excess of \$5 million.
- (f) **(No Prescribed Occurrences)** None of the following events occurs (each a **Prescribed Occurrence**) between the date of the announcement of the bid and the end of the Offer Period:
- (i) Uecomm converts all or any of its Shares into a larger or smaller number of shares;
 - (ii) Uecomm or a subsidiary of Uecomm resolves to reduce its share capital in any way;
 - (iii) Uecomm or a subsidiary of Uecomm:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the *Corporations Act 2001* (Cth);
 - (iv) Uecomm or a subsidiary of Uecomm issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the date of announcement of the bid;
 - (v) Uecomm or a subsidiary of Uecomm issues, or agrees to issue, convertible notes;
 - (vi) Uecomm or a subsidiary of Uecomm charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (vii) Uecomm or a subsidiary of Uecomm resolves to be wound up;
 - (viii) a liquidator or provisional liquidator of Uecomm or of a subsidiary of Uecomm is appointed;
 - (ix) a court makes an order for the winding up of Uecomm or of a subsidiary of Uecomm;
 - (x) an administrator of Uecomm, or of a subsidiary of Uecomm, is appointed under section 436A, 436B or 436C of the *Corporations Act 2001* (Cth);
 - (xi) Uecomm or a subsidiary of Uecomm executes a deed of company arrangement; or
 - (xii) a receiver, a receiver and manager, or other controller (as defined in the *Corporations Act 2001* (Cth)) is appointed in relation to the whole, or a substantial part, of the property of Uecomm or of a subsidiary of Uecomm.
- (g) **(No untrue statements)** Between the date of the announcement of the bid and the end of the Offer Period, Optus does not become aware of any statement that is untrue or fact that is required to be stated to make a statement not misleading in any document filed by or on behalf of Uecomm with ASX, and which has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of Uecomm since 31 December 2003 other than changes, events or conditions publicly announced or publicly disclosed by Uecomm prior to the date of the announcement of the bid.

- (h) **(No regulatory action)** Between the date of the announcement of the bid and the end of the Offer Period:
- (i) there not being in effect any preliminary or final decision, order or decree issued by a public authority;
 - (ii) no action or investigation being announced, commenced or threatened by any public authority;
 - (iii) no application being made to any public authority (other than by Optus or any associate of Optus), in consequence of or otherwise relating to the bid (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the *Corporations Act 2001* (Cth) or if the regulatory action results from action or inaction of Optus or its associates relating to the bid) which:
 - (iv) restrains or prohibits or otherwise materially adversely impacts upon the making of the bid or the completion of any transaction contemplated by the bidder's statement (including the acquisition of Uecomm Shares) or which threatens to do so; or
 - (v) seeks to require or approve the divestiture of any assets of any company within Uecomm group or the Optus group.

Each of the conditions in each paragraph and sub-paragraph above is a separate and independent condition.

The condition in paragraph 4(a) is a condition precedent to any contract resulting from the acceptance of the Offer coming into effect. The other conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Optus to rescind any contracts resulting from acceptance of the Offer.

5 Payment Terms

Optus will dispatch the consideration payable to a Uecomm shareholder who accepts the Offer within 7 Business Days after the later of:

- (a) the date on which the Offer is accepted by that Uecomm shareholder; and
- (b) the date on which all of the conditions of the Offer are satisfied or waived.

ANNEXURE 2 - DEBT FACILITY NOVATION DEED

DEBT FACILITY NOVATION DEED

Alinta Finance Pty Limited ABN 94 089 531 993 (**Alinta Finance**)

Alinta Limited ABN 40 087 857 001 (**Alinta**)

Uecomm Limited ABN 56 079 083 195 (**Uecomm**)

Optus Networks Pty Limited ABN 92 008 570 330 (**Optus Networks**)

Optus Finance Pty Limited ABN 31 086 656 162 (**Optus Finance**)

Singtel Optus Pty Ltd ABN 90 052 833 208 (**Singtel Optus**)

[Debt Facility Novation Deed table of contents has not been reproduced.]

DETAILS

Date May 2004

Parties

Name **Alinta Finance Pty Limited** ACN 089 531 993
ABN 94 089 531 993
Short form name **Alinta Finance**
Notice details Level 7, 1 William Street, Perth, WA 6000
Facsimile: (08) 9486 3065
Attention: Company Secretary

Name **Alinta Limited** ACN 087 857 001
ABN 40 087 857 001
Short form name **Alinta**
Notice details Level 7, 1 William Street, Perth, WA 6000
Facsimile: (08) 9486 3065
Attention: Company Secretary

Name **Uecomm Limited** ACN 079 083 195
ABN 56 079 083 195
Short form name **Uecomm**
Notice details Building 8, 658 Church Street, Cremorne, VIC 3121
Facsimile: (03) 9221 4193
Attention: Company Secretary/Legal Counsel

Name **Optus Networks Pty Limited** ACN 008 570 330
ABN 92 008 570 330
Short form name **Optus Networks**
Notice details 101 Miller Street, North Sydney, NSW 2060
Facsimile: (02) 9342 7667
Attention: Rohan Lund

Name **Optus Finance Pty Limited** ACN 086 656 162
ABN 31 086 656 162
Short form name **Optus Finance**
Notice details 101 Miller Street, North Sydney, NSW 2060
Facsimile: (02) 9342 7667
Attention: Rohan Lund

Name **SingTel Optus Pty Ltd** ACN 052 833 208
ABN 90 052 833 208
Short form name **SingTel Optus**
Notice details 101 Miller Street, North Sydney, NSW 2060
Facsimile: (02) 9342 7667
Attention: Rohan Lund

Background

- A Alinta Finance and Uecomm are parties to the Debt Facility and the Subordination Deed.
- B Alinta has provided the Guarantee and Indemnity in favour of Uecomm in relation to Alinta Finance's obligations under the Debt Facility.
- C Alinta, Alinta Finance and Uecomm are parties to the Side Letter.
- D Alinta Finance, Alinta, SingTel Optus, Optus Networks, Optus Finance and Uecomm have agreed that:
 - (i) the Debt Facility, the Side Letter and the Subordination Deed will be novated so that Alinta Finance is released and discharged from, and Optus Networks assumes the rights and obligations of Alinta Finance under, each of the Debt Facility, the Side Letter and the Subordination Deed;
 - (ii) Alinta is released and discharged from, and SingTel Optus assumes the rights and obligations of Alinta under, the Guarantee and Indemnity; and
 - (iii) immediately after the novation referred to in paragraph (i) above, the Debt Facility, the Side Letter and the Subordination Deed will be novated so that Optus Networks is released and discharged from, and Optus Finance assumes the rights and obligations of Optus Networks under, each of the Debt Facility, the Side Letter and the Subordination Deed,on the terms and conditions of this deed.

AGREED TERMS

1 Defined terms & interpretation

1.1 Defined terms in Debt Facility

Defined terms in the Debt Facility have the same meanings in this deed, unless the contrary intention appears.

1.2 Defined terms

In this deed:

Alinta Claims means any Claims that Alinta may have against Uecomm arising directly or indirectly, in relation to the Debt Facility or the Guarantee and Indemnity.

Alinta Finance Claims means any Claims that Alinta Finance may have against Uecomm arising directly or indirectly, in relation to the Debt Facility, the Side Letter or the Subordination Deed.

Alinta Debt Price has the meaning given in the Pre-Bid Agreement.

Business Day means:

- (a) for receiving a notice under clause 10, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is sent;
- (b) for all other purposes, a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Claims means all existing and future actions, suits, causes of action, claims and demands.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Facility has the meaning given in the Uecomm Loan Deed of Novation, as amended by the Side Letter.

Effective Date means the date that is 7 Business Days after the date on which all of the conditions of the Offer have been fulfilled or the Offer has been declared by Optus to be free of all such conditions.

First Novation means the novation of the Debt Facility, the Side Letter and the Subordination Deed to Optus Networks pursuant to clause 3.

Guarantee and Indemnity means the guarantee and indemnity provided by Alinta in favour of Uecomm as set out in clause 9 of the Uecomm Loan Deed of Novation in relation to the obligations of Alinta Finance to Uecomm (monetary or non-monetary, present or future, actual or contingent) arising under or in connection with the Debt Facility.

Offer means the offer to acquire Uecomm Shares to be made by Optus under an off-market bid.

Optus Networks Claims means any Claims that Optus Networks may have against Uecomm arising directly or indirectly in relation to the Debt Facility, the Side Letter or the Subordination Deed.

Pre-Bid Agreement means the letter agreement dated 21 May 2004 between Optus, Alinta and Alinta Finance.

Side Letter means the agreement between Uecomm, Alinta and Alinta Finance dated 31 July 2003.

SingTel Optus Claims means any Claims that SingTel Optus may have against Uecomm arising directly or indirectly in relation to the Debt Facility, the Side Letter, the Guarantee and Indemnity or the Subordination Deed.

Subordination Deed has the meaning given in the Uecomm Loan Deed of Novation.

Uecomm Claims against Alinta Finance means any Claims that Uecomm may have against Alinta Finance arising directly or indirectly in relation to the Debt Facility, the Side Letter or the Subordination Deed.

Uecomm Claims against Alinta means any Claims that Uecomm may have against Alinta arising directly or indirectly in relation to the Debt Facility, the Side Letter, the Subordination Deed or the Guarantee and Indemnity.

Uecomm Claims against Optus Networks means any Claims that Uecomm may have against Optus Networks arising directly or indirectly in relation to the Debt Facility, the Side Letter or the Subordination Deed.

Uecomm Claims against SingTel Optus means any Claims that Uecomm may have against SingTel Optus arising directly or indirectly in relation to the Guarantee and Indemnity.

Uecomm Loan Deed of Novation means the deed of that name between Uecomm, UE Finance, Alinta Finance and Alinta dated 14 July 2003.

Uecomm Shares means fully paid ordinary shares in the capital of Uecomm.

UEL means United Energy Limited ABN 70 064 651 029.

1.3 Interpretation

In this deed, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this deed, and a reference to this deed includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this deed, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;

- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (l) any agreement, representation, warranty or indemnity by 2 or more parties (including where 2 or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of 2 or more parties (including where 2 or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this deed or any part of it; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.4 Headings

Headings are for ease of reference only and do not affect interpretation.

2 Consideration

Each party acknowledges that it has received valuable consideration for entering into this deed, including, in the case of Alinta Finance, the Alinta Debt Price from Optus Networks.

3 Novation of Debt Facility, the Side Letter, Guarantee and Indemnity and Subordination Deed

3.1 Optus Networks party to Debt Facility, Side Letter and Subordination Deed

Each party agrees with each other party that, subject to clause 3.3, with effect from the Effective Date:

- (a) Optus Networks is taken to be a party to:
 - (i) the Debt Facility;
 - (ii) the Side Letter; and
 - (iii) the Subordination Deed,

as if Optus Networks was an original party to the Debt Facility, the Side Letter and the Subordination Deed instead of Alinta Finance and all references to Alinta Finance in each of the Debt Facility, the Side Letter and the Subordination Deed are to be read as references to Optus Networks; and

- (b) Alinta is released and discharged from, and SingTel Optus assumes the rights and obligations of Alinta under, the Guarantee and Indemnity as if SingTel Optus was an original party to the Guarantee and Indemnity instead of Alinta and all references to Alinta in the Guarantee and Indemnity are to be read as references to SingTel Optus.

3.2 Optus Networks bound by Debt Facility, the Side Letter and Subordination Deed

- (a) Subject to clause 3.3, on and from the Effective Date, Optus Networks undertakes to perform the obligations of Alinta Finance under:
 - (i) the Debt Facility;
 - (ii) the Side Letter; and
 - (iii) the Subordination Deed,to the extent that they have not been performed as at the Effective Date and to be bound by the terms of those documents in all respects.
- (b) Subject to clause 3.3, on and from the Effective Date, SingTel Optus obtains the rights and assumes the obligations of Alinta under the Guarantee and Indemnity to the extent that they have not been performed as at the Effective Date and undertakes to be bound by the terms of that document in all respects.

3.3 Effective Date

Clauses 3.1 and 3.2 apply to all rights and obligations of Alinta or Alinta Finance (as the case may be) under the Guarantee and Indemnity, the Debt Facility, the Side Letter and the Subordination Deed (whether present or future, actual or contingent) other than rights and obligations that arise prior to the Effective Date.

4 Releases

As a consequence of clause 3:

- (a) Alinta Finance releases and discharges Uecomm from all Alinta Finance Claims arising on or after the Effective Date;
- (b) Alinta releases and discharges Uecomm from all Alinta Claims arising on or after the Effective Date;
- (c) Uecomm releases and discharges Alinta Finance from all Uecomm Claims against Alinta Finance arising on or after the Effective Date; and
- (d) Uecomm releases and discharges Alinta from the Uecomm Claims against Alinta arising on or after the Effective Date.

5 Novation of Debt Facility, the Side Letter and Subordination Deed to Optus Finance

5.1 Optus Finance party to Debt Facility, the Side Letter and Subordination Deed

Each party agrees with each other party that, with effect from the Effective Date but immediately after the First Novation, Optus Finance is taken to be a party to:

- (a) the Debt Facility;
- (b) the Side Letter; and
- (c) the Subordination Deed,

as if Optus Finance was an original party to the Debt Facility, the Side Letter and the Subordination Deed instead of Optus Networks and all references to Optus Networks in each of the Debt Facility, the Side Letter and the Subordination Deed are to be read as references to Optus Finance.

5.2 Optus Finance bound by Debt Facility, the Side Letter and Subordination Deed

On and from the Effective Date but immediately after the First Novation, Optus Finance undertakes to perform the obligations of Optus Networks under:

- (a) the Debt Facility;
- (b) the Side Letter; and
- (c) the Subordination Deed,

to the extent that they have not been performed as at the Effective Date and to be bound by the terms of those documents in all respects.

6 Releases

As a consequence of clause 5:

- (a) Optus Networks releases and discharges Uecomm from all Optus Networks Claims arising on or after the Effective Date; and
- (b) Uecomm releases and discharges Optus Networks from all Uecomm Claims against Optus Networks arising on or after the Effective Date.

7 Indemnities

7.1 From Alinta

Alinta and Alinta Finance jointly and severally indemnify SingTel Optus and Optus Finance against all liability arising from:

- (a) any and all Uecomm Claims against Alinta Finance; and

(b) any and all Uecomm Claims against Alinta,
arising before the Effective Date.

7.2 From Optus

SingTel Optus and Optus Finance jointly and severally indemnify Alinta and Alinta Finance against all liability arising from:

- (a) any and all Uecomm Claims against Alinta Finance; and
- (b) any and all Uecomm Claims against Alinta,
arising on or after the Effective Date.

8 Representations & warranties

8.1 General representations and warranties

Each party represents and warrants that:

- (a) it has the full power and authority to enter into and to perform its obligations under this deed;
- (b) the execution, delivery and performance by it of this deed does not and will not violate in any respect any provision of:
 - (i) any law, regulation, authorisation, ruling, consent, judgment, order or decree of any government agency; or
 - (ii) its constituent documents,and does not and will not result in a breach or default in any material respect under any agreement binding it; and
- (c) any authorisations required in connection with the execution, delivery and performance by it and the validity and enforceability against it of this deed have been obtained or effected and are in full force, and there has been no material default by it in the performance of any of the terms and conditions of any of those authorisations.

8.2 Representations and warranties about Debt Facility and the Side Letter

Alinta and Alinta Finance jointly and severally represent and warrant to SingTel Optus and Optus Finance that:

- (a) the copy of the Uecomm Loan Deed of Novation in Annexure A and the copy of the Side Letter in Annexure C are true and correct copies of those documents and to the best of their knowledge and belief are the only documents setting out the terms of the Debt Facility;

- (b) the amount of principal and interest outstanding under the Debt Facility as at the date of this deed is:
 - (i) principal – \$[]; and
 - (ii) interest – \$[].
- (c) Alinta Finance is not in default under the Debt Facility or the Side Letter as at the date of this deed and will not be in default on the Effective Date.

8.3 Representations and warranties about the Subordination Deed

Alinta and Alinta Finance jointly and severally represent and warrant to SingTel Optus and Optus Finance that:

- (a) the copy of the Subordination Deed in Annexure B is a true and correct copy of that document;
- (b) the terms of the Subordination Deed are legal and binding, and the Subordination Deed is enforceable in accordance with its terms;
- (c) Alinta Finance is not in default under the Subordination Deed as at the date of this agreement and will not be in default on the Effective Date.

8.4 Reliance on representations and warranties

Each party acknowledges that the other parties have entered into this deed in reliance on the representations and warranties that are made in this clause 8.

9 GST

9.1 Interpretation

In this clause 9, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

9.2 GST gross up

If a party makes a supply under or in connection with this deed in respect of which GST is payable, the consideration for the supply but for the application of this clause 9.2 (**GST exclusive consideration**) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.

9.3 Reimbursements

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 9.2.

9.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this deed until it receives a tax invoice for the supply to which the payment relates.

10 Notices and other communications

10.1 Service of notices

A notice, demand, consent, approval or communication under this deed (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

10.2 Effective on receipt

A Notice given in accordance with clause 10.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within 8 Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

11 Miscellaneous

11.1 Alterations

This deed may be altered only in writing signed by each party.

11.2 Approvals and consents

Except where this deed expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this deed.

11.3 Assignment

A party may only assign this deed or a right under this deed with the prior written consent of each other party.

11.4 Costs

Each party must pay its own costs of negotiating, preparing and executing this deed.

11.5 Stamp duty

Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this deed or any transaction contemplated by this deed, must be paid by the parties in equal shares.

11.6 Survival

Any indemnity or any obligation of confidence under this deed is independent and survives termination of this deed. Any other term by its nature intended to survive termination of this deed survives termination of this deed.

11.7 Counterparts

This deed may be executed in counterparts. All executed counterparts constitute one document.

11.8 No merger

The rights and obligations of the parties under this deed do not merge on completion of any transaction contemplated by this deed.

11.9 Entire agreement

This deed constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

11.10 Further action

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this deed and any transaction contemplated by it.

11.11 Severability

A term or part of a term of this deed that is illegal or unenforceable may be severed from this deed and the remaining terms or parts of the term of this deed continue in force.

11.12 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

11.13 Relationship

Except where this deed expressly states otherwise, it does not create a relationship of employment, trust, agency or partnership between the parties.

11.14 Confidentiality

A party may only use confidential information of another party for the purposes of this deed, and must keep the existence and the terms of this deed and any confidential information of another party confidential except where:

- (a) the information is public knowledge (but not because of a breach of this deed) or the party has independently created the information;
- (b) disclosure is required by law or a regulatory body (including a relevant stock exchange); or
- (c) disclosure is made to a person who must know for the purposes of this deed on the basis that the person keeps the information confidential.

11.15 Governing law and jurisdiction

This deed is governed by the law of New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

SIGNING PAGE

EXECUTED as a deed.

Executed by Alinta Finance Pty Limited in accordance with Section 127 of the *Corporations Act 2001* in the presence of



Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Executed by Alinta Limited in accordance with Section 127 of the *Corporations Act 2001* in the presence of



Signature of director

Signature of director/company secretary
(Please delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Executed by Uecomm Limited in accordance with Section 127 of the *Corporations Act 2001* in the presence of

←
Signature of director

Name of director (print)

←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

Executed by Optus Networks Pty Limited in accordance with Section 127 of the *Corporations Act 2001* in the presence of

←
Signature of director

Name of director (print)

←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

Executed by Optus Finance Pty Limited in accordance with Section 127 of the *Corporations Act 2001* in the presence of

←
Signature of director

Name of director (print)

←
Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

[Cover pages for Annexure A (Debt Facility), Annexure B (Subordination Deed) and Annexure C (Side Letter) have not been reproduced.]



ANNEXURE B

Conformed copy of Implementation Agreement

Annexure to bidder's statement

IMPLEMENTATION AGREEMENT

Optus Networks Pty Limited ACN 008 570 330
Uecomm Limited ACN 079 083 195

DETAILS

Date 21 May 2004

Parties

Name **Optus Networks Pty Limited** ACN 008 570 330
ABN 92 008 570 330
Short form name **Optus**
Notice details 101 Miller Street, North Sydney, NSW 2060
Facsimile: (02) 9342 7667
Attention: Rohan Lund

Name **Uecomm Limited** ACN 079 083 195
ABN 56 079 083 195
Short form name **Uecomm**
Notice details Building 8, 658 Church Street, Richmond, VIC 3121
Facsimile: (03) 9221 4193
Attention: Company Secretary/Legal Counsel

Background

- A Uecomm and Alinta have conducted a sale process in respect of Uecomm, and invited Optus and a number of other parties to make proposals to acquire all or part of Uecomm.
- B Optus and Uecomm have agreed to co-operate with each other, on the terms of this agreement, in relation to the implementation of the following transactions:
- (i) the acquisition of Uecomm Shares by Optus under the Takeover Bid;
 - (ii) the assignment by Alinta of the Debt Facilities to Optus Finance; and
 - (iii) the assumption by Optus Finance of Alinta's obligations under the Guarantee Facility.
- C Prior to the Announcement, Optus has advised Uecomm that it and Alinta will enter into a pre-bid agreement pursuant to which, among other things:
- (i) Alinta will grant Optus an option to acquire approximately 14.9% of Uecomm Shares;
 - (ii) subject to FIRB approval, Alinta will grant Optus an option to acquire approximately 5% of Uecomm Shares;
 - (iii) Alinta will agree to assign the Debt Facilities to Optus Finance; and
 - (iv) Optus Finance will agree to assume Alinta's obligations under the Guarantee Facility.

AGREED TERMS

1 Defined terms and interpretation

1.1 Defined terms

In this agreement:

Alinta means Alinta Limited ACN 087 857 001.

Alinta Finance means Alinta Finance Pty Limited ACN 089 531 993.

Announcement is defined in clause 8.2.

ANZ means Australia and New Zealand Banking Group Limited ACN 005 357 522.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited ACN 008 624 691.

Business means the business conducted by Uecomm.

Business Day means:

- (a) for receiving a notice under clause 9, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the notice is sent; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, bank holiday or public holiday in New South Wales, Australia.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Competing Proposal means any proposal or transaction which, if completed, would result in:

- (a) any person other than Optus acquiring more than 20% of the issued capital of Uecomm; or
- (b) the assignment of the Debt Facilities by Alinta to any person other than Optus.

Conditions means the conditions to the Offer which are described in Schedule 2.

Corporations Act means the *Corporations Act 2001* (Cth).

Debt Facilities means the loan facility letter between United Energy Limited ABN 70 064 651 029 (**UEL**) and Uecomm dated 29 June 2000 as amended by agreement between UEL and Uecomm, assigned to UE Energy Finance Pty Limited ABN 56 079 083 195 (**UE Finance**) under an assignment deed between UEL and UE Finance dated 15 May 2002 as amended by agreements between UE Finance and Uecomm dated 18 November 2002 and 9 May 2003, as amended and novated by a deed of novation between Uecomm, UE Finance, Alinta Finance Pty Limited ABN 94 089 531 993 and Alinta dated on or around 8 July 2003, as amended by agreement between Uecomm, Alinta and Alinta Finance dated 31 July 2004.

End Date means the end of the Offer Period.

FIRB means Foreign Investment Review Board.

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person; or
- (c) a person (whether autonomous or not) who is charged with the administration of a law.

Guarantee Facility means the facility deed dated 1 August 2003 between ANZ, Uecomm and Alinta.

Independent Directors means the directors of Uecomm other than the nominees of Alinta.

Initial Regulatory Approvals means such consents, approvals, instruments or other acts made or given by a Government Agency which will result in the satisfaction of the conditions referred to in paragraph (a) and (b) of Schedule 2.

Offer means each offer to acquire Uecomm Shares to be made by Optus to each Uecomm Shareholder under the Takeover Bid on terms consistent with this agreement.

Offer Period means the period during which the Offer is open for acceptance.

Optus Finance means Optus Finance Pty Limited ACN 086 656 162.

Pre-Bid Agreement means the agreement to be entered into between Alinta and Optus (or one or more of its Related Bodies Corporate) in relation to, among other things, the transactions referred to in recital C.

Regulatory Approvals means such consents, approvals, instruments or other acts made or given by a Government Agency required for the Transactions.

Related Bodies Corporate has the meaning given to that term in the Corporations Act.

Related Parties means, in relation to a party, its Related Bodies Corporate, directors, officers, employees, contractors, advisers, financiers and agents.

Takeover Bid means an off-market takeover bid for all of the Uecomm Shares to be implemented in compliance with Chapter 6 of the Corporations Act (which will extend to Uecomm Shares that come to be in the bid class during the Offer Period because of the conversion or exercise of Uecomm Options).

Timetable means the timetable in Schedule 1.

Transactions means:

- (a) the acquisition of Uecomm Shares by Optus under the Takeover Bid;
- (b) the assignment by Alinta of the Debt Facilities to Optus; and
- (c) the assumption by Optus of Alinta's obligations under the Guarantee Facility.

Uecomm Options means options to subscribe for Uecomm Shares, issued by Uecomm under Uecomm's Option and Performance Rights Plan.

Uecomm Performance Right means a right to subscribe for a Uecomm Share at no consideration under Uecomm's Option and Performance Rights Plan.

Uecomm Share means a fully paid ordinary share in Uecomm.

Uecomm Shareholder means a holder of one or more Uecomm Shares.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Sydney, Australia time;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (l) any agreement, representation, warranty or indemnity by 2 or more parties (including where 2 or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of 2 or more parties (including where 2 or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2 Parties to co-operate

Without limiting their obligations under this agreement, the parties must:

- (a) co-operate and provide assistance to each other to complete the Transactions on the terms set out in this agreement; and
- (b) use all reasonable endeavours to ensure that the Offer is made in accordance with the Timetable.

3 The Offer

3.1 Offer by Optus

Optus must make Offers to all Uecomm Shareholders in respect of all or any of their Uecomm Shares on the terms of this agreement.

3.2 Consideration

- (a) The consideration offered to a Uecomm Shareholder who accepts the Offer will be \$0.40 for every Uecomm Share.
- (b) Subject to all of the Conditions being satisfied or waived, Optus will use its reasonable endeavours to pay the consideration payable to a Uecomm Shareholder who accepts the Offer within 7 days after the later of:
 - (i) the date on which the Offer is accepted by that Uecomm Shareholder; and
 - (ii) the date on which all of the Conditions are satisfied or waived.

3.3 Conditions of Offer

- (a) The Offer and any contract which results from its acceptance will be subject to the Conditions.
- (b) Optus is not obliged to waive any of the Conditions.
- (c) Without limiting clause 2, Uecomm must:
 - (i) do everything within its reasonable power or control to ensure that the Conditions are satisfied as though the Offer Period began on the date of this agreement; and
 - (ii) must carry on its Business in the usual and ordinary course as regards its nature, scope and manner.

3.4 Offer Period

Subject to any extensions by Optus or which arise automatically under the Corporations Act, the Offer Period will be 1 month.

3.5 Variation of Offer

Optus may, subject to the Corporations Act:

- (a) vary the terms and conditions of the Offer, provided that the varied terms and conditions are not materially less favourable to Uecomm Shareholders than those set out in this agreement; and
- (b) vary or waive any condition of the Offer, declare the Offer unconditional or extend it at any time.

3.6 Acquisition of Uecomm Options and Uecomm Performance Rights

- (a) If Optus becomes entitled under Chapter 6A of the Corporations Act to compulsorily acquire Uecomm Shares, Optus will offer to acquire:
 - (i) options to subscribe for Uecomm Shares at fair value, which will be assessed using the Black and Scholes methodology; and
 - (ii) any Uecomm Performance Rights in respect of which performance hurdles have been satisfied, at the same price per right as the final Offer price per Uecomm Share.
- (b) Uecomm will not until 1 month after the end of the Offer Period waive or vary any unsatisfied conditions or hurdles attached to the Uecomm Options or the Uecomm Performance Rights.
- (c) Before the unsatisfied conditions or hurdles attached to any Uecomm Performance Rights are satisfied and if the Takeover Bid has been successful, Optus will procure that the holders of Uecomm Performance Rights (including any holders whose employment is terminated other than by reason of misconduct) are offered:
 - (i) alternative value; or
 - (ii) an alternative retention plan,
of no less value, subject to satisfaction of the conditions or hurdles.

3.7 Deeds of access, indemnity and insurance

Optus must not take any steps that would hinder or prevent compliance by Uecomm with its obligations under any deed of access, indemnity or insurance which Uecomm has entered into with any directors or any officer (whether former or present).

3.8 Benefit of clauses 3.6 and 3.7

Optus' obligations under clauses 3.6 and 3.7 are given in favour of Uecomm on its own behalf and separately as trustee for each person who holds Uecomm Options or Uecomm Performance Rights or who has the benefit of a deed referred to in clause 3.7, with the intention that each such person can enforce clauses 3.6 and 3.7 in their own name or in the name of Uecomm (as trustee).

4 Recommendation and documentation

4.1 Optus' obligations to prepare documentation

Optus must prepare for the Offer:

- (a) a bidder's statement for the Offer; and
- (b) an acceptance form for the Offer,

in each case consistently with clause 3 and in accordance with the Corporations Act.

4.2 Independent Directors' recommendations

Uecomm has been advised by each of the Independent Directors that he intends to recommend the Offer, subject to no superior proposal being announced.

4.3 Uecomm's obligations to prepare documentation

Uecomm must prepare a target's statement in response to the Offer consistently with clause 3 and in accordance with the Corporations Act and use best endeavours to ensure that it includes:

- (a) an unanimous recommendation by the Independent Directors to Uecomm Shareholders to accept the Offer in respect of all of their Uecomm Shares subject to no superior proposal being announced; and
- (b) a statement by each Independent Director that that director intends to accept the Offer in respect of all Uecomm Shares held by that director or any associate of that director subject to no superior proposal being announced.

Should the Uecomm Board decide to appoint an Independent Expert to provide an Independent Expert's report on the Offer, the report will be prepared and included in the target's statement to be dispatched to Uecomm shareholders.

4.4 Co-operation in relation to documentation

Optus and Uecomm must co-operate and provide assistance to each other (which includes providing to each other any information reasonably requested) in good faith and otherwise use all reasonable endeavours to ensure that the documents referred to in this clause 4 are completed and dispatched in one envelope to Uecomm Shareholders in accordance with the Timetable. Nothing in this clause 4.4 requires Uecomm to provide Optus with more information about the Business.

5 Debt and Guarantee Facilities

5.1 Consent to assignment of the Debt Facility

Conditional on all of the Conditions having been fulfilled or the Offer having been declared by Optus to be free of all Conditions, Uecomm:

- (a) irrevocably consents to the novation of the Debt Facilities:
 - (i) by Alinta Finance to Optus; and

- (ii) by Optus to Optus Finance; and
- (b) must deliver to Optus a deed of novation of the Debt Facilities substantially in the form of Annexure A duly executed by Uecomm.

5.2 Guarantee Facility

Uecomm must co-operate and provide all reasonable assistance to Optus and its Related Bodies Corporate in good faith in relation to the assumption by Optus Finance or release of Alinta's obligations under the Guarantee Facility.

5.3 Debt Facilities

As at the date of this agreement, based on current cashflow projections to 31 July 2004 (excluding interest payable to Alinta), Uecomm does not believe it will need further drawdown upon the Debt Facilities. Uecomm agrees to consult with Optus on a timely basis before any further drawdown upon the Debt Facilities.

6 Regulatory Approvals

6.1 Optus Regulatory Approvals

Optus must, as soon as practicable, use all reasonable endeavours to obtain all Regulatory Approvals.

6.2 Co-operation in seeking Regulatory Approvals

Uecomm must:

- (a) co-operate and provide assistance in good faith to Optus in relation to the Regulatory Approvals that Optus seeks, including providing information requested by Optus; and
- (b) if requested to do so by Optus, make supporting submissions to any Government Agency from which a Regulatory Approval is sought.

7 Exclusivity

7.1 Termination of existing discussions

Uecomm represents and warrants that, other than the discussions with Optus in connection with the proposed Offer and this agreement, Uecomm is not currently in negotiations or discussions with any person in relation to any Competing Proposal.

7.2 No-talk

Subject to clause 7.5, until the date 2 months from the date of dispatch of Uecomm's target's statement, Uecomm must ensure that neither it nor any of its Related Parties negotiates or enters into or participates in negotiations or discussions with any person in relation to a Competing Proposal, even if:

- (a) the Competing Proposal was not directly or indirectly solicited, invited, initiated, facilitated or encouraged by Uecomm or any of its Related Parties; or
- (b) the Competing Proposal has been publicly announced.

7.3 No-shop

Until the date 2 months from the date of dispatch of Uecomm's target's statement, Uecomm must ensure that neither it nor any of its Related Parties directly or indirectly solicits, invites, initiates, facilitates or encourages any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.

7.4 No due diligence

Until the date 2 months from the date of dispatch of Uecomm's target's statement, Uecomm must not:

- (a) solicit, invite, initiate or encourage any party other than Optus to undertake due diligence investigations on Uecomm; or
- (b) subject to clause 7.5, make available to any other person or permit any other person to receive (in the course of due diligence investigations or otherwise) any non-public information relating to Uecomm, provided that nothing in the foregoing prevents Uecomm providing information to rating agencies, any Governmental Agency or Uecomm's auditors acting in that capacity, in the ordinary course.

7.5 Fiduciary out

The restrictions in clause 7.2 and 7.4(b) do not apply to the extent they restrict Uecomm or the Independent Directors from taking or refusing to take any action with respect to a bona fide Competing Proposal (in relation to which there has been no contravention of clause 7.3) provided that the Independent Directors have determined in good faith and acting reasonably after:

- (a) consultation with their financial advisors, that such a Competing Proposal could reasonably be considered to be a superior proposal; and
- (b) receiving written advice from external lawyers, that failing to respond to such a Competing Proposal would be reasonably likely to constitute a breach of the Uecomm Board's fiduciary or statutory obligations.

7.6 Notification of approaches

Until the date 2 months from the date of dispatch of Uecomm's target's statement, Uecomm must notify Optus immediately if it is approached by any person with or in respect of a Competing Proposal, and provide in writing to Optus:

- (a) the identity of that person; and
- (b) details of:
 - (i) the Competing Proposal made by the person making the approach; and
 - (ii) any discussions between such person and Uecomm (including its representatives);

unless the Independent Directors have determined in good faith and acting reasonably after:

- (a) consultation with their financial advisors, that such a Competing Proposal could reasonably be considered to be a superior proposal; and
- (b) receiving written advice from external lawyers, that informing Optus of an expression of interest and/or proposed Competing Proposal would be reasonably likely to constitute a breach of the Uecomm Board's fiduciary or statutory obligations.

8 Announcement of Transaction

8.1 Public announcements

Subject to clause 8.3, Uecomm must consult Optus in relation to any public announcement relating to the Transactions and, subject to Optus acting reasonably, take Optus' comments into consideration in making any public announcement in relation to the Transactions.

8.2 Announcement of Transaction after execution of this agreement

Without limiting clause 8.1, as soon as practicable after the execution of this agreement, Optus and Uecomm must each make a public announcement concerning the Transaction in the form set out in Schedule 3 (**Announcement**).

8.3 Required disclosure

Uecomm will seek to give as much notice as practicable to Optus and consult to the fullest extent practicable in the circumstances with Optus.

9 Notices and other communications

9.1 Service of notices

A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

- (a) in writing, in English and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

9.2 Effective on receipt

A Notice given in accordance with clause 9.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, on the second Business Day after the date of posting (or on the seventh Business Day after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within 8 Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

10 Miscellaneous

10.1 Alterations

This agreement may be altered only in writing signed by each party.

10.2 Approvals and consents

Except where this agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this agreement.

10.3 Assignment

A party may not assign or attempt to assign this agreement or any right under this agreement without the prior written consent of the other party.

10.4 Costs

Each party must pay its own costs of negotiating, preparing and executing this agreement.

10.5 Survival

Any indemnity or any obligation of confidence under this agreement is independent and survives termination of this agreement. Any other term by its nature intended to survive termination of this agreement survives termination of this agreement.

10.6 Counterparts

This agreement may be executed in counterparts. All executed counterparts constitute one document.

10.7 No merger

The rights and obligations of the parties under this agreement do not merge on completion of any transaction contemplated by this agreement.

10.8 Entire agreement

This agreement, including its schedules, exhibits and annexures:

- (a) constitute the entire agreement between the parties in connection with its subject matter; and
- (b) in relation to that subject matter, supersedes all previous agreements or understandings between the parties and all prior conditions, warranties, indemnities or representations imposed, given or made by a party including, without limitation, the Existing Subcontracting Arrangements.

10.9 Further action

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this agreement and the transactions contemplated by it.

10.10 Severability

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

10.11 Indemnity

Each indemnity in this document survives the expiry or termination of this document.

10.12 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

10.13 Relationship

This agreement does not create a relationship of employment, trust, agency or partnership between the parties.

10.14 Governing law and jurisdiction

This agreement is governed by the law of New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales.

SCHEDULE 1 – TIMETABLE

- Day 1** • Optus and Uecomm each make the Announcement.
- Day 5** • Submissions for the Initial Regulatory Approvals required for the Offer are lodged by Optus.
- Day 21** • Optus lodges its bidder's statement with ASIC and serves it on Uecomm.
- Day 35** • Uecomm lodges its target's statement with ASIC and serves it on Optus.
 - The bidder's statement and the target's statement are sent to print.
- Day 42** • The bidder's statement and the target's statement are jointly dispatched to Uecomm Shareholders.

SCHEDULE 2 – CONDITIONS OF THE OFFER

The Offer, and any contract resulting from the acceptance of the Offer, are subject to the following conditions:

- (a) **(Foreign investment approval)** Before the end of the Offer Period:
 - (i) the Treasurer issues a notice under the FATA stating that the Commonwealth Government does not object to the transfer of the Uecomm Shares; or
 - (ii) the Treasurer is, by reason of lapse of time, not empowered to make an order under the FATA in relation to the transfer of the Uecomm Shares.
- (b) **(ACCC approval)** Before the end of the Offer Period the Australian Competition and Consumer Commission advises that it has no objection to, or will not be taking any action in respect of, the acquisition by Optus of shares in Uecomm.
- (c) **(Minimum acceptance condition)** Before the end of the Offer Period Optus and its associates have relevant interests in at least 65% of Uecomm Shares then on issue.
- (d) **(Material adverse effect)** Between the date of the announcement of the bid and the end of the Offer Period no change, event or condition occurs, is announced, disclosed or otherwise becomes known to Optus (whether it becomes public or not) that has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of Uecomm or the Uecomm group of companies taken as a whole since 31 December 2003 other than changes, events or conditions publicly announced or publicly disclosed by Uecomm prior to the date of the announcement.
- (e) **(No material acquisition or disposal)** Except for any transaction or proposed expenditure publicly announced or publicly disclosed before the date of announcement of the bid, none of the following events occurs between the date of the announcement of the bid and the end of the Offer Period:
 - (i) Uecomm or a subsidiary of Uecomm acquires, agrees to or comes under an obligation to acquire, or makes any public announcement or public disclosure about the acquisition of any companies, businesses or assets (or any interests in any companies, businesses or assets) for an amount in aggregate in excess of \$5 million; or
 - (ii) Uecomm or a subsidiary of Uecomm disposes, agrees to or comes under an obligation to dispose, or makes any public announcement or public disclosure about the disposal of any companies, businesses or assets (or any interests in any companies, businesses or assets) for an amount in aggregate in excess of \$5 million.
- (f) **(No Prescribed Occurrences)** None of the following events occurs (each a **Prescribed Occurrence**) between the date of the announcement of the bid and the end of the Offer Period:
 - (i) Uecomm converts all or any of its shares into a larger or smaller number of shares;
 - (ii) Uecomm or a subsidiary of Uecomm resolves to reduce its share capital in any way;

- (iii) Uecomm or a subsidiary of Uecomm:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the *Corporations Act 2001* (Cth);
 - (iv) Uecomm or a subsidiary of Uecomm issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option other than the issue of shares on the exercise of any options that are on issue as at the date of announcement of the announcement of the bid;
 - (v) Uecomm or a subsidiary of Uecomm issues, or agrees to issue, convertible notes;
 - (vi) Uecomm or a subsidiary of Uecomm charges, or agrees to charge, the whole, or a substantial part, of its business or property;
 - (vii) Uecomm or a subsidiary of Uecomm resolves to be wound up;
 - (viii) a liquidator or provisional liquidator of Uecomm or of a subsidiary of Uecomm is appointed;
 - (ix) a court makes an order for the winding up of Uecomm or of a subsidiary of Uecomm;
 - (x) an administrator of Uecomm, or of a subsidiary of Uecomm, is appointed under section 436A, 436B or 436C of the *Corporations Act 2001* (Cth);
 - (xi) Uecomm or a subsidiary of Uecomm executes a deed of company arrangement; or
 - (xii) a receiver, a receiver and manager, or other controller (as defined in the *Corporations Act 2001* (Cth)) is appointed in relation to the whole, or a substantial part, of the property of Uecomm or of a subsidiary of Uecomm.
- (g) **(No untrue statements)** Between the date of the announcement of the bid and the end of the Offer Period, Optus does not become aware of any statement that is untrue or fact that is required to be stated to make a statement not misleading in any document filed by or on behalf of Uecomm with ASX, and which has or is reasonably likely to have a material adverse effect on the business, financial or trading position or condition, or the assets, liabilities, profitability or prospects of Uecomm since [31 December 2003] other than changes, events or conditions publicly announced or publicly disclosed by Uecomm prior to the date of the announcement of the bid.
- (h) **(No regulatory action)** Between the date of the announcement of the bid and the end of the Offer Period:
- (i) there not being in effect any preliminary or final decision, order or decree issued by a public authority;
 - (ii) no action or investigation being announced, commenced or threatened by any public authority;
 - (iii) no application being made to any public authority (other than by Optus or any associate of Optus),
- in consequence of or otherwise relating to the bid (other than a determination by ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the *Corporations Act 2001* (Cth) or if the regulatory action results from action or inaction of Optus or its associates relating to the bid) which:

- (iv) restrains or prohibits or otherwise materially adversely impacts upon the making of the bid or the completion of any transaction contemplated by the bidder's statement (including the acquisition of Uecomm Shares) or which threatens to do so; or
- (v) seeks to require or approve the divestiture of any assets of any company within Uecomm group or the Optus group.

Each of the conditions in each paragraph and sub-paragraph above is a separate and independent condition.

The condition in paragraph 1(a) is a condition precedent to any contract resulting from the acceptance of the Offer coming into effect. The other conditions are conditions subsequent and do not prevent a contract resulting from acceptance of the Offer from coming into effect but any breach or non-fulfilment of them entitles Optus to rescind any contracts resulting from acceptance of the Offer.

SCHEDULE 3 – ANNOUNCEMENT

[Announcements in relation to the Takeover Bid made to ASX on 21 May 2004 by Singapore Telecommunications Limited and Uecomm Limited, respectively, have not been reproduced.]

SIGNING PAGE

EXECUTED as an agreement.

Executed by Optus Networks Pty Limited

in accordance with Section 127 of the
Corporations Act 2001 in the presence of

(signed by Pat O'Sullivan) ←

Signature of director

Pat O'Sullivan

Name of director (print)

(signed by Paul O'Brien) ←

Signature of company secretary
(Please delete as applicable)

Paul O'Brien

Name of company secretary (print)

Executed by Uecomm Limited in accordance
with Section 127 of the *Corporations Act 2001*
in the presence of

(signed by Leonard P. Shore) ←

Signature of director

Leondard P. Shore

Name of director (print)

(signed by Lyndon Goulding) ←

Signature of company secretary
(Please delete as applicable)

Lyndon Goulding

Name of company secretary (print)

**[Annexure A (Novation Deed) has not been reproduced. It is identical to the Debt Facility
Novation Deed which appears on pages 64 to 78 of this bidder's statement.]**



ANNEXURE C

Uecomm's announcements to ASX since 30 December 2003

Annexure to bidder's statement

UECOMM'S ANNOUNCEMENTS TO ASX MADE SINCE 31 DECEMBER 2003

Date	Announcement
29/01/2004	Lodgement by Uecomm of an Appendix 4C (quarterly report for entities admitted on the basis of commitments for the quarter ended 31 December 2003) including a consolidated statement of cash flows, details of payments to directors (and their associates) and to related entities (and their associates), details of non-cash financing and investing activities, a reconciliation of cash, and acquisitions and details of any disposals of business entities.
02/02/2004	Lodgement by Uecomm of a change of director's interest notice for Leonard Peter Shore following the entering into by Uecomm of a master services agreement with Unwired Limited.
11/02/2004	Lodgement by Uecomm of an Appendix 4E (preliminary final report of its financial results for the financial year ended 31 December 2003 compared to its financial results for the financial year ended 31 December 2002), including Uecomm's results for announcement to the market, consolidated statement of financial performance, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, dividends, consolidated retained profits, NTA per security, control gained over entities having material effect, details of aggregate share of profits (losses) of associates and joint venture entities, significant information and commentary on results.
11/02/2004	Media release by Uecomm reporting continued revenue and earnings growth following the release of its 2003 full year results.
11/02/2004	Copy of Uecomm 2003 full year results presentation including financial overview, operations review, detailed financial review and outlook.
05/03/2004	Announcement by PowerTel in response to media speculation about an agreement between PowerTel and Uecomm that no agreement had been made between PowerTel and Uecomm or PowerTel and Alinta, and that investors should not assume there will be any kind of agreement or bid in the future.
11/03/2004	Application by Uecomm for a trading halt to allow Alinta to conduct a road show for the on-market sell down of its shareholding in Uecomm and a media release and company presentation in that regard.
11/03/2004	ASX market release of the Uecomm trading halt.
12/03/2004	Announcement by Alinta that it will retain its Uecomm shareholding.
12/03/2004	Application by Uecomm for trading halt to be lifted following Alinta's announcement that it will retain its Uecomm shareholding.

Date	Announcement
17/03/2004	Announcement by ComputerShare of its change of address, thus changing Uecomm's registry address.
23/03/2004	Announcement by Uecomm of its change of registered office.
31/03/2004	Release by Uecomm of its full year accounts for the financial year ended 31 December 2003.
08/04/2004	Announcement by Uecomm of the appointment of Christopher Indermaur and Robert Browning as directors, and the resignation of Leigh Hall as director.
14/04/2004	Lodgement by Uecomm of an initial director's interest notice for Christopher Indermaur of shares held in Alinta.
14/04/2004	Lodgement by Uecomm of initial director's interest notice for Robert Browning of shares held in Alinta.
14/04/2004	Lodgement of final director's interest notice for Leigh Hall.
21/04/2004	Release by Uecomm advising of the details for the annual general meeting to be held on Tuesday 25 May 2004 at 10am.
23/04/2004	Lodgement by Uecomm of Appendix 4C (quarterly report for entities admitted on the basis of commitments for the quarter ended 31 March 2004) including a consolidated statement of cash flows, details of payments to directors (and their associates) and to related entities (and their associates), details of non-cash financing and investing activities, a reconciliation of cash and acquisitions, and details of any disposals of business entities.
23/04/2004	Press release by Uecomm reporting a strong start to the year following the release of its unaudited results for its quarter ended 31 March 2004.
27/04/2004	Uecomm lodges its notice of annual general meeting to be held on Tuesday 25 May 2004 at 10am.
27/04/2004	Issue of 63,658 shares and grant of 1,937,545 options under the Uecomm performance share and option plan.
29/04/2004	Uecomm releases its annual report for the 12 months ended 31 December 2003.
30/04/2004	Uecomm releases a correction to its annual report.
07/05/2004	Lodgement by Uecomm of a change of director's interest notice following acquisition of Alinta shares by Christopher Indermaur.
07/05/2004	Lodgement by Uecomm of a change of director's interest notice following acquisition of Alinta shares by Timothy Healey.
07/05/2004	Lodgement by Uecomm of a change of director's interest notice following acquisition of Alinta shares by Robert Browning.

Date	Announcement
07/05/2004	Lodgement by Uecomm of a change of director's interest notice following acquisition of Alinta shares by John Cahill.
11/05/2004	Exercise of 156,250 options (UECAW) for \$0.1557 per share under the Uecomm Performance Share and Option Plan.
19/05/2004	Market release by ASX of the trading halt placed on Uecomm shares.
20/05/2004	Announcement by Alinta confirming it is having discussions concerning the possible disposal of its Uecomm interests.
21/05/2004	Announcement by Uecomm of the SingTel Optus takeover offer through Optus Networks for Uecomm and the unanimous recommendation by the Uecomm independent directors to accept the offer. The announcement includes the offer conditions and the key implementation agreement terms.
21/05/2004	Announcement by Alinta that it had reached agreement with Optus for Optus to acquire its 66% interest in Uecomm, the loan facility provided to Uecomm by Alinta and the rights and obligations under a guarantee facility provided by Alinta to ANZ Banking Group, and noting that Optus and Alinta had entered into a pre-bid agreement.
21/05/2004	Announcement by SingTel of SingTel Optus' intention, through its subsidiary Optus Networks, to make a conditional off-market takeover offer for Uecomm.
21/05/2004	Clarification to the announcement by SingTel of the takeover offer by Optus for Uecomm that the net cash consideration for the transaction is A\$226.8 million, and that all references to "\$" and "cents" are references to Australian dollars and cents respectively.
21/05/2004	Copy of a presentation/investor briefing by SingTel Optus on the Uecomm takeover bid by Optus Networks including a transaction overview, indicative timetable, background on Uecomm and the strategic fit with Optus.
21/05/2004	Media release by SingTel following Optus' announcement of its recommended conditional off-market cash takeover offer for Uecomm.
25/05/2004	Release of Uecomm's Chairman's and CEO's address to shareholders from the AGM.
25/05/2004	Announcement by Uecomm of the results of the AGM. Mr M John Craven, Mr Robert Browning, Mr John Cahill, Mr Timothy Healey and Mr Christopher Indermaur were re-elected as directors, the issue of shares and options was approved by shareholders and the proportional takeover approval provisions were re-inserted in the Constitution.
25/05/2004	Lodgement of notice of initial substantial holder notice by Optus Networks following its acquisition of 19.9999996% (101,892,600 ordinary shares) of Uecomm from Alinta on 21 May 2004 for \$33,115,095.

This page has been left blank intentionally

