

24 May 2010

Australian Securities Exchange  
Company Announcements Office  
20 Bridge Street  
Sydney NSW 2000

Via electronic lodgment

Dear Sir/Madam

**Re: Notice Under Section 708A(6) of the Corporations Act**

On 10 May 2010, M2 Telecommunications Group Ltd (ABN 74 091 575 021) (**Company**) issued 11,111,112 fully paid ordinary shares via a share placement to institutional investors under Part 6D.2 of the Corporations Act 2001 (**Act**) (**Issue**), that may be subject to a subsequent offer for sale. The Company relies on section 708A(5) of the Act in relation to the Issue.

In accordance with Section 708A(6) of the Act, the following information is provided:

1. This notice is given within 5 business days after the day of the Issue.
2. The Issue is without disclosure to investors under Part 6D.2 of the Act.
3. This notice is given under section 708(A)(5)(e) of the Act.
4. As at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act.
5. As at the date of this notice, the Company does have excluded information as set out in Appendix A to this notice.

Please contact me on (03) 9674 6577 if you have any questions in connection with this notice.

Yours sincerely



**Kellie Dean**  
Company Secretary

## Appendix A

M2 Telecommunications Group Ltd (**M2** or the **Company**) is currently in the final stages of due diligence in respect of an acquisition of certain business assets (predominately customer contracts) of a reseller of telecommunications services.

M2 expects to acquire the business assets for a total cash consideration of approximately \$4.0 million, which is subject to negotiation of an asset sale agreement and approval by the Company's board. Based on current findings, M2 also expects that this acquisition will contribute positively to earnings per share.

It is anticipated that an asset sale agreement will be executed in a few weeks, if not before, upon which, M2 will announce to the market further details of the transaction.

This transaction is consistent with the Company's previously announced strategy of acquiring assets which are complementary to its core small and medium business (**SMB**) market focus.