



Release of Escrowed Shares Appendix 3B

Sydney, Australia. 29 June 2006. The company advises that on 8 July 2006, 97,195,159 shares will be released from escrow. These shares were initially escrowed on 8 July 2004 as part of the acquisition of People Telecommunications Pty Limited by People Telecom Limited.

These shares are associated with the four substantial shareholders Ryan O'Hare, Barry Hamilton, Brendan Fleiter and Colin Marland.

We advise that these shares represent approximately 49% of their total shareholdings. Their remaining unescrowed holdings received as part of the acquisition have been held since 8 July 2004.

-ENDS-

For further information, please visit <http://www.peopletelecom.com.au> or contact:

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About People Telecom:

As one of Australia's largest telecommunications groups, People Telecom offers a comprehensive range of telecommunications products and services for businesses.

The group is a leader in service within the telecommunications landscape, offering high customer service levels accompanied by a full suite of standard and cutting edge telecommunications products such as Voice-Over Internet Protocol (VoIP).

Over the five year period the group has grown significantly. In the 2004 financial year pro-forma revenues reached \$73m and in the 2005 financial year the revenue achieved was \$100 million.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

People Telecom Limited

ABN

31 009 273 152

We (the entity) give ASX the following information.

Part 1 - All issues

N/A

Part 2 - Bonus issue or pro rata issue

N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought 97,195,159

39 Class of +securities for which quotation is sought Fully paid ordinary

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? Yes

41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period
 (if issued upon conversion of another security, clearly identify that other security)
 End of escrow period on 8 July 2006

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	307,823,854	PEO
Number and +class of all +securities not quoted on ASX	3,000,000	Unlisted options

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Wayne Wanders
Company secretary

Date: 29 June 2006

+ See chapter 19 for defined terms.