

ASX & Media Release**18 January 2007**

Service Stream Cancels 40.3 million shares & completes merger

Diversified industrial services company Service Stream Limited (SSM) is pleased to announce that it has effected a selective share capital reduction and the cancellation of 40,324,308 shares.

This share cancellation will have the immediate impact of reducing the shares on issue by 22.36% and therefore will increase the net asset backing per share and the earnings per share.

The selective share capital reduction and cancellation was overwhelmingly supported at a meeting of shareholders on 18 December 2006 and was contemplated at the time of agreeing the merger between Service Stream Ltd and Total Communications Infrastructure Ltd as a means of providing additional value to shareholders.

Commenting on the share cancellation, Managing Director and CEO of SSM and the merged group, Mr Patrick Flannigan said:

"This share cancellation is the final major component of the successful merger process, the formal merger activities are now completed and the management team of SSM are now focused on integrating the two successful businesses operated by Service Stream and TCI.

The company will continue to pursue its strategic acquisition strategy assisted further by the much stronger balance sheet, earnings and cash flow capabilities of the merged entity."

The successfully completed merger brings together two of Australia's leading technical services companies in the telecommunications sector. The company and group is expected to generate annualised revenue and EBIT in excess of \$300M and \$27M respectively on a pro-forma basis for the 07 year.

The merged group is expected to generate significant benefits to customers and staff together with an expected increase in liquidity, size and focus to the capital markets and broader investment community.

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Stock Exchange (Code: SSM) with annual revenues approaching A\$300 million. The company is an Australian owned and operated industrial services enterprise with proven outsourced field force management, technical support, customer assistance and asset management capabilities. Service Stream aims to generate superior returns for shareholders by leveraging its equipment installation and maintenance capabilities across a range of infrastructure based industries. For more information please visit the Company's website at www.servicestream.com.au.