



PHONETIME PROVIDES UPDATE ON CORPORATE MATTERS

Ajax, ON – October 17th, 2011 – Phonetime Inc. (TSX: PHD) provided an update on corporate matters.

Refiling of interim Q2 – 2011 financial statements to more fully comply with IFRS --- On October 17th, 2011, the Company filed amended Q2 – 2011 financial statements to more fully comply with disclosure requirements under IFRS by amending its statement of equity to include a subtotal as at June 30, 2010. The Company emphasized that the refiled statements and MD&A disclose no change whatsoever in assets, liabilities, equity, or income from that previously filed. Copies of the revised financial statements for the second quarter of 2011 are available at www.sedar.com.

About Phonetime Inc.

Phonetime handles the completion of long distance telecommunications around the world. In 2010, Phonetime completed 720 million phone calls with duration of over 4 billion minutes in 2010. Phonetime is a best in class provider of outsourced telecommunication services. Phonetime's common shares are traded on the Toronto Stock Exchange under the symbol PHD. More information can be found at the Company's website, www.phonetime.com.

Caution Regarding Forward Looking Information:

This press release contains forward-looking statements, which may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. These statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. Phonetime's actual results could differ materially from those currently anticipated due to a number of factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time. See www.sedar.com which contains all securities files.

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Contact:

Gary Clifford, Phonetime Inc.
Chairman of the Board and CEO (Interim)
Phone - +416-418-9802
Email - gary@phonetime.com