

23 December 2010

The Manager Companies
Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Share Trading Policy

In accordance with Listing Rules 12.9 and 12.12 which become effective 1 January 2011, attached is Cellnet's revised share trading policy.

Stuart Smith
Company Secretary
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CELLNET GROUP LIMITED

ACN 010 721 749

Share Trading Policy

The Board has adopted the following policy in respect of dealings in securities of the Company.

This policy includes a general overview of the law in relation to insider trading in Australia. This overview is not intended as a complete statement of the law in this area, and should only be used as a guide, not as legal advice.

1 Application of this policy

Persons

This policy applies to all key management personnel of the Company (**Key Management Personnel**).

Key Management Personnel has the meaning in Accounting Standard AASB 124 Related Party Disclosure. As at the date of this policy, it meant all persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Securities

This policy applies to all transactions in securities in the Company, including shares and options (**securities**).

This policy is not limited to insider trading in the Company's securities. It includes trading in the securities of other companies, the Company's customers or suppliers or those with whom the Company may be negotiating major transactions such as an acquisition, investment or sale. Information that is not material to the Company may nevertheless be material to one of those other companies.

2 Insider trading

Insider trading

If a person covered by this policy has inside information in relation to a company it is illegal for the person to:

- buy, sell or otherwise deal in securities (shares or options) in that company;
- advise, procure or encourage another person (for example, a family member, a friend, family company or trust) to buy or sell that company's securities; or
- pass on information to any other person, if the person knows or ought to reasonably know that the other person may use the information to buy or sell (or procure another person to buy or sell) that company's securities.

Inside information

Inside information is information which is not generally available to the market and, if it were generally available to the market, would be likely to:

- have a material effect on the price or value of any company's securities (not just the Company's securities); or

- influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's securities.

Information is generally available if:

- it consists of readily observable matter;
- it has been made known in a manner likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- it is derived from information which has been made public; or
- it consists of observations, deductions, conclusions or inferences made or drawn from the other generally available information.

3 Closed periods

Key Management Personnel are prohibited from trading in the Company's securities during the following periods (**Closed Periods**):

- the period between 1 February and the release of the Company's half year results to the Australian Stock Exchange; and
- the period between 1 August and the release of the Company's annual results to the Australian Stock Exchange.

The Company may impose other periods when Key Management Persons must not trade in the Company's securities, because price sensitive, non-public information may exist in relation to a matter.

The above periods are called 'Prohibited Periods'.

Key Management Personnel are also prohibited from entering into or renewing hedging or financial instruments in respect of the Company's securities (including, without limitation, instruments such as equity swaps, caps and collars and other hedges) during a Prohibited Period.

Key Management Personnel are also prohibited from trading in the Company's securities when trading for a short term gain.

4 Authorised trading windows

Key Management Personnel may, provided that are satisfied they are not in possession of inside information, trade in securities during the following trading windows:

- within one month after the date of release of the Company's half-year and annual results to the Australian Stock Exchange;
- from the date of lodgement of the Company's printed annual report with the Australian Stock Exchange through to 30 days after the holding of the Company's Annual General Meeting;
- during the rights trading period when the Company has issued a prospectus for those rights,

(Trading Windows).

It is the responsibility of the Key Management Personnel to ensure that the order to purchase or sell securities expires within the above Trading Windows.

A Key Management Person may only trade in securities outside the Trading Windows and outside the Prohibited Periods with the prior written approval of the Board, provided that the Key Management Person is not in possession of inside information.

Permission will be given for such trading after a written request for approval is received and only if the Board is satisfied that the transaction would not be:

- contrary to law;
- for speculative gain;
- to take advantage of insider knowledge; or
- seen by the public, press, other shareholders or ASX as unfair.

5 Exceptional circumstances

If a Key Management Person needs to trade in securities due to exceptional circumstances during a Prohibited Period, the Key Management Person must apply to the Board in writing for approval to trade. The application must set out the circumstances of the proposed trade (including an explanation of the exceptional circumstances) and the reason the approval is requested, and include a declaration that the Key Management Person is personally satisfied they are not in possession of inside information.

The Board may give approval for a Key Management Person to trade in securities during a Prohibited Period if the Board is satisfied the Key Management Person:

- is in severe financial hardship, for example having a pressing financial commitment which cannot be satisfied otherwise than through the sale of securities of the Company; or
- has exceptional circumstances, for example where securities are transferred from one member of a family or trust to another when to delay the transaction to the next permitted period would be detrimental to the family's affairs; or
- has other exceptional circumstances.

6 Notification of trading

The Company requires that, for trades during authorised trading windows:

- directors must advise the Chairman of a proposed trade in the Company's securities prior to any trade and confirm they are not in possession of any inside information; and
- other Key Management Personnel must advise the Company Secretary or, in his absence the Managing Director, of a proposed trade in the Company's securities, prior to any trade and confirm they are not in possession of any inside information.

The notices should provide details of the anticipated number of securities to be traded and the relevant trading window in which this will occur. A separate notice is required in respect of each trading window that is utilised.

Key Management Personnel are required to notify the Company Secretary in writing of any dealings in the Company's shares, options or other securities within 24 hours of the trading.

Written communication includes electronic communication and email is an acceptable form of written communication.

7 Trading not subject to this policy

Trading excluded from this policy includes the following:

- where there is no change in the beneficial interest in the securities;
- where investment decisions are exercised by a third party not under the control or influence of a Key Management Person, either by way of a scheme, investment fund or some other arrangement;
- undertakings to accept, or the acceptance of, a takeover offer;
- trading under an offer or invitation made to all or most of the security holders, such as a rights issue, security purchase plan, dividend or distribution re-investment plan and an equal access buy back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pre rata issue;
- the exercise (but not the sale of securities following the exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the entity has had a number of consecutive prohibited periods and the Key Management Person could not reasonably have been expected to exercise it at a time when free to do so;
- trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
 - the Key Management Person did not enter into the plan or amend the plan during a closed period;
 - the trading plan does not permit the Key Management Person to exercise any influence or discretion over how, when, or whether to trade; and
 - the Company's trading policy does not allow the Key Management Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.