



30 March 2011

The Manager Companies
Company Announcements Office
ASX Limited
Level 4, Stock Exchange Centre
20 Bridge Street
Sydney NSW 2000

**Documentation being sent to shareholders with an unmarketable
parcel of shares**

Cellnet announced on 21 March 2011 that it intended implementing a share sale facility for shareholders with an “unmarketable parcel” of Cellnet shares (a holding of securities with a value of less than \$500).

Attached is the documentation that is now being sent to eligible shareholders.

Stuart Smith
CEO

Cellnet Group Limited

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www.cellnet.com.au



30 March 2011

**OPPORTUNITY TO SELL SMALL SHARE HOLDINGS
UNMARKETABLE PARCEL SHARE SALE FACILITY
CELLNET GROUP LIMITED (CELLNET)**

Dear Shareholder

Cellnet advised on 21 March 2011 that it would be implementing a share sale facility for shareholders with a holding of Cellnet shares valued at less than \$500 (an unmarketable parcel as defined by the ASX Listing Rules). This facility is being implemented due to the high ongoing administrative costs, such as share registry and communication costs, associated with maintaining a large number of small shareholdings.

This gives those shareholders whose total holding of Cellnet ordinary shares was valued at less than \$500, the threshold defined by the ASX listing rules, at 23 March 2011 ('record date') an opportunity to sell their shares. Cellnet will meet all brokerage costs associated with the sale.

Cellnet Group Limited ('Cellnet') has implemented this unmarketable parcel share sale facility under Rule 10.5 of the Cellnet constitution.

Our records indicate that as at 7pm on 23 March 2011 ("record date") you are the holder of an unmarketable parcel of shares based on an Australian Securities Exchange (ASX) closing price of \$0.35 per share.

Below is information about what you need to do to sell or retain your holding.

What you need to do:

A. To sell your holding

If you wish to dispose of your Cellnet shares you do not need to do anything.

If you do not sign and return the enclosed share retention form by 5.00pm (AEDT) on 12 May 2011 or alternatively, increase your shareholding to a marketable parcel or more by that date, Cellnet will sell your shares (as well as the shares of other 'non-electing' shareholders) on your behalf on the ASX, or in such other manner as it may determine, and account to you for the sale proceeds.

If your shares are in a CHESS holding, Cellnet may, after the closing date, move your shares from the CHESS holding to an issuer sponsored or certificated holding for the purpose of the sale.

The sale proceeds to which you are entitled will be calculated by dividing the total proceeds from the sale of all shares sold by this procedure by the total number of shares sold under the procedure and multiplying the average sale price by the number of your shares sold.

Whilst Cellnet and its nominee broker, Bell Potter Securities Ltd, will endeavour to ensure the best available sale price is achieved for your shares, no assurance or certainty can be provided by Cellnet or Bell Potter Securities Ltd about the price at which the shares are sold.

The proceeds will be paid to you by cheque and be in Australian dollars. Cellnet will meet all brokerage costs associated with the sale of your shares.

B. To retain your holding

If you wish to retain your shareholding you must complete and return the enclosed share retention form in accordance with the instructions on the form by 5.00pm (AEDT) on 12 May 2011.

If you do not complete and return the form, or if you do not increase your shareholding to a marketable parcel, by 5.00pm (AEDT) 12 May 2011, your shares will be sold. In order for an increase in shareholding to take effect by the closing date, shares will need to be purchased at least 4 business days prior to 12 May 2011.

If you wish to increase your shareholding to a marketable parcel you should contact your broker.

If you have more than one Cellnet shareholding it may be appropriate to consolidate them into the one holding. Please contact Cellnet's share registry, Link Market Services Limited, on the telephone numbers below for more details.

Neither Cellnet nor its directors make any recommendation to you in relation to the options outlined in this notice.

Cellnet values all its shareholders and welcomes your continued participation as a shareholder. However, should you wish to sell your shares, this offers you a convenient and cost effective way to do so. If you are in any doubt as to what course of action to take please consult your legal, financial or other adviser.

Enclosed with this letter are the following:

1. Share retention form; and
2. Reply-paid envelope.

If you have any questions concerning this letter please contact Link Market Services Limited on 1300 133 814 or +61 2 8280 7916.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stuart Smith', with a horizontal line underneath.

Stuart Smith
Chief Executive Officer



Cellnet Group Limited

ABN 97 010 721 749

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 2 8280 7454
Facsimile: (02) 9287 0309
ASX Code: CLT
Website: www.linkmarketservices.com.au



SRN/HIN:

Number of Shares held as at
the Record Date, 7:00pm (AEDT)
on 23 March 2011

IMPORTANT NOTICE

Please complete this form if you do not wish your Shares in Cellnet Group Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your shareholding in Cellnet Group Limited ("CLT") you must complete this form and return it to Cellnet Group Limited's Registry, so that it is received no later than 5:00pm (AEDT), on 12 May 2011. Forms may be mailed or delivered to the addresses below.

Mailing Address

Cellnet Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

or

Hand Delivery

Cellnet Group Limited
C/- Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000 *(Do not use this address for mailing purposes)*

This form must be received by Cellnet Group Limited's Registry no later than 5:00pm (AEDT), on 12 May 2011, or your Shares will be sold.

Retention of Shares

I/We the shareholder(s) described above by signing this form, hereby give notice that I/we wish to retain my/our shareholding in Cellnet Group Limited, pursuant to Rule 10.5 of the Company's Constitution.

Contact Details

Enter your telephone number(s) where we may contact you regarding this form.

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Shareholder Signature(s) – This MUST be completed

Shareholder 1

Individual or Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date

This form should be signed by the Shareholder. If a joint holding, all Shareholders should sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEDT) ON THE 12 MAY 2011**

If you require further information on how to complete this form, please contact the Cellnet Group Limited Information Line on 1300 133 814 (within Australia) or +61 2 8280 7916 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.

CLT RSS001

