

3 February 2012

Attn: Mr Simon O'Brien
ASX Compliance Pty Limited
Level 5
Riverside Centre
123 Eagle Street
BRISBANE QLD 4000

Dear Mr O'Brien

**Cellnet Group Limited (the "Company")
Appendix 3Y Change of Director's Interest Notice**

We refer to your letter dated 3 February 2012 regarding the late lodgement of the Appendix 3Y lodged by the Company on 2 February 2012.

The Company acknowledges that the lodgement of the Appendix 3Y occurred outside of the prescribed 5 business day notification period and the following responses are submitted in relation to the questions asked:

1. Please explain why the Appendix 3Y was lodged late.

Late lodgement occurred as a result of an inadvertent oversight.

The change in interest was due to an off-market transaction undertaken by Mel Brookman on 23 December 2012, the last business day prior to the Christmas holidays. Mr Brookman left for the United States on annual leave on 27 December 2011 and did not return until 20 January 2012.

Upon realisation of the oversight Mr Brookman immediately notified the Company and an Appendix 3Y was lodged.

2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?

The directors have been reminded of their disclosure obligations under Listing Rule 3.19A and the Company has a policy that Directors advise the Company of any change in their interest as they occur.

3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with Listing Rule 3.19B?

The Company is of the view that the current arrangements that it has with Directors are adequate and are being enforced. Mr Brookman has been a director of the Company since its listing in November 1999 and this is the first oversight of this nature that he has been involved in.

This was an isolated administrative error and Mr Brookman has given his assurances that all future trades in the Company's securities will be conducted in accordance with all required procedures to ensure full compliance with Listing Rule 3.19B.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'C' and 'B' followed by a horizontal line.

Chris Barnes
Company Secretary



3 February 2012

Mr Chris Barnes
Joint Company Secretary
Cellnet Group Ltd
59 – 61 Qantas Drive
EAGLE FARM QLD 4009

By email: chris.barnes@cellnet.com.au

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Dear Mr Barnes

**Cellnet Group Ltd (the "Company")
Appendix 3Y Change of Director's Interest Notice**

I refer to the following:

1. The Appendix 3Y lodged by the Company with ASX on Thursday, 2 February 2012 for Mr Mel Brookman (the "Appendix 3Y").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Appendix 3Y indicates that the change in interests occurred on Friday, 23 December 2011. It appears that the Appendix 3Y should have been lodged with ASX by Wednesday, 4 January 2012. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B. It also appears that the director concerned may have breached section 205G of the Corporations Act.

Please note that ASX is required to record details of breaches of the listing rules by listed entities for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances, ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Y was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by email at simon.obrien@asx.com.au or by facsimile on facsimile number (07) 3832 4114. It should **not** be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. **before 8.30am Brisbane time**) on **Monday, 6 February 2012**.

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Simon O'Brien
Senior Adviser, Listings (Brisbane)