



## Share Purchase Plan

pieNETWORKS Limited (PIE or Company) is pleased to announce a Share Purchase Plan (SPP) giving existing shareholders of the Company, at the record date of 30 October 2009, the opportunity to each subscribe for up to \$15,000 of additional shares at 1 cent per share.

The subscription price of 1 cent per share represents a 20% discount to the volume weighted average price for the 30 trading days preceding this announcement, and has been set to serve as an incentive for existing shareholders to increase their investment in PIE.

Funds raised from the offer will principally be used to further develop and market the Hotspot Webphone, as well as provide working capital for ongoing operations.

Please find attached a copy of an offer letter and terms and conditions in respect of the offer and a Notice under Section 708A of the Corporations Act 2001.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Mark Pitts". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mark Pitts  
Company Secretary  
29 October 2009

For more information visit the Company's website [www.pienetworks.com](http://www.pienetworks.com)  
or contact Campbell Smith at pieNETWORKS on +61 (08) 9444 9088.



**Notification Under Section 708A of the Corporations Act 2001 (Cth)**

pieNETWORKS Limited (PIE) gives notice under section 708A of the Corporations Act 2001 (Cth) (Corporations Act) that:

1. PIE will offer up to 100,000,000 fully paid ordinary shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act pursuant to a Share Purchase Plan announced to ASX on 29 October 2009.
2. As at the date of this notice, PIE has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to A1; and
  - (b) section 674 of the Corporations Act.
3. As at the date of this notice, there is no information:
  - (a) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - B. the rights and liabilities attaching to the shares for issue.
4. The offer is a Share Purchase Plan offered to all PIE shareholders with a registered address in Australia or New Zealand.

PIE expects that the potential effect of the issue of ordinary shares on the control of PIE will be minimal.

A handwritten signature in black ink, appearing to read "Mark Pitts".

Mark Pitts  
Company Secretary  
29 October 2009

For more information contact Campbell Smith at pieNETWORKS on (08) 9444 9088.



29 October 2009

Dear Shareholder,

### SHARE PURCHASE PLAN

pieNETWORKS Ltd (PIE or the Company) is achieving a number of milestones as it continues to develop and market the Hotspot Webphone. The Directors want to provide shareholders with the opportunity to share in the Company's success and it gives me great pleasure to invite you to participate in the Company's Share Purchase Plan.

#### Background to the offer

The Company announced on 24 July 2009 that the first production of its second generation Hotspot Webphone had come off the assembly line and were going to be shipped to New Zealand for installation in Westfield's New Zealand Shopping Centers. A further 40 Webphones had come off assembly by the end of August 2009. On 19 October 2009, the Company announced that the first Hotspot Webphones had been installed into two of the twelve Westfield Shopping Centers which will comprise the initial network.

The Company's current expenditure focus is on:

- Completing the assembly of Hotspot Webphones and ensuring adequate product inventories;
- Providing adequate funding for ongoing operations, ensuring an adequate working capital base.

The PIE Board of Directors acknowledges the support of our Shareholders. Accordingly, we would like to reward Shareholders exclusively with this opportunity to acquire PIE shares at a substantially discounted price, under the terms of this Share Purchase Plan (SPP).

#### Share Purchase Plan

The Board is pleased to invite registered holders of pieNETWORKS Ltd as at 5pm (WST) on 30 October 2009 with registered addresses in Australia and New Zealand, to make a further investment in your Company by **subscribing for up to \$15,000 of shares, without incurring brokerage or other transaction costs.**

New shares under the SPP will be offered at **1 cent which is a discount to the volume weighted average price of shares traded over the previous 30 trading days prior to this announcement of 20%.**

The issue will be limited to 100,000,000 shares to raise a possible \$1,000,000. This number of shares equates to approximately 15% of the pre offer issued capital and complies with the requirements of ASX listing rule 7.2. To the extent that applications for shares under the SPP exceed this limit, PIE reserves the right to close the offer earlier, to scale back applications on a pro rata basis or to accept over subscriptions.

Separate Terms and Conditions will be circulated with an application form for eligible holders. The application form should be completed and returned with your payment before 27 November 2009. There is provision for shareholders to make a BPay and in this instance the application form does not need to be returned.

#### INDICATIVE TIMETABLE

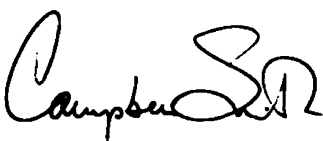
DATE	EVENT	DESCRIPTION
29 October 2009	Announcement Date	Share Purchase Plan announced
30 October 2009	Record Date	PIE determines eligible shareholders
9 November 2009	Opening Date	SPP Opens
27 November 2009	Closing Date	SPP Closes
4 December 2009	Issue Date	Shares Issued under SPP
7 December 2009	Despatch Date	Despatch date for holding statements
8 December 2009	Quotation Commences	Shares issued under SPP expected to commence quotation on ASX

*This timetable is only indicative and the Directors reserve the right to vary any of the key dates above, including the Issue Date and Closing Date, without further notice.*

Given the finite period of this SPP, the Directors encourage eligible shareholders to proceed with timely lodgement of their applications.

Details on this offer and how to proceed are enclosed in the Offer Booklet attached.  
Thank you for your continued support.

Yours sincerely,



Campbell Smith  
Managing Director



## **pieNETWORKS LIMITED SHARE PURCHASE PLAN**

### **OFFER BOOKLET**

Eligible shareholders can purchase a maximum of \$15,000 of pieNETWORKS Limited shares at a discount to the market price

**OFFER CLOSES 5pm WST ON 27 NOVEMBER 2009**

## pieNETWORKS Limited Share Purchase Plan Terms and Conditions

pieNETWORKS Limited (PIE) is pleased to provide eligible PIE shareholders with the opportunity to participate in the PIE Share Purchase Plan (the SPP) by subscribing for up to AUD\$15,000 of additional shares in PIE.

The terms and conditions of the Share Purchase Plan (SPP) are set out below.

### Eligibility

The offer is open to all shareholders who are registered as holders of fully paid ordinary shares in the Company at 5.00pm Western Standard Time on 30 October 2009 (“**the Record Date**”) and whose address as recorded in the register is in Australia and New Zealand. The Board of PIE has determined that because of foreign securities laws it is not practical for holders of PIE shares with registered addresses in other jurisdictions to participate in the SPP.

Where a member is expressly noted on the register as a trustee or nominee on account of another person (“**Beneficiary**”) the Beneficiary will be deemed to be the Eligible Shareholder and any relevant acceptance of the offer and issue of the shares will be made by or to the Beneficiary. To the extent that you hold shares on behalf of another person outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.

### The Offer

The SPP enables all eligible shareholders, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of ordinary fully paid shares in the Company at a discount to market price, **with no associated costs of brokerage or other transaction costs**. The SPP provides smaller shareholders with the opportunity to increase their holdings into more meaningful and financially viable parcels of shares.

Under the terms of the relevant ASIC class order and regulatory guide, eligible shareholders can only be issued with a maximum number of ordinary shares equating to \$15,000 under the Plan in any 12 month period. This applies where there has been multiple offers or because of the nature of the holding. PIE reserves the right to reject any application where this rule has not been complied with.

The offer to participate under the SPP is non-renounceable and therefore you are not permitted to transfer your right to subscribe for shares under the SPP. Participation in the SPP is entirely optional and is subject to the terms and conditions specified in this booklet and on the enclosed Application Form.

The requirements of ASX listing rule 7.1 are exempted provided the number of shares to be issued under the SPP is limited to 30% of the issued capital in any 12 month period. The Directors have resolved that they will limit the number of shares to be issued under this SPP to 100,000,000 shares or approximately 15% of the shares on issue prior to the offer.

**Subscription Price**

The subscription price under this SPP will allow the purchase of new ordinary shares at 1 cent which represents a 20% discount to the volume weighted average price for the 30 trading days immediately preceding the announcement date, to a maximum of \$15,000 per shareholder.

**How much can be Invested**

Eligible shareholders may apply for shares from a minimum value of \$2,500 up to a maximum of \$15,000.

**Rights attaching to shares**

The rights and obligations of the shares are contained in the constitution of the Company (which is available for inspection at the registered office of the Company during the period of the offer). The shares will be issued on the same terms and conditions as all other ordinary shares in the Company and the Company will apply for the shares to be quoted on the ASX.

**How to Participate in this Offer**

This offer is not a prospectus and does not require disclosure for the purposes of Chapter 6D of the *Corporations Act 2001*. The market price of PIE's shares currently on issue may change between the date of the offer and the date of issue of the new shares under the SPP. You must rely on your knowledge of PIE, previous disclosures made by PIE to the ASX and if necessary, consult your professional adviser when deciding whether or not to accept the offer and participate in the SPP.

Participation in the SPP is entirely optional, if you are in any doubt about the offer you should consult a professional advisor.

In order to apply for shares under the offer, complete the enclosed application form in accordance with the instructions and forward, together with your cheque, to PIE's share registry in the reply-paid envelope provided. All amounts in this offer are expressed in Australian dollars.

Completed application forms and full payment must be received by PIE's share registry no later than 5.00pm Western Standard Time on 27 November 2009.

**Investment Risk**

Investing in shares in pieNETWORKS Limited should be considered a speculative investment, shareholders should be aware that the market price of the Company's shares can fluctuate, particularly in the case of the Company operating in the communications technology sectors.

Shareholders should note that the offer is not made under a prospectus or other disclosure document and does not require the type of disclosure required under the *Corporations Act 2001*. Shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on the ASX. You should consult your professional advisor when deciding whether or not to accept the offer and participate in the SPP.

### **Scaling back applications**

In order to meet the requirements of the ASX listing rules and the ceiling which Directors have elected to place on the offer, PIE will limit the total number of shares issued under the SPP to 100,000,000 ordinary shares or approximately 15% of the pre offer issued capital. If, and to the extent to which applications for shares under the SPP exceeds these limits, PIE reserves the right to close the offer earlier, to scale back applications on a pro rata basis or to accept over subscriptions.

If a scale back occurs, you may be allocated Shares to a value which is less than you applied for. Any determination by the Board in respect of any scaling back will be final.

If a scale back occurs PIE will refund any excess application money to you (without interest).

### **Timetable**

The indicative timetable for the offer is as follows:

Announcement	29 October 2009
Record Date	30 October 2009
Dispatch of Offer Documents	5 November 2009
SPP Offer Opening Date	9 November 2009
SPP Offer Closing Date	27 November 2009
Issue of Shares and Dispatch of Holding Statements	4 December 2009

Directors reserve the right to vary any of the dates shown above.