



PLACEMENT

The directors of pieNETWORKS Limited (“pie” or the “Company”) are pleased to announce that the Company has agreed the terms for the placement of approximately 83 million new shares at an issue price of \$0.018 each to raise approximately A\$1.5 million, before costs. The placement, which has been made to private investors, is in two parts. An initial placement of approximately 39 million shares to raise approximately A\$700k has been made pursuant to the Company’s ASX Listing Rule 7.1 (15%) placement authority (“Initial Placement”). The second tranche of the placement comprising approximately 44 million shares to raise approximately A\$800k (“Further Placement”) is conditional upon shareholder approval at a general meeting. The timing of the general meeting will be announced shortly.

The proceeds of the placement will be used to further progress development and sales and marketing activities for the Company’s Hotspot Webphone and for general working capital purposes.

In addition, it is intended to make an offer under the Company’s shareholder share purchase plan (“SPP”) to enable existing shareholders to participate in this current capital raising. The terms and timing of the proposed SPP offer will be announced following completion of the current placement and subject to ASX Listing Rule and ASIC Class Order 02/831 requirements.

An Appendix 3B will be lodged following issue of the placement shares.

For more information please contact:

pieNETWORKS Ltd
Campbell Smith
Managing Director
+61 8 9444 9088
cam@pienetworks.com

About pieNETWORKS Ltd

pieNETWORKS develops and operates managed public internet access and VoIP telephony infrastructure. The company’s customers include telcos, government and large and medium size businesses. pieNETWORKS is listed on the Australian Stock Exchange (ASX:PIE).

More information can be found at www.pienetworks.com