

Monday, 29 December 2008

STATEMENT TO THE AUSTRALIAN STOCK EXCHANGE

Extension and Sale of Convertible Note

Byte Power Group Limited advises that it has reached agreement on 26 December 2008 with the Receivers of Hawkswood Investments Pty Ltd (Receivers and Managers appointed) to extend the maturity date under the \$2m convertible note entered into in December 2006 to 31 March 2009 (Hawkswood Note).

The Hawkswood Note may, at the holder's election, be converted into shares in Byte Power Group Ltd on or before maturity.

Byte Power Group Ltd also wishes to advise that it has been informed that the Hawkswood Note has been purchased by Lau Superannuation Fund, interests associated with Ethel Lau, the secretary of Byte Power Group Ltd.

The Company understands that the purchaser's present intention is to elect to convert the Hawkswood Note into shares on or before the maturity date in accordance with its terms.

If converted, this would result in the issue of some 47,058,823 fully paid ordinary shares at an effective issue price of 4.25 cents per share and represent some 9.8% of the enlarged capital of the Company.

Conversion of the Hawkswood Note would reduce the current debt of the Company by \$2m.

Ethel Lau
Company Secretary

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