

MELBOURNE

- © Phone: +61 3 9868 4555
- Fax: +61 3 9821 4899

SYDNEY

- ⊠ Suite 5, Level 13
 327 Pitt Street
 Sydney NSW 2000
 Australia
- © Phone: +61 2 9283 2333
- ₼ Fax: +61 2 9283 7558
- corporate@senetas.com www.senetas.com

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Company Announcements Office ASX Level 6 20 Bridge Street SYDNEY NSW 2000

Dear Sirs,

<u>Senetas Releases VLAN Encryption Hardware</u> <u>- Enhanced functionality for popular but insecure network</u> <u>topology</u>

Please find attached statement by Directors.

Yours faithfully

Andrew R Wilson
Company Secretary

<u>Senetas Releases VLAN Encryption Hardware</u> <u>- Enhanced functionality for popular but insecure network</u> <u>topology</u>

MELBOURNE, September 6, 2010 - New functionality introduced to Senetas Corporation's high-speed network encryption platform now provides enhanced security for virtual local area networks (VLANs).

VLANs which are typically used to segregate networks into different user groups can provide increased performance and simplified management across a shared network but offer no security other than simple traffic separation.

Senetas Chief Technologist, Julian Fay, said, "VLAN separation alone cannot provide even a minimum level of security...the technology has not been designed with security in mind. To reduce a network's susceptibility to data theft or network subversion encryption should be deployed".

Senetas CN1000/3000 encryptors are able to protect up to 512 virtual LANs at 1Gbps and up to 64 virtual LANs at 10Gbps using an encryption policy based on VLAN tags rather than MAC addresses.

This approach means less operational complexity compared with traditional point-to-point encryption and more cost effective information security.

"While VLANs do segregate visibility of different data streams on a single piece of wire or fibre, they do not secure this information, therefore VLANs do remain vulnerable and should be encrypted as they pass in and out of the organisation's firewalls," Mr Fay said.

Senetas, which was awarded a patent early this year for its multiprotocol encryptor and has Patent Pending on recently-released multicast security functionality, has continued to innovate its encryption solutions with the features in this latest VLAN release:

- Highly scalable across multipoint VLAN topologies
- Automatic establishment of encrypted VLAN connections
- No limit to the number of host devices connected to each secure connection
- Robust group key management tolerant to network outages

About Senetas

Senetas Corporation Limited (ASX Code: SEN) is an Australian ASX-listed public company and is the world's leading developer and supplier of high speed network encryption hardware products. Its products are accredited to the highest international government security standards (FIPS and Common Criteria). Senetas is

now represented in more than 40 countries and customers include Government, military and law enforcement agencies in Australia, USA, Middle East, Asia, and the EU, as well as leading financial institutions.

For further information contact:

Investor Relations Phone 1300 787 795

Email: investor@senetas.com