

NOTICE OF ANNUAL GENERAL MEETING 2011

Notice is given that the 2011 Annual General Meeting of Cellnet Group Limited will be held at 10.00am (Brisbane time) on Thursday 24 November 2011 at 59 - 61 Qantas Drive Eagle Farm, Queensland 4009.

Ordinary Business

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial and other reports for the year ended 30 June 2011.

Resolution 1

ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following in accordance with Section 250R(2) of the Corporations Act 2001 as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2011 is hereby adopted".

- Notes:
- (1) *This resolution is advisory only and does not bind the Company or the directors.*
 - (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.*
 - (3) *Except as stated in note 3, a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's key management personnel (KMP), details of whose remuneration are included in the Remuneration Report and their closely related parties, whether as a shareholder or as a KMP's proxy. However, a vote may be cast on Resolution 1 by a KMP, or a closely related party of a KMP, if:*
 - the vote is cast as a proxy;*
 - the appointment is in writing and specifies how the proxy is to vote on Resolution 1; and*
 - the vote is not cast on behalf of a KMP or a closely related party of a KMP.*

Resolution 2

RE-ELECTION OF DIRECTOR – MR ALEXANDER BEARD

To consider and, if thought fit, pass the following as an ordinary resolution:

"Mr Alexander Beard, a non-executive director retiring in accordance with the Constitution and the ASX Listing Rules and being eligible for re-election, be re-elected as a director of the Company".

Resolution 3

APPROVAL FOR GRANT OF OPTIONS TO MANAGING DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.14 and for all other purposes, the Members approve:

- The grant to Mr Stuart Smith of a total of 900,000 options to subscribe for unissued shares in the Company on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting; and*
- The issue and allotment of Shares to Mr Smith on the exercise of the options in accordance with their terms and conditions of grant."*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by the directors or any of their associates.

However, the Company will not disregard a vote if:

- 1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- 2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Resolution 4

APPROVAL FOR GRANT OF OPTIONS TO NON-EXECUTIVE DIRECTOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That for the purposes of Listing Rule 10.14 and for all other purposes, the Members approve:

- The grant to Mr Mel Brookman of a total of 400,000 options to subscribe for unissued shares in the Company on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting; and*
- The issue and allotment of Shares to Mr Brookman on the exercise of the options in accordance with their terms and conditions of grant."*

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by the directors or any of their associates.

However, the Company will not disregard a vote if:

- 1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- 2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.*

Resolution 5

APPROVAL OF ON-MARKET SHARE BUY-BACK

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of section 257C(1) of the Corporations Act 2001, and for all other purposes, the Company is authorised to buy-back up to 4,892,288 fully paid ordinary shares under an on-market share buy-back program in accordance with the terms and conditions set out in the explanatory memorandum."

Notes:

Persons entitled to vote:

Under regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the meeting will be as it appears in the share register at 7.00pm (Sydney time) on Tuesday 22 November 2010.

Proxies:

Votes at the Meeting may be given personally or by proxy, attorney or representative. A member entitled to attend and vote at the meeting has the right to appoint no more than two proxies.

A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the member appoints two proxies and the appointment does not specify the proportion or the number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes. If the member appoints two proxies, neither proxy may vote on a show of hands.

A proxy form is attached. A proxy need not be a member of the Company.

A proxy form must be signed by the member or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorized officer or attorney.

The proxy form (and any power of attorney under which it is signed) must be received by the Link Market Services Pty Limited either by –

- fax to 61 2 9287 0309

- by mail in the enclosed self addressed envelope, or
- by delivery to Level 12, 680 George Street, Sydney NSW 2000

no later than 48 hours before the commencement of the meeting, that is by no later than 10.00am (Brisbane time) on Tuesday 22 November 2011. Any proxy form received after that time will not be valid for the scheduled meeting.

Except in relation to resolutions connected directly or indirectly with the remuneration of a member of the key management personnel of the Company or where a proxy is required by law or the Constitution to vote or abstain from voting, unless a shareholder specifically directs a proxy how to vote, the proxy may vote as he or she thinks fit or abstain from voting.

If a shareholder appoints the Chairman as the Shareholder's proxy in relation to Resolutions 1, 3 and 4 but does not complete any of the boxes "For", "Against" or "Abstain" opposite any of those resolutions on the proxy form, that shareholder will be directing the Chairman to vote in favour of that resolution.

If a shareholder appoints the chairman of the meeting as the shareholder's proxy and does not specify how the chairman is to vote on an item of business, the chairman will vote, as proxy for that shareholder, in favour of that item on a poll.

Any undirected proxies held by other directors or any other key management personnel or their closely related parties will not be voted on resolutions connected directly or indirectly with the remuneration of a member of key management personnel of the Company.

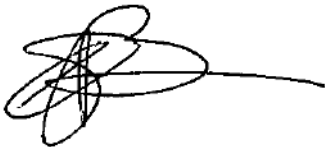
If you wish to appoint the Chairman as your proxy holder but you do not want to put him in the position to cast your votes in favour of any of resolutions 1, 3 and 4, you must complete the appropriate box on the proxy form, directing him to vote against or abstain from voting on that resolution.

Key management personnel of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2011. Their closely related parties are defined in the *Corporations Act 2001*, and include certain members of their family, dependents and companies they control.

Explanatory Memorandum

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting and shareholders should read this document in full.

By Order of the Board



Christopher Barnes
Company Secretary

19 October 2011

Explanatory Memorandum

Ordinary Business– Financial Statements and Reports

The Corporations Act 2001 requires the Financial Report, Directors' Report and Audit Report to be laid before the Annual General Meeting. In addition, Cellnet Group Limited's Constitution provides for such reports to be received and considered at the meeting. Apart from the matters involving remuneration, which are required to be voted upon, neither the Corporations Act 2001 nor Cellnet Group Limited's Constitution requires shareholders to vote on such reports.

However, shareholders will be given ample opportunity to ask questions or make comments about these reports and the management at the meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit and the preparation and content of the Auditor's report. In addition to asking questions at the meeting, shareholders may address written questions to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial report to be considered at the meeting.

Resolution 1 - Adoption of Remuneration Report

In accordance with Section 250R(2) of the Corporations Act 2001, shareholders are asked to adopt the Company's remuneration report at the Company's Annual General Meeting. The remuneration report is set out in the Directors' Report on pages 9-15 of the Annual Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

No member of the key management personnel or closely related party of the key management personnel may vote on Resolution 1.

The Company encourages all other shareholders to cast their votes on Resolution 1.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of Remuneration Report) by marking either "**For**", "**Against**" or "**Abstain**" on the voting form for that item of business.

Under the Corporations Act 2001, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

As the directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how the shareholders should vote on the Resolution.

Resolution 2 - Re-election of Mr Alexander Beard

Clause 17.1 of the Company's constitution requires that at every annual general meeting, one-third of the Directors (other than the Managing Director) must retire from office.

Mr Beard has been a director of the Company since 15 December 2006 and was appointed Chairman on 20 August 2007. He is the current Chief Executive Officer of CVC Limited, the largest single shareholder of Cellnet Group Limited.

Mr Beard has broad investment and financial experience, particularly with emerging companies. He holds a Bachelor of Commerce and is a member of the Australian Institute of Company Directors.

He is currently serves on the Board of CVC Property Fund, Mnet Group Limited, Amadeus Energy Limited and CVC Limited.

The Directors (with Mr Beard abstaining) recommend that shareholders vote in favour of this resolution.

Resolutions 3 and 4 – Approval for grant of options to Directors

Remuneration policy

The performance of the Company depends upon the quality of its Directors. The compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives. In deciding the remuneration and incentives of the Directors, the Board considers that there should be an appropriate mix of remuneration comprising cash and securities to link the remuneration of the Directors to the financial performance of the Company. Equity-based incentives consistent with the Company's remuneration policy better aligns the Directors' performance with the Company's financial position. The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives.

The Directors consider the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to the Company's changing circumstances.

Proposed grant of options

In accordance with its remuneration policy and subject to member approval, the Company proposes to grant options to the following Directors to acquire unissued shares in the Company on the terms and conditions in Cellnet's Group Limited Long Term Incentive Plan:

Director	Number of Options
Mr Stuart Smith (Managing Director)	900,000
Mr Mel Brookman (Non-executive Director)	400,000

The proposed grant of options to the Directors is part of a wider long-term executive incentive program adopted by the Company.

The Plan Rules were adopted by a resolution of the Board in January 2008. The Plan Rules are available for inspection on the Company's website at www.cellnet.com.au. The specific terms and conditions applicable to the proposed grant are set out below.

Exercise Price

The option exercise price of the options will be \$0.45.

Exercise Period

Subject to the satisfaction of the Exercise Conditions and the Plan Rules generally, the First Exercise Date is the earlier of:

- The date which is two years after the date of grant (expected to be on or about 25 November 2013); and
- The date on which the Board is satisfied that the Directors' employment with a Group Company has ceased by reason of a Special Circumstance.

A Special Circumstance is defined in the Plan Rules as:

Special Circumstances means with respect to a Participant:

- Total and Permanent Disablement*
- The death of the Participant*
- The redundancy of the Participant*
- Such other circumstances as the Board may at any time determine (whether before or after the Date of Grant).*

The Last Exercise Date is 5.00pm (Brisbane time) on the date which is 1 year after the First Exercise Date (expected to be on or about 25 November 2014).

Exercise Conditions

The options cannot be exercised unless at the time of exercise of the Option the Board acting reasonably is satisfied that the following conditions have been satisfied:

- the Directors are employed or engaged by a Group Company.
- there are no outstanding breaches of the terms of their engagement with the Group Company of which they have been notified in writing.
- no notice of termination of their engagement with the Group Company has been given either by the Directors or by the Group Company.

- the exercise of the Option would not result in a contravention of the Constitution of the Company, ASX's Listing Rules or the Corporations Act 2001.

Listing Rule requirements

Listing Rule 10.14 provides that a listed company must not permit directors to acquire securities under an employee incentive scheme without the approval of ordinary shareholders.

Accordingly, shareholder approval is sought under Listing Rule 10.14 for the proposed issue to the Directors.

Discussion and analysis of the proposed grant of options

Cost to the company

The options will not be quoted on ASX and accordingly have no readily identifiable market value.

The Options will be valued for accounting purposes by the Directors using the principles set out in AASB 2 'Share-Based Payment' and the Binomial Valuation Methodology. This Methodology is a function of the relationship between a number of variables principally being the share price, the option exercise price, the time to expiry and the volatility of the Company's underlying share price.

The valuation will be carried out after the date of grant once all of the inputs to the valuation model are certain. However, for illustrative purposes, it is expected that the options will have a value and accounting cost to the Company in the following range:

		Volatility		
		50%	75%	100%
Dividend yield	0%	\$0.0840	\$0.1362	\$0.1821
	5%	\$0.0602	\$0.1067	\$0.1484

The material assumptions used in the application of the methodology to arrive at this indicative value are:

- The grant date of the options is 24 November 2011;
- The closing share price on the grant date will be \$0.32;
- The exercise price of each option is \$0.45;
- The first exercise date is 2 years after the grant date and the last exercise date is 12 months after the first exercise date;
- A risk-free rate of 3.83%

Shareholders should be aware that this is an indicative valuation only for illustrative purposes. The actual accounting expense may be different due to differences in the final

inputs such as the date of grant, which, subject to approval is expected to be on or about 25 November 2011.

Remuneration

Managing Director – Mr Stuart Smith

The Managing Director's remuneration package for the year ended 30 June 2011 (as detailed in the Remuneration Report included in the Directors' Report of the 2011 Annual Report) comprises:

Salary \$	Superannuation \$	*Bonus \$	Non-Cash \$	Other long term benefits \$	Share-based payments \$	Total \$
\$268,752	\$15,199	\$20,000			\$79,661	\$383,612

**The bonus component is subject to various key performance indicators*

Relevant interests in shares and options

The Managing Director's current relevant interest in shares and options in the Company as at the date of this notice are as follows:

Shares	Options
2,000,000	-

Non-executive Director – Mr Mel Brookman

Mr Brookman's remuneration package for the year ended 30 June 2011 (as detailed in the Remuneration Report included in the Directors' Report of the 2011 Annual Report) comprises:

Fees \$	Superannuation \$	Non-Cash \$	Other long term benefits \$	Share-based payments \$	Total \$
\$50,000					\$50,000

Relevant interests in shares and options

Mr Brookman's current relevant interest in shares and options in the Company as at the date of this notice are as follows:

Shares	Options
1,851,943	-

Impact on capital structure

Until exercised, the grant of options will not impact on the number of ordinary shares on issue in the Company. If all of the proposed options were exercised, an additional 1,300,000 fully paid ordinary shares would be issued representing approximately 2.1% of the total issued share capital of the Company as at the date of this notice (assuming that no other options were exercised or shares issued by the Company between the date the options were granted and the date on which those options were exercised).

Opportunity cost to the Company

The opportunity cost and benefits foregone to the Company in granting the options comprise:

- The obligation of the Company to issue shares on the exercise of the options at the exercise price even though this might be less than the market price of the shares at the time of the exercise of the option; and
- The potential dilutionary impact on the existing shareholders of the Company in the event of the issue of shares on the exercise of options – see the impact on the capital structure described above.

The Directors believe that any potential dilutionary impact is not material and is more than offset by the advantages accruing to the Company from the services of the Directors.

Tax consequences

As far as the Company is aware, there are no adverse taxation consequences to the Company arising from the proposed issue of options.

Use of funds

Any funds raised from the exercise of options will be applied towards the working capital and cash requirements of the Company at the time of exercise of the options.

Other information required by Listing Rule 10.15A

The following information is provided for the purposes of Listing Rule 10.15A:

Maximum number of options that may be acquired by Mr Smith	900,000 options
Maximum number of options that may be acquired by Mr Brookman	400,000 options
Price for each option to be acquired under the scheme	Nil
Names of persons referred to in rule 10.14 who received securities under the scheme since the last approval, number of securities received and acquisition price for each security	Nil
Names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme	Directors - Messrs Sandy Beard, Stuart Smith and Mel Brookman. Note – although each director is eligible to participate, approval is sought for the grant of options to Messrs Smith and Brookman only.
Terms of loan in relation to the grant of options	Not applicable

Required Statements	<p>Details of any securities issued under the employee incentive scheme will be published in each annual report relating to a period in which securities have been issued and approval for the issue of securities obtained under listing rule 10.14.</p> <p>Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under listing rule 10.14.</p>
Date by which options will be granted	Within 7 days after the date of approval

A voting exclusion applies in relation to Resolution 3 (see notes to Resolution 3).

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 3 by either marking “**For**”, “**Against**” or “**Abstain**” on the Voting Form for that item of business.

The Chairman (with Messrs Smith and Brookman abstaining) recommends that you vote in favour of this resolution.

Resolution 5 – Approval of on-market share buy-back

Background

The Board has completed a capital management review and believes that a buy-back of shares in combination with other strategies such as the acquisition of new projects to replenish the Australian portfolio, is an efficient way to enhance long term shareholder value.

In particular, an on-market buy-back gives shareholders the choice whether to hold or sell their shares over the buy-back period, whereas with other alternatives (such as an equal capital reduction or off-market equal access buy-back) shareholders may not be given such a choice.

Accordingly, the Company has decided, as part of its capital management program, that a further on-market share buy-back is the most expedient, effective and cost efficient way for the Company to enhance shareholder value.

Regulatory requirements

The Corporations Act 2001 (**Act**) authorises a company to buy-back its own shares on-market if the buy-back does not materially prejudice the company's ability to pay its creditors and it follows the procedures required in the Act.

Shareholder approval is required if the number of shares to be bought back will exceed 10% of the minimum number of shares on issue at any time during the previous 12 months. The limit after which a company requires shareholder approval for a buy-back is known as the '10/12 limit'.

As the Company wishes to acquire more than 10% of its total shares on issue within a 12 month period, they are seeking shareholder approval to do so.

Number of shares subject to the buy-back

The Company's objective is to reduce the number of shares on issue to approximately 56 million. The number of fully paid ordinary shares on issue as at 6 October 2011 was 61,231,385. The Company therefore wishes to buy back up to a further 4,892,288 shares, representing approximately 8% of its total issued shares as at 6 October 2011.

The Company will offer to buy-back shares on-market through transactions on ASX. Since an on-market buy-back involves shares being acquired at the market price of shares at that time, it is not possible to anticipate the value (and therefore the number) of shares that may actually be bought back. As a result, the Company is not required to buy-back a specific number of shares or a minimum specified value of shares over any period.

The Company will cancel all shares that are bought back. The Company reserves the right not to buy back any shares at all.

Timing

It is intended that the on-market buy-back will commence as soon as practicable if approved and end once the maximum number of shares have been bought back, the dated that is 12 months after the annual general meeting or earlier if determined by the Directors.

Price

The shares will be bought back at the quoted selling price of the Company's shares on the Australian Securities Exchange (**ASX**). In accordance with ASX Listing Rule 7.33, the price payable by the Company to buy-back shares cannot be more than 5% above the average market price per share for the last 5 days on which trades were recorded before the day of the buy-back.

It should be noted that the Company cannot give any assurance as to the likely average price per share to be paid by the Company under the on-market buy-back.

It will be a matter for shareholders to determine with reference to their own individual circumstances (and after taking independent advice, if appropriate) whether they want to sell their shares into the buy-back on the ASX and, if so, the price at which they are prepared to sell their shares.

Historical share price information is below.

Information	Price	Date
Close price	\$0.30	5 October 2011
High for 12 months to 6 October 2011	\$0.45	26 July 2011
Low for 12 months to 6 October 2011	\$0.30	5 October 2011
30 day Volume Weighted Average	\$0.325	5 October 2011
60 day Volume Weighted Average	\$0.321	5 October 2011

Financial implications of the on-market buy-back on the Company

Impact on cash reserves

As disclosed in the Company's 2011 Annual Report, the net profit after tax (NPAT) of the Company for the 2011 financial year was \$1.041m.

As at 30 June 2011, the Company held \$20.1m in cash and had bank debt of NIL.

As at the date of this notice, the Company holds a cash balance of \$16.8m.

The directors are confident that even if the on-market buy-back is fully implemented, the Company will have sufficient remaining cash reserves to meet the Company's financial needs and obligations for the future. The on-market buy-back program does not materially prejudice the Company's ability to pay its creditors.

The cost to the Company of the buy-back is dependent on the number and price of shares bought back. The Company will incur brokerage costs to buy-back shares.

Pro-forma balance sheet

The following table is a summary of the Company' audited balance sheet as at 30 June 2011 reflecting a pro-forma adjustment for the completion of the buy-back of 4,892,288 shares at an estimated price of \$0.37 per share being the highest average price paid by the Company during the buy-back conducted between October 2010 and October 2011.

The table is not a forecast of the balance sheet as at any balance date or a forward looking statement. The balance sheet of the Company on completion of the buy-back or any part of it may be materially different from the pro-forma table below.

\$ Millions	Balance Sheet Summary 30/06/2011	On market buy-back 4,892,288 shares	Pro Forma balance sheet post buy-back
Assets			
- Cash	20.1	(1.8) ^{1 and 2}	18.3
- Other Assets	18.8		18.8
Total Assets	38.9	(1.8)	37.1
Liabilities			
- Interest bearing liabilities	0.0		0.0
- Other liabilities	10.1		10.1
Total liabilities	10.1		10.1
Equity			
- Contributed Equity	37.9	(1.8)	36.1
- Retained earnings	(9.7)		(9.7)
- Reserves	0.7		0.7
Total Equity	28.9	(1.8)	27.1
Net Tangible Assets (NTA)	26.1	(1.8)	24.3
Number of Issued Shares (million)	61.2	(4.9)	56.3
NTA Per Share	42.5 cents		43.2 cents

Notes to the table –

1. Proposed share buy-back assuming the purchase of 4,892,288 shares at an average price of 37 cents per share.

2. Excluding buy-back costs.

Impact on the Company's key financial performance indicators

The precise impact on financial indicators such as EPS and net tangible assets (NTA) of the on-market buy-back cannot be determined until the program is completed and will depend on the price paid for and the number and timing of any shares brought back by the Company.

A brief description on how these financial indicators are affected are as follows:

EPS: Earnings will reduce as a result of the interest revenue forgone. Similarly the number of shares will reduce by the number of shares bought-back. It is expected that the buy-back will increase EPS.

NTA: The net assets of the Company's balance sheet shown in the 2011 Annual Report will reduce to the extent of the cost of the on-market buy-back.

Value per share: The fundamental value of the Company will reduce by the amount of cash (plus associated costs, including brokerage) returned to shareholders under the on-market buy-back. This will be applied to a lower number of shares (i.e. the number of shares following the implementation of the buy-back). However, shares will not be bought back unless the Company is satisfied that the buy-back is value accretive for the remaining shareholders.

We have included for your reference, a table which contains a summary of key financial performance indicators for the last 3 years.

Performance Indicator	2011	2010	2009
Revenue	74,669,000	76,136,000	86,669,000
Gross Profit	16,396,000	16,170,000	12,313,000
Earnings/(loss) before income tax (EBIT)	1,117,000	1,115,000	(6,557,000)
Net profit/(loss) after tax (NPAT)	1,041,000	1,472,000	(16,288,000)
EPS	\$0.02	\$0.02	(0.21)
NTA	\$0.425	\$0.408	\$0.381

Advantages of buy-back

If the proposed buy-back is approved and fully implemented, on completion the Company will have fewer shares on issue, but it will retain a high level of financial and balance sheet strength, including:

- A strong, conservatively geared balance sheet, with gearing expected to be in the range currently advised to the market on release of the full year accounts.
- Continuing strong cash reserves generated from existing projects.
- The capacity to meet and service the Company's debts and other financial obligations.
- Ongoing capacity to acquire new projects.
- Enhancing NTA per share and earnings per share.

The buy-back may help buffer short-term share price volatility and enhance the value of shares.

The buy-back will not affect the rights and entitlements of individual shareholders. By reducing the total number of shares on issue, continuing shareholders will have a larger proportional ownership of the Company.

Disadvantages of buy-back

The proposed buy-back will be funded from existing cash reserves and cash generated from operational activities. The use of funds for the buy-back will mean that the funds will not be available for use in the Company's ordinary course of business.

The Directors also note that shareholders who wish to sell their shares on-market have no assurance as to the price, volume or timing of sales as these factors will depend on market dynamics.

Following a review, the Directors believe that, after the buy-back, the Company will have adequate capital to achieve its current strategy and business plan.

Consequence if approval not given

If approval is not given, the Company will not buy-back the shares and will continue to execute its operational strategy and business plan and examine other corporate initiatives to increase shareholder value.

Directors' intentions and recommendations

Although the Directors are eligible to participate in the buy-back, it is not the present intention of any director to participate. Those intentions may however change without notice. Any participation by Directors will be disclosed to the market.

The Directors unanimously recommend that shareholders vote in favour of the proposed share buy-back.



Cellnet Group Limited

ABN 97 010 721 749

LODGE YOUR VOTE

By mail: Cellnet Group Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia

By fax: (02) 9287 0309

All enquiries to: Telephone: (02) 8280 7454 Overseas: +61 2 8280 7454



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SHAREHOLDER VOTING FORM

I/We being a member(s) of Cellnet Group Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am (Brisbane time) on Thursday, 24 November 2011, at the company's office 59-61 Qantas Drive, Eagle Farm and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

IMPORTANT NOTICE FOR RESOLUTIONS 1, 3 AND 4 - APPOINTMENT OF THE CHAIRMAN AS YOUR PROXY

Where I/we have not marked any of the boxes opposite Resolutions 1, 3 and 4, I/ we hereby direct the Chairman to vote in favour of Resolutions 1, 3 and 4 and I/we expressly authorise the Chairman to exercise my/our proxy in respect of Resolutions 1, 3 and 4, even though the Chairman is a member of the Company's key management personnel and Resolutions 1, 3 and 4 are connected directly or indirectly with the remuneration of the Company's key management personnel.

Chairman's voting intentions

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

If you appoint the Chairman as your proxy and you do not wish the Chairman to vote in favour of Resolutions 1, 3 and 4, or any other resolution, you may direct the Chairman to vote against that Resolution or abstain from voting on that Resolution by marking the appropriate box opposite that Resolution below.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an X

STEP 2

VOTING DIRECTIONS

ORDINARY RESOLUTIONS

Table with 3 columns: Resolution, For, Against, Abstain* and 3 columns: Resolution, For, Against, Abstain*. Rows include Resolution 1 (Adoption of Remuneration Report), Resolution 2 (Re-election of Director - Mr Alexander Beard), Resolution 3 (Approval for grant of Options to Managing Director), Resolution 4 (Approval for grant of Options To Non-Executive Director), and Resolution 5 (Approval of on-market share buy-back).

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Signature lines for Shareholder 1 (Individual), Joint Shareholder 2 (Individual), and Joint Shareholder 3 (Individual) with roles: Sole Director and Sole Company Secretary, Director/Company Secretary (Delete one), and Director.

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

CLT PRX110



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am (Brisbane time) on Tuesday, 22 November 2011, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



by mail:

Cellnet Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.