



CHANGE IN DIRECTORS INTERESTS

Attached for immediate release is an Appendix 3Y noting the recent issue of incentive options to the Company's Chairman Mr Justin Milne.

In the course of preparing the Appendix 3Y the Company became aware that Mr Milne had purchased 1,040,000 shares earlier in the year (2 August 2011) and due to an administrative oversight this transaction had not previously been reported to ASX, Mr Milne had been appointed to the Board in March 2011 and had reported a NIL holding at that time.

The Company is aware of its listing rule obligations in respect to this matter and specifically listing rules 3.19A and 3.19B. In this respect the Company makes the following statements about the transaction which had not previously been reported.

1. The Appendix 3Y had not previously been reported as a result of an inadvertent administrative oversight.
2. The Company has informed all Directors of the disclosure requirements set out in listing rules 3.19A, 3.19B and s205G of the Corporations Act. In addition the Company has previously adopted a Securities Trading Policy which has been disclosed to the market and which outlines the requirements for disclosure and approval of all securities trading.
3. The Company is confident that the arrangements it currently has in place are adequate and doesn't believe that any additional steps are required to ensure ongoing compliance with listing rule 3.19B.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Mark Pitts", is written over a light blue circular background.

Mark Pitts
Company Secretary

For more information please contact Justin Milne (Chairman) on +61 8 9444 9088 or visit the web site www.pienetworks.com

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	pieNETWORKS Limited
ABN	27 078 661 444

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Justin Milne
Date of last notice	1 March 2011

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct (Held jointly)
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	
Date of change	i) 2 August 2011 ii) 12 December 2011
No. of securities held prior to changes	
Class	Ordinary shares and Unlisted Options
Number acquired	i) 1,040,000 ordinary shares ii) 10,000,000 unlisted options to acquire ordinary shares
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	i) \$0.026 per share ii) NIL
No. of securities held after change	1,040,000 Ordinary shares 10,000,000 Director options (1.8 c - 30/11/2015)

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	i) On market purchase ii) Issue of incentive options following approval received at AGM
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Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/A
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	N/A
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	N/A
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/A
Interest after change	N/A

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

⁺ See chapter 19 for defined terms.