

WAVENET INTERNATIONAL LIMITED
ACN 087 139 428

UPDATE ON WAVENET INVESTMENTS

WAVENET RESTRUCTURES DIVESTMENT OF ITS INTEREST IN PRESTON VALE VINEYARD

Wavenet International Limited (Wavenet) announced in November 2012 that it had entered into a Heads of Agreement (HOA) to sell 60% of its one half interest in Preston Vale Vineyard for \$4,650,000, in staged payments between November 2012 and June 2014.

The staged payments foreshadowed in that HOA did not fully eventuate, with payments being delayed, short paid or not received at all. The directors have vigorously and consistently sought to enforce the agreement. It became apparent that legal enforcement would not be productive, so the directors entered into further negotiations with the purchaser. Those negotiations have concluded in Wavenet reducing its sell down from 60% of its one half interest to 40% of its one half interest. The sale price amounts to AUD\$3,100,000 which has been now fully received.

COAL IN QUEENSLAND

Exploration Permit EPC2265 located adjacent and to the west of the EPC2044 Gayndah coal resource and centred on the township of Munduberra has now been granted. Initial research work and geological reconnaissance has begun so that areas for detailed mapping and potential drilling sites can be identified. The western side of the tenement is occupied by Surat Basin sediments including the Evergreen Formation and these are known to host coal measure sequences. See Figure 1 below.

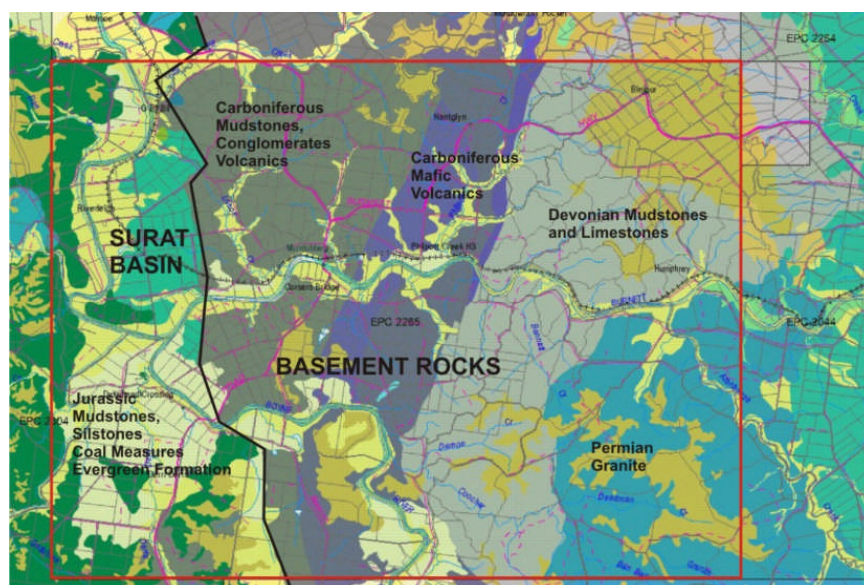


Figure 1 - Simplified Geology of EPC 2265

GOLD IN INDONESIA

An area of approximately 4 kilometres in length on the Bangun River drainage has been identified as potential for alluvial gold mining. A reconnaissance sampling program on this area proved gold occurrences in many of the panned concentrates

An initial Bangka drilling program of 20 holes has been completed. A further 10 holes were planned but some of these were unable to be completed in this campaign due to heavy rains and flooding in the catchment.

62 samples have been submitted to Intertek Laboratory in Jakarta for gold analysis. Results have not yet been received.

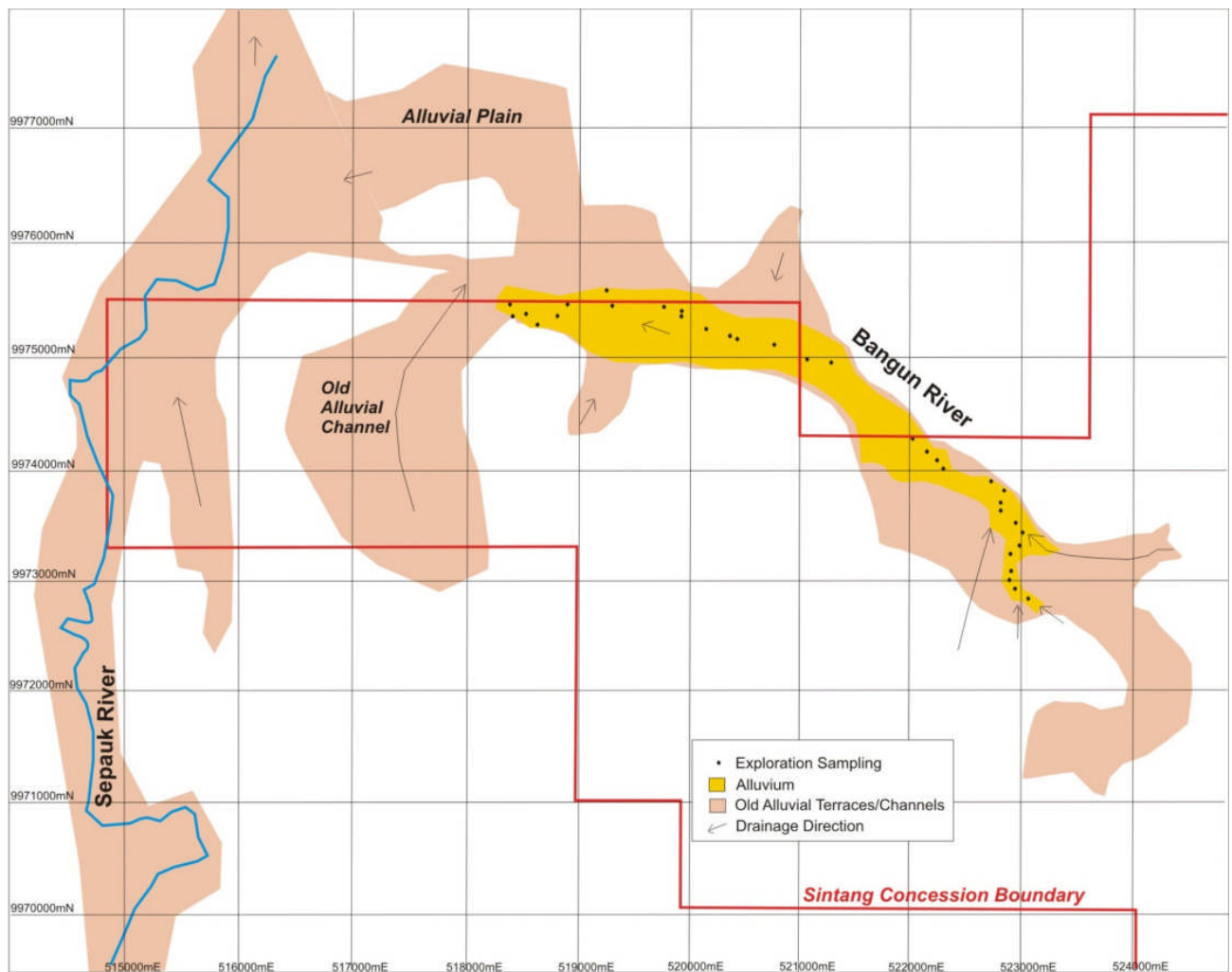


Figure 2 - Location of Alluvial areas on the Sintang Concession

Comment

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. In addition surface sampling assays and drill sample results may also be discussed in the context of information describing the presence of anomalous mineral content. The above information relating to an Exploration Target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Mineral Reserves. Hence the terms Resource (s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Declaration

The information in this statement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by independent consulting geologist Brian Davis who is a Member of The Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Davis is employed by Geologica Pty Ltd and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Davis consents to the inclusion in the report of the matters based on the information made available to him, in the form and context in which it appears”.

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