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Company Announcements Office

ASX

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Dear Sirs,

Senetas Encryption Footprint Expands Into Russia

Please find attached statement by Directors.

Yours faithfully



Andrew R Wilson

Company Secretary

Senetas Encryption Footprint Expands Into Russia

- Partner Tiger Optics has broad reach across eastern Europe

October 31, 2011 – The directors of Senetas Corporation Limited (ASX:SEN) Australia’s world-leading data protection company, today announced that the company has signed a partnership agreement with Moscow-based Tiger Optics to distribute Senetas encryption technology throughout Russia and Eastern Europe.

Senetas CEO, John DuBois, said Tiger Optics would work with Senetas Europe to market the Australian-designed and built encryption technology directly throughout Russia. Tiger Optics will also cover the broader eastern European market via their own partner network of more than 100 system integrators and resellers in Russia, Ukraine, Belarus, Kazakhstan, Azerbaijan, Uzbekistan, Turkmenistan, Georgia, Armenia, Tajikistan and Kyrgyzstan.

Tiger Optics will market Senetas CS, CN and CEP family of Layer 2 and Layer 3 encryptors, which secure Ethernet, SONET, Fibre Channel, Link and ATM networks. The ‘bump in the wire’ Senetas technology, certified to Common Criteria EAL4+ and FIPS 140-2 Level 3, protects voice, video and data at wire speed with no loss of quality.

Gareth Jones General Manager Senetas Europe welcomed the expansion of Senetas’ presence into “an exciting market for our security products”.

Citing a report by Moscow researchers, CNews Analytics, on Russia’s information security market, Mr Jones said it showed Russia now had double-digit growth in the security sector, which is forecast to continue through 2012. “By 2014 Russia is forecast to exceed USD1 billion in sales of security hardware, software and services – all markets in which Senetas has a range of proven data protection solutions,” Mr Jones said.

The report said the Russian market has experienced double digit growth fuelled by economic advance, the introduction of information security compliance requirements including: Payment Card Industry Data Security Standard (PCI DSS), a growing (small-medium business) SMB sector, the emergence of new threats to data, plus the need for Russian enterprises entering partnerships with multi-national corporations to implement world standard information security systems.

Nikita Silchenko, Executive Director of Tiger Optics, said, “Tiger Optics is thrilled to have Senetas, a market leader in network encryption, as a partner and solution provider.

“We see increasing demand for high-quality data protection products as companies in Russia and Eastern Europe, especially those in finance, banking and energy sectors, experience steady growth. Senetas’ unique solutions, such as Ethernet and Fibre Channel Encryptors, enable our customers to safely connect data centers, remote offices and partners and they love the simplicity and ultimate security of these products.”

Senetas expects the market represented by the Tiger Optics group will not only embrace its high speed network encryption products, but will also take up MonitorStream, Senetas’ unique low cost, Software-as-a-Service enterprise systems performance monitoring solution. Effectively an

application in an encryptor, MonitorStream provides secure, real-time monitoring and early warning of IT infrastructure performance, availability and capacity issues.

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. Senetas encryption technology has been independently tested and accredited by the world's leading agencies and now offers the only dual accredited encryption hardware - certified to both FIPS 140-2 Level 3 and Common Criteria EAL4+ and currently in evaluation for CESG CAPS certification in United Kingdom. Senetas is now represented in more than 40 countries. Customers include Government, military, law enforcement agencies plus leading financial and banking institutions in Australia, USA, Middle East, Asia, and the EU.

About Tiger Optics

Headquartered in Moscow, Russia, Tiger Optics focuses on IT and Information Security hardware and software distribution and green data center technologies. Solutions provided by Tiger Optics secure today's enterprises from the core of data center to workstations and corporate mobile devices. Tiger Optics works with an extensive network of resellers and system integrators and provides a full support cycle for its partners and customers in Russia, Ukraine, Belarus, Kazakhstan, Azerbaijan, Uzbekistan, Turkmenistan, Georgia, Armenia, Tajikistan and Kyrgyzstan.

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