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Company Announcements Office
ASX
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Dear Sirs,

Senetas expands sales into Eastern Europe

Please find attached statement by Directors.

Yours faithfully



Andrew R Wilson
Company Secretary

Senetas expands sales into Eastern Europe

MELBOURNE, January 12, 2010 - Senetas Corporation Limited (ASX:SEN) announced today that it had appointed experienced fibre optics security company, FiSEC as a reseller of its high speed Senetas encryption technology throughout eastern Europe.

FiSec GmbH, based in Starnberg outside Munich, has extensive experience in the fibre optic monitoring and security throughout the EU since its establishment in July 2005. FiSEC Managing Director Thomas Hohendanner has 15 years experience in optical IT and is a co-founder of ADVA AG and Tera Gate AG.

Senetas CEO John DuBois said FiSEC was an excellent fit for Senetas and its local knowledge and technological expertise would be invaluable in the emerging markets of Eastern Europe.

Apart from Germany, FiSEC will represent Senetas encryption technology in the Eastern bloc, including Russian Federation, Hungary, Croatia, Slovenia, Czech Republic, Belarus, Ukraine, Romania, Austria, Poland, Lithuania and Bulgaria.

Mr Du Bois said FiSEC was representing the range of dual-accredited Senetas high speed Layer 2 encryption plus Senetas' recently-developed low cost small footprint Senetas CS series of products, switchable between Layer 2 and Layer 3 IPsec.

He said Senetas had repeatedly warned, and actively demonstrated, that fibre optic cable was vulnerable to eavesdropping through the use of a readily-obtainable fibre-tap device, but Senetas encryption solved the problem by protecting personal and financial network data quickly and cost-effectively.

“We believe the Eastern bloc is rapidly taking up the latest technology from the West to enable it to comply with and securely participate in the global banking and financial markets. We are also targeting government, health and defence sectors. With FiSEC we are confident that we can gain a foothold in these emerging markets.”

Currently Mr Du Bois said Senetas and FiSEC were jointly working on encryption sales opportunities in both Croatia and Hungary as well as in other East European countries who joined the European community recently or are scheduled to become members soon. These countries were members of the former Soviet Union and are now adopting western standards.

FiSEC director Ulrich Baltzer said, “There is huge interest from these countries to have access to European or Western markets, because western products, especially those from Germany or other highly developed countries, enjoy a very high reputation.

“Because these nations have historically always operated with strict security regimes, they welcome the opportunity to employ modern security technologies, such as Senetas' dual accredited encryption,” Mr Baltzer said.

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.

About FiSEC

FiSEC was founded by a handful of IT-veterans who had already established successful IT- related businesses in different fields over the past 20 years. Their background includes extensive knowledge in electronic equipment for data storage, data transmission, Geo- Information Systems, business development and sales. They have long term relationships in many countries formerly part of the Soviet Union and the Russian Federation.

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