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31th May 2010

Company Announcements Office
ASX
Level 6
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Dear Sirs,

Telstra consulting contract concludes

Please find attached statement by Directors.

Yours faithfully



Andrew R Wilson
Company Secretary

Telstra consulting contract concludes

MELBOURNE, May 31, 2010: The Board of Senetas Corporation Limited (ASX:SEN), announced today that it had been informed by Telstra Corporation that a consulting contract with the Telco will not be renewed after June 30, 2010.

Senetas' Consulting Division has had a team of consultants delivering services at Telstra's Melbourne Head Office. They have been involved in its application development and production, maintenance and support projects.

Telstra formally notified Senetas today that the contract would not be further extended. It is understood the work would be outsourced to an Indian-based consultancy.

Senetas Chairman, Hon. Alan Stockdale, said "Senetas will not be impacted by the revenue loss this fiscal year. However, if the contract with Telstra had been renewed it would have contributed to consulting division's revenue in 2011 by up to \$3 million. The company expects that new consulting initiatives, recently won consulting bids and the performance of the company's security products division will help offset the revenue loss in 2011 and beyond." He said Senetas would continue to maintain a tight rein on expenditure.

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.

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