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16th March 2011

Company Announcements Office
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Dear Sirs,

**Scout Industries to market Senetas Corporation
Encryption Hardware - Will OEM Senetas Encryptors
in North America**

Please find attached statement by Directors.

Yours faithfully



Andrew R Wilson
Company Secretary

Scout Industries to market Senetas Corporation Encryption Hardware - Will OEM Senetas Encryptors in North America

Senetas Corporation has entered into an OEM agreement under which its encryptors will be marketed in North America by Scout Industries, a Service-Disabled Veteran-Owned Small Business (SDVOSB) with an established government customer base.

Melbourne, Australia, March 15, 2011: Senetas Corporation Limited (ASX:SEN), Australia's world-leading manufacturer of high-speed network encryption technology today announced it had signed an OEM agreement with Scout Industries LLC, a Service-Disabled Veteran-Owned Small Business (SDVOSB), under which Senetas encryptors will be produced and marketed in North America.

The agreement for Scout to offer Senetas Layer 2 and Layer 3 encryptors will allow Scout to provide a reliable, field-proven Layer 2 High Speed data network encryption platform for Ethernet, Fibre Channel, E1/T1, ATM, SONET and Link networks.

The partnership between Senetas and Scout will be on display at The Security Network's 8th annual Security Summit exhibition and conference on March 22&23 in San Diego, California.

Senetas CEO, John DuBois who will attend the event with Scout said: "Scout occupies a unique position in the security marketplace and has already identified a number of opportunities to offer Scout-branded encryption solutions to various government agencies in United States."

Scout's CTO, Miq Millman said the opportunity to work with Senetas' bespoke solutions "aligns with the future trend of expanded convergence on data in motion and augments Scout's focus on security through innovative uses of creative technology." Scout Industries' established relationships with Department of Energy laboratories in the North West and South East US will be leveraged through local office support, distribution, manufacturing and procurement for their client base.

"Senetas encryptors are world class, certified to international security standards, FIPS 140-2 Level 3 and common Criteria EAL4+, employ AES256-bit keys and provide true full duplex wire speed security for data travelling at speeds from 10 Mbps to 10 Gbps," Miq Millman said.

He said security solutions from Senetas would be marketed as a Scout encryption platform, which offers US customers the advantage of a product set that is flexible, scalable and addresses a broad range of data protection needs.

Miq Millman said Scout Secured Communications would offer security solutions under the following NAICS CODES: **518210** – *Data processing, hosting services*; **334210** – *Computer and electronic manufacturing*; **517410** – *Satellite telecommunications*; **517110** – *Wired telecommunications*; **517210** – *Wireless telecommunications*.

The high performance CN series delivers multiprotocol support at speeds up to 10Gbps, whereas the CS series provides an economic solution for networks with throughputs of up to 100Mbps.

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 140-2 Level 3 and Common Criteria EAL4+).

Senetas is now represented in more than 40 countries. Customers include government, military, law enforcement and regulatory agencies, as well as leading financial institutions in Australia, USA, Middle East, Asia, and Europe.

About Scout

Scout Secured Communications is a division of Scout Industries, LLC, a Service-Disabled Veteran-Owned Small Business (SDVOSB) that also carries the designations of Certified Disadvantaged Business, HUB Zone, and Veteran owned. Scout Industries, LLC has over 30 year's experience in armoring, remediation, information technology, manufacturing, procurement, project management, and satellite telecommunications.

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