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9th August 2011

Company Announcements Office

ASX

Level 6

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Dear Sirs,

**SELEX Elsag partners with Senetas to develop and supply highly secure
Ethernet encryption solutions**

Please find attached statement by Directors.

Yours faithfully



Andrew R Wilson

Company Secretary

SELEX Elsag partners with Senetas to develop and supply highly secure Ethernet encryption solutions

MELBOURNE, August 9, 2011 – The Board of Directors of Senetas Corporation Limited (ASX:SEN) today announced it had entered into an agreement with SELEX Elsag, a Finmeccanica company, to supply the UK communications market with advanced encryption solutions.

Under the agreement, the parties are to establish a strategic alliance which will see Senetas provide SELEX Elsag with CESG Assisted Products Scheme (CAPS) approved products for resale and distribution to SELEX Elsag UK Government customers.

SELEX Elsag will have the right to manufacture and rebadge Senetas products. The two parties also agreed to jointly develop ab initio an enhanced-grade encryptor, which would be designed to protect classified communications for the UK Government.

Under the agreement, Senetas, through its Melbourne head office and its Senetas Europe subsidiary, will provide training and support, and will assist SELEX Elsag to actively market Senetas products into its customer base.

SELEX Elsag will propose Senetas products for UK Government network encryption opportunities, support the ongoing Senetas CAPS evaluation process, and introduce Senetas to other businesses within Finmeccanica to identify additional opportunities for Senetas products.

Phil Robinson, UK Senior Vice-President of SELEX Elsag, says, “We look forward to working with Senetas to market a wide range of advanced and secure encryption products, expanding SELEX Elsag’s offering to our domestic customers”.

Commenting on the announcement, which was simultaneously made in United Kingdom, John DuBois, Chief Executive Officer of Senetas, said: “The UK and Europe represent major markets for our high speed network encryption. Clearly, our

market leadership and multiple product accreditations in the Layer 2 sector have been recognised by SELEX Elsag.

“Together, these factors are the key drivers for this exciting partnership with the Finmeccanica group's, SELEX Elsag, which will add significantly to our global routes to market, specifically across government and defence. Working with a multi-billion Euro company that is a major supplier and is dominant in many of these markets, will add substantially to Senetas' future volumes.”

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 multi-accredited encryption hardware - certified to both FIPS 140-2 Level 3 and Common Criteria EAL4+, while the Senetas CN Series high speed network encryptor is in the 'in evaluation' phase of CESG CAPS approval in United Kingdom. Senetas is now represented in more than 40 countries. Customers include Government, military and law enforcement agencies, plus leading financial and banking institutions in Australia, USA, Middle East, Asia, UK and the EU.

About Selex

SELEX Elsag, a Finmeccanica company, was formed on 1 June 2011 following the merger of SELEX Communications and ELSAG Datamat. SELEX Elsag is a leader in the design and development of hi-tech systems, solutions and services for Information & Communication Technology, security, automation, professional and defense telecommunications, logistics and mobility, and avionics. Headquartered in Italy and with operations in UK, USA, Germany, Turkey, Russia and Romania, SELEX Elsag employs more than 7400 people worldwide.

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