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ASX ANNOUNCEMENT

CHINA TELECOM SIGNS FIRST FIVE CUSTOMERS IN CHINA

NetLinkz Limited (ASX:NET) (**Company** or **NetLinkz**) advises that China Telecom Wuxi has signed sales contracts to provide NetLinkz's patented cloud networking solution to an initial five customers in the Xinwu region. The technology is expected to be rolled out to this group over the coming two months.

The customers range from an IT business affiliated with a Fortune 500 company, to a warehousing and processing business, with the largest customer agreeing to purchase 200 software licenses and the smallest, 20 licenses. All customers have contracted terms of 36 months.

Xinwu sub-branch of China Telecom Wuxi is targeting sales of 30,000 licenses in year one and 50,000 in year two. China Telecom believes those targets to be conservative.

NetLinkz and its Partner in China have begun to add product support, training and sales staff to its operations so that it is prepared to scale with China Telecom as other sub-branches of China Telecom Wuxi begin to proactively sell the product.

NetLinkz Executive Chairman, James Tsiolis said of the development: "We are delighted that NetLinkz's value proposition has resonated so well with some of China Telecom's key customers in the region.

"The diverse nature of the customers is a testament to the reach of the China Telecom business and the attractiveness of the technology as a simple, fast and secure networking solution for businesses of all shapes and sizes.

"While this initial tranche of customers were selected to assess how the technology performs across real business operations in different sectors, NetLinkz expects that sales efforts will ramp up as we approach the end of the calendar year," said James Tsiolis.

China Telecom and the Joint Venture are targeting 500,000 new customers in the Wuxi area before plans are made to promote the technology through China Telecom's network in other provinces.

"NetLinkz would like to thank China Telecom for its ongoing support and the fantastic platform it has built the business to grow from," continued James Tsiolis.

"The Board of NetLinkz are committed to making this partnership a success for all parties involved."

A senior delegation from China Telecom is expected in Sydney on September 4th for a formal signing ceremony after the previous trip had to be delayed due to unforeseen circumstances.

*****ENDS*****

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About NetLinkz Limited

Netlinkz provides secure and efficient cloud network solutions and is the world's only fully meshed peer-to-peer network provider. The company's technology makes Fortune-500 security commercially available for organizations of all sizes. Netlinkz has received numerous industry awards for its technology, including being a worldwide winner of the Global Security Challenge.