

Dear Valued Cellnet Shareholder,

In reference to the Notice of General Meeting (Proposed Demerger of Mercury Mobility) dated 30 April 2007, as per section 9 of the Explanatory Statement to Shareholders we have received advice relating to the apportionment of the cost base or reduced cost base of shares between Cellnet and Mercury Mobility as follows:

*Section 125-80(2) of the 1997 Act requires that the original cost base or reduced cost base of shares held in Cellnet at the time of the demerger is allocated between the shares in Cellnet and the new shares in Mercury Mobility.*

*The Section requires that this allocation is done on some reasonable basis having regard to the following:*

- (a) the market value of the Cellnet shares immediately after the demerger; and*
- (b) the market value of the Mercury Mobility shares immediately after the demerger.*

*The demerger was effected on 8 June 2007. At the close of trading on that date Cellnet shares were trading at 92 cents.*

*Mercury Mobility shares did not trade at the time of the demerger. Following our discussions we have determined that the fair value of a Mercury Mobility share immediately following the demerger was 30 cents. Accordingly we have adopted this value for the purposes of our calculation.*

*Accordingly in our view it is reasonable to allocate the existing cost base or reduced cost base as follows:*

<i>Cellnet shares</i>	<i>75.4%</i>
<i>Mercury Mobility shares</i>	<i>24.6%</i>

*For example if the cost base of a Cellnet share prior to the demerger was \$1.00 the cost base of the Cellnet share post demerger would drop to \$0.754 and the Mercury Mobility share will have a cost base of \$0.246.*

Please note that the required apportionment of the cost base between Cellnet shares and Mercury Mobility shares is for individual shareholders to determine, and if necessary shareholders should receive advice from a financial or tax adviser.

Yours sincerely,

Sandy Beard  
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