PLACEMENT

The directors of pieNETWORKS Limited ("pie" or the "Company") are pleased to announce that the Company has agreed the terms for the placement of approximately 14.3 million new shares at an issue price of $0.09 each to raise A$1.288 million, before costs ("Placement"). The Placement, which has been made to private investors, is made pursuant to the Company's ASX Listing Rule 7.1 (15%) placement authority.

It is anticipated that the Placement shares will be issued within the next 7 days. The proceeds of the Placement will be used to further progress development and sales and marketing activities for the Company's Hotspot Webphone and for general working capital purposes.

The directors have also today resolved to implement a shareholder share purchase plan ("SPP"). It is intended that an offer will be made to eligible shareholders at the Placement price of 9 cents per share. The right to participate in the SPP will only be available to registered holders of fully paid ordinary shares in the Company as at 5.00 pm (WST) on Thursday 12 April 2007. It will also be limited to shareholders whose registered address is in Australia or New Zealand. An announcement in relation to the SPP will be made shortly.

An Appendix 3B will be lodged following issue of the Placement shares.

For more information please contact:

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About pieNETWORKS Ltd

pieNETWORKS develops and operates managed public internet access and VoIP telephony infrastructure. The company's customers include telcos, government and large and medium size businesses. pieNETWORKS is listed on the Australian Stock Exchange (ASX:PIE).

More information can be found at www.pienetworks.com