

Bendigo Community Telco
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1 December 2010

The Manager
Bendigo Stock Exchange Limited
PO Box 283
NEWCASTLE 2300 NSW

Dear Sir / Madam

Bendigo Community Telco Limited (ACN 089 782 203) (the Company) is a publicly listed company on the Bendigo Stock Exchange.

The Board of the Company had approved the implementation of an exempt Employee Share Scheme (the Scheme) which was offered to staff on 8 October 2010

- Under the Scheme the proposed share offer will be made to all permanent employees who have completed six months service.
- The value of the shares issued will be determined under Section 139FB of the Income Tax Act will not exceed 5% of the issued share capital of the Company.
- All participants in the Scheme will be provided with an Employee Handbook, which is a guide to the Employee Share Ownership Scheme, which will be accompanied by the rules of the Scheme.
- The period during which the share offer may be accepted by the employee is clearly stated in the formal offer document.

The Company seeks relief pursuant to Class Order (CO 03/184) Employee Share Schemes.

Pursuant to the Share Ownership Scheme on 28 October 2010 Bendigo Community Telco Limited issued 27162 fully paid ordinary shares at an issue price of \$1.00 per share to all eligible staff members.

The shares issued under the Scheme are restricted from trading and will not be listed until 3 years after the issue date or until the employee terminates their employment with the company.

Should you require any further information please contact me via email on ken.belfrage@bendigotelco.com.au or by mobile telephone 0419 358 020.

Yours sincerely



Ken Belfrage
Company Secretary