

Bendigo Community Telco
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1 July 2011

Mr. Scott Evans
General Manager
National Stock Exchange
PO Box 283
NEWCASTLE NSW 2300

Dear Scott

Price Query - Bendigo Community Telco (BCT)

We refer to your letter dated 29 June 2011 in relation to a trade on the company's shares that occurred on 29 June 2011.

In response to your question we advise that:

1. The company is not aware of any price information concerning it that has not been announced and may have an influence on price sensitive activity.
2. The company continues to be in compliance with the listing rules and, in particular, listing rule 3.1.

With respect to the variations in the price that the shares have traded we consider that these variations arise as a result of the thin volume for trading of the BCT stock. Prior to this transaction there were No Bids and there was an Offer of 2,000 shares at \$1.00. Subsequently this position has moved to No Bids and an Offer of 1,000 shares at \$1.00, followed by an Offer of 10,000 shares at \$1.39.

We consider that the former sales at \$0.60 were a result of vendor(s) who had a poor appreciation of the value of the stock and may have been in a position where they had a need to dispose of their holdings.

We note that the past two fully franked dividends paid by the company were 6 cents in September 2010 and 5 cents in March 2011. On the basis of the dividend yield a share price of \$1.00 or higher is well supported.

Please contact me should you require further details.

Yours faithfully

A handwritten signature in black ink, appearing to be "Ken Belfrage", written over a horizontal line.

Ken Belfrage
Company Secretary