



SUPPLY NETWORK LIMITED

ABN 12 003 135 680

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Telephone: 61 2 9892 3888 Fax: 61 2 9892 2399

12 June 2007

The Manager
Companies Announcement Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Trading Performance Update and On Market Share Buy Back

Although the competitive market environment has continued, Directors believe the current earnings guidance for year to 30th June 2007 of 1.5 to 2 cent per share will be achieved, albeit at the lower end of that range. Our business has absorbed a number of one off costs over the financial year in relation to the expansion of our total supply contracts for large fleets and the streamlining of supply partners. An expected return to revenue growth of at least 5% p.a. along with tight margin and cost management should lead to significantly improved results in the future.

Our industry is at an inflection point and is ready for some form of consolidation. To this end we have had numerous discussions with various industry participants and have looked at a number of potential acquisitions. Directors believe SNL is well placed to benefit from industry consolidation and we will continue to investigate all options.

Recent declines in the SNL share price are disappointing and at levels well below the net tangible asset backing Directors believe the current share price significantly under values the company, particularly in comparison to other industry participants.

In the interests of improving shareholder returns Directors have considered a range of capital management options. At current share price levels Directors consider a Share Buy Back to be an effective use of capital that will benefit shareholders in the short and long terms.

Directors have resolved to undertake an on market buy-back that will operate until 31st December 2007. Further details are included in the attached Appendix 3C.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Peter Gill', written in a cursive style.

Peter Gill
Company Secretary

Appendix 3C

Announcement of buy-back (*except* minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity	ABN
Supply Network Limited	12 003 135 680

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On Market within 10/12 limit
2	+Class of shares which is the subject of the buy-back (eg, <i>ordinary/preference</i>)	Ordinary shares
3	Voting rights (eg, <i>one for one</i>)	One for one
4	Fully paid/partly paid (<i>and if partly paid, details of how much has been paid and how much is outstanding</i>)	Fully Paid
5	Number of shares in the +class on issue	22,126,345
6	Whether shareholder approval is required for buy-back	No
7	Reason for buy-back	Capital Management

⁺ See chapter 19 for defined terms.

8 Any other information material to a shareholder's decision whether to accept the offer (eg, details of any proposed takeover bid) None

On-market buy-back

9 Name of broker who will act on the company's behalf E*Trade

10 Deleted 30/9/2001.

11 If the company intends to buy back a maximum number of shares - that number
Up to 1,000,000
Note: This requires a figure to be included, not a percentage.

12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention
During the period commencing 27 June 2007 to 31 December 2007

13 If the company intends to buy back shares if conditions are met - those conditions
None

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here: 
(Company Secretary)

Date: 12 June 2007.

Print name: Peter Gill