

**CODAN LIMITED ACQUIRES
LOCUS MICROWAVE INC.**

Codan Limited
81 Graves Street
Newton SA 5074
Australia

Codan Limited has announced a strategic expansion of its satellite communications business, acquiring Pennsylvania-based Locus Microwave Incorporated.

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Campbelltown SA 5074
Australia

Locus is a specialist microwave technology company based in State College Pennsylvania, primarily focused on the design, manufacture and supply of microwave radio products for satellite communications.

Under Codan's ownership Locus will remain a US based business with its design, manufacturing and sales led by the Company's Founders and current Executive Team comprising Jim Dixon, Gary McGovern and Dana Wilt

The acquisition will enable Codan to establish closer contact with the North American Satellite market with the addition of Locus' product development and manufacturing base in State College.

Codan's Managing Director, Mike Heard, said the acquisition will significantly broaden the global reach for the Group's existing extensive international satellite communications business and, in particular, will add exciting new products for Codan's worldwide customer base.

"This is a strategic investment that positions the company well to capitalise on X-Band, a market currently being developed specifically for military and government purposes. This new market offers substantial future opportunities to the Codan Group over the medium to long term," Mr Heard said.

"Growth in the Locus business will come primarily from the deployment of numerous dedicated government X-Band satellite communications networks including the Wideband Global Satellite Communications (WGS) satellites.

The Locus X-Band products and technologies immediately increase the size of the addressable market available to Codan's Satellite business. For over 15 years Codan has been a market leader in the supply of similar products operating at C-Band and Ku-Band which are used in both the commercial and government markets globally.

Locus will integrate well with Codan's existing Satcom business unit.

The Locus Founders each have over 25 years' experience in the design, supply and sale of high performance and custom microwave and radio frequency ("RF") products.

The Locus business will continue to be managed and operated by its Founders from its State College facility, with all Founders committed to the Codan Group for a minimum of 3 years.

Codan and Locus have highly complementary sales, marketing and product design expertise, and working within the Codan Group this expertise will be leveraged to the benefit of both businesses.

Codan ownership adds significantly to the Locus value proposition.

Codan's world-class manufacturing expertise will enable Locus to more quickly and efficiently meet emerging market demand for X-Band products

Codan will also add value by providing solid processes and systems as well as back-office support.

Codan looks forward with confidence to bringing the Locus people and the business into the Codan fold and to continuing to develop the strong microwave & RF product development and manufacturing expertise to increase both companies' market share in the satellite communications industry.

About Codan

Codan, which listed on the Australian Stock Exchange in November 2003, designs, manufactures and markets a diversified range of products and systems for the international high frequency radio, satellite and terrestrial microwave communications markets, and for the consumer and countermeasures metal detection markets.

This year Codan celebrates its 50th year in business.

For the past 15 years, Codan has been a leading supplier of high quality RF & microwave sub-systems with over 20,000 C-band and Ku-band transceivers and block up-converters installed and successfully operated by many of the world's leading System Integrators of satellite communications systems.

Gary Shmith
General Manager, Satellite Communications
1st May 2009

FOR ADDITIONAL INFORMATION, PLEASE CONTACT: -

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