

January 17, 2007



NetSol Technologies Selected for Pilot Project to Automate Land Records System for the Province of Punjab

Government of Punjab Along With World Bank to Evaluate Capabilities of Finalists for Selection of Two Vendors to Manage \$300 Million IT Project

CALABASAS, CA -- (MARKET WIRE) -- 01/17/07 -- NetSol Technologies Inc. ("NetSol") (NASDAQ: NTWK), a multinational provider of enterprise software and services for the commercial finance industry, announced that it is one of four finalists for a pilot project to automate the land records system of the Province of Punjab. The Government of Punjab in conjunction with the World Bank is using this pilot project ("the Project") to evaluate the capabilities of four local IT companies in order to narrow the field to two vendors to manage a \$300 million project to automate the whole Province over a three-year period.

The World Bank spent more than nine months evaluating the capabilities of nine local IT vendors before narrowing the field to four finalists. The Punjab Information Technology Board is directing this Project, which is expected to be completed within nine months. The final two vendors are expected to be selected in the second half of 2007.

Najeeb Ghauri, chairman and CEO of NetSol, stated, "We are very pleased that the Government of Punjab and The World Bank have selected NetSol for this important pilot project. We believe our selection is the result of the research and development initiatives in which we've been engaged in the past two years. Also, we think it represents a successful example of the capabilities of our CMMI Level 5-certified facility in developing applications to help in building Pakistan's IT Infrastructure. NetSol's expertise in developing customized applications and software products, as well as our strong presence in the Pakistan market, make us a logical choice for the Land Records Management and Information Systems Program, Province of Punjab Project. Moreover, we believe these qualities position us as a strong candidate for selection as one of the final two vendors for the \$300 million project," concluded Mr. Ghauri.

Each finalist was assigned a component of the Project based on its strengths and capabilities. NetSol's assignment is to complete an indigenous Urdu language-enabled system for automating and managing land records and expects to complete the project in nine months time.

The current state of land records in the province of Punjab, Pakistan's most populous province, is opaque and insecure, creating an environment ripe for misrepresentation and dispute. Inequalities of land distribution, tenure insecurity and difficulties associated with the land administration and registration system are closely interrelated and continue to impose significant constraints on both rural and urban populations, particularly the poor. Land transactions are relatively high cost, and disputes about accuracy of land rights are caused, among others, by the inefficient and dispersed land records system.(1)

The objective of the project, entitled "Land Records Management and Information Systems Program ("LRMIS-P") Province of Punjab," is to improve the land records service delivery of the Province of Punjab, establishing greater transparency and contributing to long-lasting tenure security and more efficient functioning of land markets. A further goal is to establish a basis for fuller integration of information associated with rights in land.(2)

NetSol also is working on several other projects for the Government of Punjab, including the development of a Motor Transport Management Information System and a Punjab portal, integrating all provincial departments and district governments online.

About NetSol Technologies

NetSol Technologies is a multinational provider of enterprise solutions and services for commercial finance. The Company's offerings include customized application development, software products and consulting services. In addition, NetSol develops outsourced applications in collaboration with clients and partners.

The NetSol family of products includes: the LeaseSoft Contract Management System, LeaseSoft Credit Application Processing, LeaseSoft Wholesale Finance System, LeaseSoft Premium Finance System, LeaseSoft EPO system, and the LeasePak portfolio management system. NetSol clients include: Motorola, CitiGroup, BMW, Toyota, Yamaha Motor Finance, Quest Communications, and Investec. NetSol's largest customer: DaimlerChrysler Services, a division of DaimlerChrysler, the world's fifth-largest carmaker, ranks NetSol as a preferred vendor in 40-plus countries.

NetSol Technologies helps its clients identify, evaluate and implement technology solutions to meet their strategic business challenges and maximize their bottom line. By utilizing its worldwide resources, NetSol Technologies delivers high-quality, cost-effective equipment finance portfolio management solutions and IT services ranging from consulting and application development to systems integration and outsourcing. NetSol Technologies' commitment to quality is demonstrated by its achievement of both ISO 9001 and SEI (Software Engineering Institute) CMMI (Capability Maturity Model) Level 5 assessment, a distinction shared by only 94 companies worldwide.

The company is headquartered in Calabasas, CA, and has operations and/or offices in London, Los Angeles, San Francisco, Sydney, Beijing, Toronto, and Lahore, Pakistan. To learn more about NetSol Technologies, visit the Company's web site at www.netsoltek.com.

Forward-Looking Statements

This press release may contain forward-looking statements relating to the development of the Company's products and services and future operation results, including statements

regarding the Company that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. The words "believe," "expect," "anticipate," "intend," variations of such words, and similar expressions, identify forward-looking statements, but their absence does not mean that the statement is not forward looking. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Factors that could affect the Company's actual results include the progress and costs of the development of products and services and the timing of the market acceptance.

(1) World Bank Project Information Document, Report No: AB1469.

(2) World Bank Project Information Document, Report No: AB1469.

Contacts:

NetSol Technologies, Inc.

Andrew Lea

Vice President, Marketing & Corporate Communications

Tel: +1 650-348-0650, ext 1171

Email: andrew.lea@netsoltek.com

Investor Relations

Christopher Chu

The Global Consulting Group

Tel: +1-646-284-9426

Email: cchu@hfgcg.com