FORM 7

MONTHLY PROGRESS REPORT

Name of CNQ Issuer: Plaintree Systems Inc (the "**Issuer**").

Trading Symbol: NPT

Number of Outstanding Quoted Securities: 12,522,143

Date: **October 21, 2008**

This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNQ Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNQ.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNQ Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

(a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.

(b) The term "Issuer" includes the Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

   During the month of September 2008, Plaintree continued to integrate the former businesses of Hypernetics and the Triodetic Group of Companies, acquired in April 2008, into its business. The Company commenced the trading of its common shares during the month under the trading symbol "NPT". In addition, the Company continued its efforts to grow its business in the avionic, structural steel and optical wireless technologies sectors.

2. Provide a general overview and discussion of the activities of management.

Plaintree's management team focused on continued business development, marketing activities and engineering development.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Not applicable.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See answer to Question 10 below.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

No material acquisitions or dispositions of Company assets occurred during the month of September, 2008.

8. Describe the acquisition of new customers or loss of customers.

During the month of September 2008, Plaintree signed with a new reseller selling into the South Korean Industries and Securities market (see press release of Company dated September 30, 2008 for additional information).

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

During the month of September 2008, the Company hired four new full-time staff
members and accepted one full-time termination notice.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Plaintree borrowed against existing credit facilities with the HSBC Bank Canada to assist in financing the cost of an addition to the existing manufacturing facilities at 90 Decosta, Arnprior, ON in the amount of $288,000. Loan is a demand loan payable in equal monthly instalments of principal and interest (Bank's Prime rate plus 1%) amortized over 10 years.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds(1)

(1) State aggregate proceeds and intended allocation of proceeds.

None.

15. Provide details of any loans to or by Related Persons.

No new loans to or from any Related Persons were made during the month of September, 2008.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

An overall decrease in the world economic conditions is being monitored by the company for potential impact. For further information please refer the Management's Discussion and Analysis of Financial Condition and Results of Operations March 31, 2008.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized to sign this Certificate of Compliance.

2. As of the date hereof, there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).

All of the information in this Form 7 Monthly Progress Report is true.

Dated: **October 21, 2008**

DAVID WATSON

s/"David Watson"
Signature

President & CEO

Issuer Details Name of Issuer: Plaintree Systems Inc	For Month End September 2008	Date of Report 08/10/21
Issuer Address: 90 Decosta Place Suite 100		
City/Province/Postal Code Arnprior/ON/K7S 0B5	Issuer Fax No. 613 623 4647	Issuer Telephone No. 613 623 3434
Contact Name Lynn Saunders	Contact Position CFO	Contact Telephone No. 613 623 3434 x2223
Contact Email Address lsaunders@plaintree.com	Web Site Address www.plaintree.com	