

ENFORCEABLE UNDERTAKING

Australian Securities and Investments Commission Act 2001

Section 93AA

The commitments in this undertaking are offered to the Australian Securities & Investments Commission ("ASIC") by:

Carmine Claudio Mercorella
30 Heather Court
PARADISE SA 5075

1. BACKGROUND

- 1.1 ASIC is responsible for enforcing the provisions of the corporations legislation with one of its aims being to strive to promote the confident and informed participation of investors and consumers in the financial system.
- 1.2 Between January and November 2004, Carmine Claudio Mercorella ("Mr Mercorella"), (DOB 14/7/1975), trading under the business name Unmarketable Parcels, sent various unsolicited offers to purchase shares off-market to persons who held a beneficial interest in any one or more of the following entities:
 - (a) BKM Management Ltd
 - (b) Jumbo Corporation Ltd
 - (c) Oropa Ltd
 - (d) Natural Intelligence Ltd (now Commoditel Ltd) ("CMO")
 - (e) ICE Corporation Ltd
 - (f) Entertainment Media & Telecoms Corporation Ltd ("the Offers").
- 1.3 The Offers were in the form of, or substantially similar to, the attachment to this enforceable undertaking.
- 1.4 Each Offer contained conditions that Unmarketable Parcels would not be under any obligation to purchase the shares if at any time prior to sending the money for the shares:
 - (a) the share price fell below a certain level, or
 - (b) the stock for any reason, was suspended from trading from the ASX.
- 1.5 In deciding to accept this enforceable undertaking, ASIC has taken into account that:
 - (a) Mr Mercorella has co-operated with ASIC in its enquiries in relation to the Offers;
 - (b) ASIC has not received any complaints from shareholders who accepted the offers; and

- (c) Mr Mercorella last made such offers in November 2004.

2. ASIC's CONCERNS

- 2.1 ASIC determined that Part 7.9, Division 5A of the *Corporations Act 2001* ("the Act") applied to the Offers and that the Offers were unsolicited offers to purchase financial products off-market as defined by s1019D of the Act.
- 2.2 ASIC was concerned that the Offers failed to comply with:
- (a) s1019I(2)(e) of the Act in that the Offer documents did not contain a statement to the effect that the Offer may be withdrawn by sending a withdrawal document to the offeree, but generally not within one month of the date of the Offer; and
 - (b) s1019G(2) of the Act in that each of the offer documents included a term that the Offer could lapse less than one month from the date of the Offer.
- 2.3 In respect of the Offers for shares in CMO, ASIC was concerned that Mr Mercorella failed to comply with s1019J of the Act in that he failed to send a withdrawal or supplementary offer document to the offerees within 10 business days of an increase in excess of 50% in market value of the shares during the period of the Offer.

3. UNDERTAKINGS

- 3.1 Mr Mercorella undertakes that he will for a period of 5 years from the date of acceptance of this enforceable undertaking by ASIC ("Operational Date"):
- (a) before making any unsolicited offer to purchase securities off-market, submit the offer document to an independent compliance expert who is either:
 - (i) a qualified lawyer who has been practising for at least the past 5 years in the area of financial services law; or
 - (ii) a member of the Australian Compliance Institute (or with the approval of ASIC another appropriate professional association) who has not less than 5 years experience in the securities industry in a supervisory or compliance role,

to provide Mr Mercorella with a written opinion that each particular unsolicited offer to purchase securities off-market, including any document (as defined in s25 of the *Acts Interpretation Act 1901* (Cth)) attached to each such offer complies with all relevant provisions of the Act, the *Corporations Regulations 2001* and the *Australian Securities and Investments Commission Act 2001* ("Independent Compliance Opinion");

- (b) not make unsolicited offers to purchase financial products unless and until he has obtained an Independent Compliance Opinion in relation to each particular unsolicited offer to purchase securities off-market that he makes;
- (c) provide ASIC with a copy of any Independent Compliance Opinion ASIC may request, in writing, from time to time.

3.2 Any notification to be provided to ASIC in accordance with this enforceable undertaking is to be sent to:

Assistant Director Enforcement
Australian Securities & Investments Commission
8th Floor, 100 Pirie Street
ADELAIDE SA 5000

4. ACKNOWLEDGEMENTS

4.1 Mr Mercorella acknowledges ASIC's concerns set out in this enforceable undertaking.

4.2 Mr Mercorella acknowledges that ASIC:

- (a) may issue a Media Release on execution of this enforceable undertaking referring to its terms and to the concerns of ASIC which led to its execution;
- (b) may from time to time publicly refer to this enforceable undertaking; and
- (c) will make this enforceable undertaking available for public inspection.

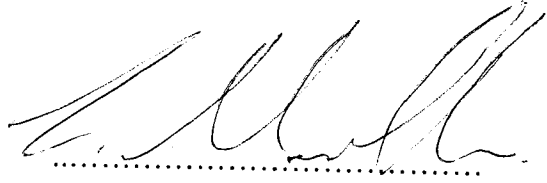
4.3 Mr Mercorella further acknowledges that:

- (a) this enforceable undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this enforceable undertaking;
- (b) ASIC's acceptance of an enforceable undertaking does not affect ASIC's power to investigate a contravention arising from future conduct, or pursue a criminal prosecution, or its power to lay charges or seek a pecuniary civil order; and

(c) this enforceable undertaking has no operative force until accepted by ASIC.

SIGNED this 13th day of May 2005

by CARMINE CLAUDIO MERCORELLA



In the presence of:


Witness

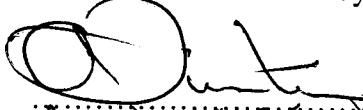
R. M. Holmes
Name (Print)

100 Pirie Street

Adelaide SA 5075
Address

RALPH M. HOLMES ID No. 25024
Justice of the Peace in and for
the State of South Australia

ACCEPTED by the Australian Securities & Investments Commission pursuant to s93AA of the ASIC Act by its duly authorised delegate:


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ALLEN TORKTON

Dated this 16, day of May 2005

UNMARKETABLE PARCELS

23 November 2004

Dear Shareholder

OFFER TO PURCHASE YOUR ENTERTAINMENT MEDIA & TELCOMS CORPORATION LIMITED ("ETC") SHARES

Our records indicate that you currently hold an unmarketable parcel of shares in Entertainment Media & Telcoms Corporation Limited. An unmarketable parcel is defined by the ASX Listing Rules as a holding of shares with a market value of less than \$500.

What shares do you currently hold in ETC?

At present our records indicate you hold the following shares in Entertainment Media & Telcoms Corporation Limited;

Number of Shares	Price Per Share*	12 Month Trading Range*	Price Payable Per Share	Total Amount Payable
850	\$0.018	\$0.006 - \$0.031	\$0.01	\$8.50

* The Price per Share is the closing price of the shares as at the date of this letter.

* The Trading Range is the lowest and highest price the shares have traded at during the previous 12 months.

Disadvantages of holding your unmarketable parcel of shares

Investors holding a small number of shares are generally discouraged from selling their shares due to the difficulty and high cost of selling small parcels of shares. Quite often, the cost to sell your shares will be more than the shares are worth.

Advantages of selling your shares

In light of the above problems associated in selling your shares, we are prepared to offer you **\$8.50** (\$0.01 per share) for your shares in Entertainment Media & Telcoms Corporation Limited.

Although this amount is less than the current market value, you must keep in mind that we will be paying for all the costs and expenses associated with the sale, which as we have indicated, will be considerable in comparison to the value of your shares.

UNMARKETABLE PARCELS

197 Lower Athelstone Road, ATHELSTONE SA 5076
Tel. (08) 8337 2661 Fax. (08) 8337 2744

UNMARKETABLE PARCELS

What you need to do if you wish to sell your shares

If you are interested in selling your shares you need to;

- Complete the *Standard Transfer Form* (Sections 8 and 14) enclosed and return in envelope provided.
- Complete and return the enclosed *Authority Form* and return in the envelope provided.
- Please make sure that you have signed both Section 8 and 14 on the Standard Transfer Form and the Authority Form. **(If joint holding all parties must sign)**
- Payment for the agreed amount will be made to you within approximately 14 business days of receiving your Transfer Form(s).

Please note, there are over **800 shareholders** in Entertainment Media & Telcoms Corporation Limited who currently hold unmarketable shares. The majority of these shareholders have all been given the opportunity to participate in this offer.

Furthermore, please note this offer is not compulsory and is not sanctioned by Entertainment Media & Telcoms Corporation Limited.

Should you have any queries concerning the sale of your shares, please do not hesitate to contact us on (08) 8337 2661.

Yours faithfully



CARMINE MERCORELLA

Conditions of Offer

Unmarketable Parcels will not be under any obligation to purchase your shares;

- If we do not receive your Transfer Form by 31st December 2004, or
- If at any time prior to sending you your money the share price of Entertainment Media & Telcoms Corporation Limited falls below \$0.016 or the stock, for any reason, is suspended from trading from the ASX