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VARIATION OF ENFORCEABLE UNDERTAKING

Australian Securities and Investments Commission Act 2001

Section 93AA

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

JOHN HUYSHE GREAVES

8 Redan Street Mosman NSW 2088 (Mr Greaves)

1. DEFINITIONS

- 1.1. Defined terms used in this variation of undertaking have the same meaning as those in the Enforceable Undertakings given by Mr Greaves on 30 August 2004 (the Enforceable Undertaking), a copy of which is attached as Annexure A to this document.

2. BACKGROUND

- 2.1. On 30 August 2004, Mr Greaves offered the Enforceable Undertakings to ASIC, and on the same date ASIC accepted the Enforceable Undertakings.
- 2.2. On 30 November 2004, Mr Greaves entered into a Deed of Arrangement with David Patrick Watson pursuant to Part X of the *Bankruptcy Act 1966* (Deed of Arrangement).
- 2.3. The Deed of Arrangement was contemplated by the Enforceable Undertaking and a draft of the Deed of Arrangement was annexed to the Enforceable Undertaking and marked Schedule D.
- 2.4. At paragraph 3.3 of the Enforceable Undertaking, ASIC made an acknowledgement by reference to the terms of the Deed of Arrangement.
- 2.5. On 30 November 2007, the Deed of Arrangement terminated.
- 2.6. ASIC, Greaves, One.Tel Limited (In Liquidation) and Max Donnelly (in his capacity as trustee of the property of Mr Greaves) have agreed to enter into a deed (the Deed), provisions of which relate to enforcement of the costs order referred to in paragraph 3.3 of the Enforceable Undertaking.
- 2.7. It is necessary to vary the acknowledgement contained in paragraph 3.3 of the Enforceable Undertaking in contemplation of ASIC entering into the Deed.
- 2.8. ASIC has agreed to the Variation of the Enforceable Undertaking on the basis that it does not alter the intent of the Enforceable Undertaking and that there has been a material change in circumstances in that the Deed of Arrangement terminated.

3. VARIATION OF ENFORCEABLE UNDERTAKING

3.1. Under s93AA of the *Australian Securities and Investments Commission Act 2001* (ASIC Act), Mr Greaves has offered, and ASIC has agreed to accept, the following variations to the Enforceable Undertaking:

3.1.1. Paragraph 3.3 is to be deleted and replaced with the following:

ASIC agrees that it will not to take any steps to enforce the costs order referred to in clause 2.1(e) of this Enforceable Undertaking or any other costs order that may be made by the Court against Greaves in the ASIC Proceedings against the property or person of Greaves other than to vote in the Part X arrangement referred to in clauses 1.16 and 1.17 of this Enforceable Undertaking, to seek recovery of any such costs order pursuant to the Part X arrangement, and to enter into the Deed and to seek recovery of any such costs order pursuant to the Deed.

3.2. No other aspects of the Enforceable Undertaking are changed in any way.

4. ACKNOWLEDGMENTS

4.1. Mr Greaves acknowledges that ASIC:

- 4.1.1. may issue a media release on execution of this Variation of Enforceable Undertaking referring to its terms and to the concerns of ASIC which led to its execution;
- 4.1.2. may from time to time publicly refer to this variation of undertaking; and
- 4.1.3. will make this Variation of Enforceable Undertaking available for public inspection.

4.2. Mr Greaves acknowledges that this Variation of Enforceable Undertaking in no way derogates from the rights and remedies available to ASIC or any other person or entity arising from any conduct described in this Variation of Enforceable Undertaking or the Enforceable Undertaking.

4.3. Mr Greaves acknowledges that ASIC's acceptance of this Variation of Enforceable Undertaking does not affect ASIC's power to investigate any contravention arising from future conduct.

4.4. Mr Greaves acknowledges that the acceptance by ASIC of the variation in section 3 above modifies the Enforceable Undertaking but does not affect the validity of the Enforceable Undertaking and does not prejudice ASIC's ability to take any action in relation to the Enforceable Undertaking.

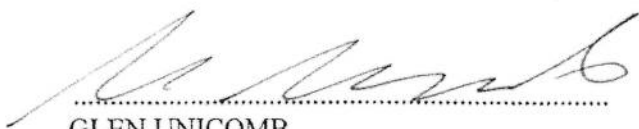
4.5. Mr Greaves acknowledges that this Variation of Enforceable Undertaking has no operative force until accepted by ASIC.



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JOHN HUYSHE GREAVES

Dated: 7th September 2010

Accepted by the Australian Securities and Investments Commission pursuant to s93AA of the *Australian Securities and Investments Commission Act 2001* (Cth) by its duly authorised delegate:



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GLEN UNICOMB
Delegate of the Australian Securities and Investments Commission

Dated: 7 September 2010

