



12 December 2008

Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dears Sirs,

The Directors advise that on 9 December 2008 the Company's Non Renounceable Entitlement Issue closed.

The Issue was partially underwritten for an amount of approximately \$1.1m and the Company has received total acceptances for shares to be issued under the Entitlement Issue for 24,179,097 ordinary shares at an issue price of 1 cent per share raising an additional \$241,791.

To allow for completion of the collation of acceptances, the allotment, issue and dispatch of shares is now scheduled to take place on Wednesday 17 December 2008. The level of final acceptances including the underwritten amounts will be announced no later than the dispatch date.

The Directors are currently in discussions with potential places to take up the remaining Entitlement Issue shortfall in accordance with the timeframes set out in the ASX Listing Rules. The Company has also begun a business restructure to materially reduce the cash burn of the Company.

The Directors remain confident in the Company securing the funding required to continue the commercialisation of its Webphone Business Plan.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mark Pitts".

**Mark Pitts**  
**Company Secretary**