



NOTICE

AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION TO RESTRICT THE FACULTY TO ISSUE BEARER SHARES

The license fee for BVI companies that have not amended their Memorandum and Articles of Association (M & A) to expressly prohibit the issuance of bearer shares will be increased from US\$350 to US\$600.00 as of January 1st, 2008. **In order to avoid the payment of this increased fee, the companies must amend their M & A accordingly.**

Together with the aforementioned changes, the companies may amend their M & A in accordance with the Business Companies Act, 2004 that allows the companies to voluntarily adopt the new Business Companies Act regime. In these cases, the Registry will allocate a new registration number to the Company and issue a Certificate of Re-registration.

The voluntary re-registration under the new regime is free of charge from the Registrar of Companies of the British Virgin Islands (Registry). The Company will only pay the filing fee for the resolution amending the M & A of the company to expressly prohibit the issuance of bearer shares. After November 30, 2006, the Registry will not permit the filing of any more voluntary re-registrations.

On January 1, 2007 all the IBC companies will be automatically re-registered under the new Business Companies Act, 2004. After this date, in addition to the filing fee for amending the M & A to prohibit the issuance of bearer shares, the Registry will charge additional fees in accordance to the Business Companies Act, 2004 to adopt a restored M & A which contains all of the provisions of said Act and to issue the Certificate of Re-registration.



Please note that re-registration of the Companies under the BC Act does not cover the matter regarding the bearer shares. In consequence, the Companies still must have to file a resolution to restrict the issuance of bearer shares.

We would like to remind you that even after the automatic re-registration, the transitional provisions, to ease the inclusion of the IBC companies to the new regime, still apply.

If you decide and want so, we can send you a draft Director's resolution amending the M & A of the company for the purpose of canceling issued bearer shares and replacing them with registered shares and at the same time prohibiting the issuance of bearer shares.

We can also send you a draft Director's resolution amending the M & A of the company in order to have the company cease being an International Business Company and to register same as a BVI Business Company, thus conforming to the new regime.

If you have any questions or comments concerning this matter, please do not hesitate to contact us.

Ballard & Ballard

October 3rd, 2006.