

CIRCULAR TO CREDITORS

**OPEN TELECOMMUNICATIONS LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
ACN 056 010 121**

SUMMARY OF WHAT IS INCLUDED

**THIS IS AN URGENT DOCUMENT REQUIRING
YOUR IMMEDIATE ATTENTION AND REPLY**

The information and notices included are as follows:

1 Notice of Creditors Meeting – Wednesday, 10 December 2003

We enclose with respect to that meeting:

- Form 509C – Notice of Meeting of Creditors;
- Form 532 – Appointment of Proxy;
- Statement of Claim for purpose of voting at meeting of creditors;
- Administrators' Report to Creditors in relation to the proposed variation of the Deed.

Creditors who have already lodged Proofs of Debt or a Statement of Claim for voting purposes are not required to lodge another one at this meeting. However, creditors must submit the enclosed Formal Proof of Debt in order to participate in the dividend.

New Proxy forms are required for this meeting.

2 Formal Proof of Debt process for Unsecured Creditors

- Circular to Creditors
- Form 548 – Notice to creditor or person claiming to be a creditor of intention to declare a final dividend.
- Form 535 – Formal Proof of Debt or Claim

To participate in the proposed dividend, all unsecured creditors must submit these documents despite possibly having lodged statements of claim for voting purposes previously. Lodgment is required by 23 December 2003. Failure to do so will result in loss of your right to participate in the payment of a dividend.

Deloitte Touche Tohmatsu
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**Deloitte
Touche
Tohmatsu**

CIRCULAR TO CREDITORS

OPEN TELECOMMUNICATIONS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 056 010 121

On 12 July 2002 Robert William Whitton and Peter George Yates of Deloitte Touche Tohmatsu were appointed Joint and Several Administrators of the abovenamed company under section 436A of the Corporations Act 2001. Subsequently, on 18 November 2002 the company executed a Deed of Company Arrangement.

Pursuant to section 445F of the Corporations Act 2001 a meeting of creditors of the company is to be held at 2.00pm EST on Wednesday, 10 December 2003 at the offices of Deloitte Touche Tohmatsu, Level 9, 225 George Street, Sydney. We have made arrangements for creditors in Victoria to attend the meeting via teleconferencing facilities set up for this purpose at the offices of the Institute of Chartered Accountants, Level 10, 600 Bourke Street, Melbourne.

We *enclose* the following:

- Form 509C – Notice of Meeting of Creditors;
- Form 532 – Appointment of Proxy;
- Statement of Claim for voting at meeting of creditors;
- Administrators' Report to Creditors in relation to the proposed variation of the Deed.

Creditors who have already lodged Proofs of Debt or a Statement of Claim for voting purposes are not required to lodge another one at this meeting. However, creditors must submit the enclosed Formal Proof of Debt in order to participate in the dividend.

New Proxy forms are required for this meeting.

Creditors requiring further information should contact Ms Sallie Muir or Ms Samantha Sutherland of this office on (02) 9322 5621 or (02) 9322 5539 respectively.

Dated this 28th day of November 2003

P G Yates
Deed Administrator

Ref: MJK/sf

28 November 2003

REPORT TO CREDITORS

OPEN TELECOMMUNICATIONS LIMITED

(Subject to Deed of Company Arrangement)

ACN 056 010 121

("Open Tel")

I refer to previous correspondence in relation to the above and to the Deed of Company Arrangement ("the DOCA") entered into between Open Tel and creditors dated 18 November 2002.

As creditors are aware, payments are to be made to employees and unsecured creditors from scheduled payments by Open Tel into the Deed Account which is made up of the Employee Fund and the Unsecured Creditors Fund.

Scheduled payments into the Employee Fund are:

- 1 \$790,000 on or before 31 August 2003, which has been received; and
- 2 \$790,000 on or before 31 December 2003.

Scheduled payments into the Unsecured Creditors Fund are:

- 1 \$500,000 on or before 30 June 2004; and
- 2 \$500,000 on or before 30 June 2005.

The directors of Open Tel have proposed an amendment to the DOCA, allowing for all these payments to be made early for distribution to creditors. Pursuant to section 445F(1)(a) of the Corporations Act 2001 ("the Act"), I am therefore required to convene a meeting of creditors of Open Tel to consider a proposed variation to the DOCA.

Directors' Proposal

I have been advised by the directors of Open Tel that they wish to discharge Open Tel's obligations under the DOCA by making an early payment of the scheduled payments provided for in the DOCA. I understand that the funds to make these early payments will arise from a recapitalisation plan which will raise approximately \$13 million from a share placement and non-renounceable rights issue of new shares. The remaining \$1.79 million due under the DOCA will be paid from this recapitalisation.

Annexed to this report is a letter from the directors which sets out the reasons for the variation proposal. In essence the directors advise that Open Tel cannot proceed with the proposed recapitalisation plan and subsequent re-listing upon the Australian Stock Exchange ("ASX") without a guaranteed date for termination of the DOCA. The directors advise that Open Tel can raise sufficient funds to pay out their obligations under the DOCA, but only if they can guarantee their underwriter and the new investors that the company will be re-listed by the end of January 2004. In order to

achieve a re-listing by the end of January 2004, the ASX has advised the company that the DOCA must have terminated by this time with the company being released from its obligation to creditors. Under the present DOCA structure, the Administrators are unable to guarantee that the claims of creditors will be finalised and a final distribution paid by this time, but the Administrator considers it likely.

In order to achieve the objective of an early re-listing, the directors have proposed an alternative structure to bring the DOCA to a conclusion and expedite distribution of funds to all creditors. Given the difficulties in defining a time frame for submission of creditor claims and assessment of those claims, the directors state it is desirable for Open Tel to separate from the DOCA the funds held for creditors and the process of calling for and adjudicating upon creditors' claims. Doing this would require the establishment of a separate Creditors' Trust, the trustee of which would be myself. The Creditors' Trust would hold two funds, the Employee Fund and the Unsecured Creditors Fund. The Trust Deed for the Creditors' Trust and the powers and responsibilities of the Trustee will mirror the provisions of the DOCA as far as is possible to achieve the same commercial outcome contemplated by the DOCA, with the exception that creditors will receive their funds significantly sooner.

The proposed variation to the DOCA then is to make termination of the DOCA and the release of the company from creditors' claims effective upon payment of the entire remaining sum owing (\$1.79 million) into the Creditors' Trust. On making this payment, the DOCA would end, and payment to creditors would occur subsequently directly from the Creditors' Trust. It is intended that this will occur as soon as possible after the termination of the DOCA which should occur by the end of January 2004. The directors note that upon payment of the \$1.79 million to the trustee, the Company will have complied with all of its obligations under the DOCA, the only remaining task being the settling of proofs and the distribution of funds under the Creditors' Trust.

A summary terms sheet for the DOCA variation and Creditors' Trust structure has been prepared by the lawyers for the directors and is annexed.

Original DOCA

If this proposal is not effectuated then the original DOCA will remain effective and Open Tel may be able to complete it or pay it out early after the Formal Proofs of Debt have been admitted. The directors of Open Tel have stated at this time that this is not satisfactory to the underwriters.

Employee Rights under GEERS

Subsequent to entering into the original DOCA, we were advised by the General Employee Entitlement Redundancy Scheme ("GEERS") that they would not fund Open Tel employee entitlements. The reasons given included that the DOCA varied the priorities under Section 556 of the Corporations Act. Those employees affected would be in a better position if the company had gone or goes into liquidation.

At the time of our previous Report to Creditors dated 23 October 2002 we advised that the Department of Employment and Workplace Relations will assess those cases on an individual basis and payment from the Scheme was not guaranteed. Such situation was controlled by the Department and not the Administrators.

This matter was discussed further at the adjourned second creditors' meeting and employees affected were advised to either abstain from voting or vote against the proposal. The original DOCA was approved and no applications were made to Court to vary or have the original DOCA set aside.

Rights of Creditors and Employees under the Creditors' Trust

Creditors and employees need to be aware that, whilst the variation proposal has obvious commercial advantages as compared to the current DOCA or liquidation, the nature of their legal rights will change upon the termination of the DOCA and the creation of the Creditors' Trust, such that:

- creditors will no longer be creditors of the company with rights under the DOCA, but instead beneficiaries under a trust;
- generally speaking, the nature of creditors' rights will be governed by the terms of the trust deed and the Trustee Act rather than the DOCA or the Corporations Act;
- creditors will lose the right to challenge the Administrator's determination as to their Proof of Debt by appeal to the Court under the Corporations Act, although creditors will have similar rights to challenge the trustee's decision in respect of their proof of debt under the Trustee Act;
- there will be no ability to hold further creditors' meetings to vary or terminate the arrangement, although the trust will make provisions for similar matters by voting by beneficiaries; and
- creditors will lose the right to terminate the varied DOCA and the Creditors' Trust and to place the company into liquidation - however, given that the \$1.79 million must be paid to the administrator as a condition precedent to the operation of the varied DOCA, it is difficult to conceive of a reason for the creditors wishing to do so.

Administrator's Recommendation

The directors advise that the form of equity raising contemplated by Open Tel cannot be undertaken without a guaranteed period for termination of the current DOCA. The directors have advised that, in their view, they cannot secure the future of Open Tel without achieving this equity raising. If additional funds cannot be raised, it is likely that Open Tel will go into liquidation and that the DOCA obligations are unlikely to be met. Based on their representations to me and having considered the matter, their conclusion appears reasonable and the most likely outcome.

Creditors should carefully consider the clear commercial advantages of a guaranteed early payment of a dividend against the potential loss of rights which creditors may suffer as a consequence of the proposed trust structure (see separate section). Subject to the Supreme Court of New South Wales giving approval for the execution of the varied DOCA and Creditors' Trust Deed, noting the position with respect to the employees and GEERS, I recommend the proposed variation of the DOCA to creditors.

Meeting of Creditors

In order to make this variation, it will be necessary to call and hold a meeting of creditors as required under section 445F of the Act and for creditors to pass a resolution approving the variation of the DOCA to allow for the creation and use of the above structure.

I therefore attach a Notice of a Meeting of Creditors to be held on Wednesday, 10 December 2003 at 2:00pm where the following resolutions will be proposed:

Resolution 1

“ That pursuant to Section 445A of the Corporations Act 2001, the Deed of Company Arrangement entered into between Open Telecommunications Limited and its creditors dated 18 November 2003 be varied, such that:

- *Open Telecommunications Limited will establish a Creditors' Trust under which two separate trust funds will be created; the Unsecured Creditors Fund and the Employee Fund, and Peter George Yates, partner of Deloitte Touche Tohmatsu is to be the Trustee;*
- *on payment of the sum of \$1.79 million into the Creditors' Trust, the Deed of Company Arrangement terminates and the employees and creditors claims against the company will be released to be replaced by a right to receive dividends from the trust; This is to be distributed as follows:*

<i>Employee Fund</i>	<i>\$790,000</i>
<i>Unsecured Creditors Fund</i>	<i>\$1,000,000</i>
- *the Deed Administrator will pay the \$790,000 he is presently holding in the existing Deed Employee Fund into the Creditors' Trust Employee Fund if it has not already been distributed; and*
- *the Trustee will adjudicate on claims and distribute the Creditors' Trust Employee Fund and Unsecured Creditors Fund to all creditors as soon as practicable under the terms and conditions of the Creditors' Trust Deed.*

This resolution is to be conditional upon the approval of the Court if deemed necessary by the Administrator.”

Resolution 2

“That the future remuneration of the Deed Administrator and the Trustee of the Creditors' Trust, his partners and staff be approved at an amount calculated by reference to the hourly scale of fees normally charged by Deloitte Touche Tohmatsu for this type of work (as indexed by CPI from time to time) to a limit of \$100,000.”

A schedule of our hourly rates is attached to this report.

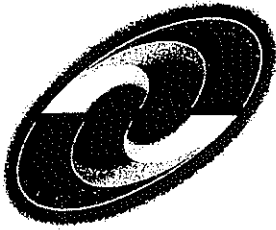
In the event that creditors approve the variation of the DOCA, it is considered that the share issue transaction will go ahead and Open Tel will pay the amount of \$1.79 million in the Employee Fund and Unsecured Creditors Fund by no later than the end of January 2004. Following this I, as Trustee of the Creditors' Trust, will still be required to finalise the Formal Proof of Debt process. I am in the process of making a first distribution to employee creditors of their entitlement under the DOCA and if the monies are received from the company early, then a final distribution would be made to employees at the same time as the unsecured creditors.

Should you have any queries regarding the above, please do not hesitate to contact Sallie Muir or Samantha Sutherland of this office on (02) 9322 5621 and (02) 9322 5539 respectively.

Yours faithfully

P G Yates
Deed Administrator

Enc



open telecommunications

(subject to deed of company arrangement)

Open Telecommunications Limited

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NSW 2059 Australia

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Web Site www.ot.com.au

27 November 2003

Mr Peter Yates
Deed Administrator
C/- Deloitte Touche Tomatsu
225 George St
Sydney NSW 2000

Subject: Proposal for Variation of DOCA

Dear Peter,

The directors propose a variation to the Deed of Company Arrangement (DOCA) as summarised below and set out more fully in the attached document.

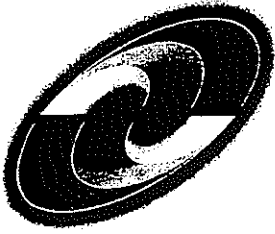
As you are aware, the directors of the Company are close to finalising a recapitalisation plan. This plan involves raising almost \$13 million through a share placement (\$7.2 million) and underwritten rights issue (\$5.8 million). The plan is contingent on reinstatement of trading in the Company's shares on the ASX by early February 2004. Without a firm plan to achieve this, the placement funds (which have already been received in a trust fund) will not be released and underwriting of the rights issue will not occur.

It is our intention to discharge our obligations for payments under the DOCA from this recapitalisation. This is in the interests of the creditors, since it will guarantee payment of the Company's DOCA obligations and will bring payments to creditors forward from the original dates.

You have advised us, however, that even after the Company's final payment obligations are met, it will take some time to process creditors' claims and that this is required before the DOCA can be formally ended. There is a possibility that contention over creditors' claims may extend this process beyond the required date of early February 2004. Because of this we cannot give sufficient assurance to investors and they are unwilling to proceed with the recapitalisation plan.

The Company has sought clarification from the ASX as to whether it would allow the Company's shares to be reinstated to trading prior to formal termination of the Deed of Company Arrangement. The ASX has, on two separate occasions, advised that they do not wish to reinstate a company that is still subject to a deed of company arrangement and we have no grounds to believe that they will change their view.

In order to resolve this matter and proceed with the recapitalisation, the directors propose an alternative method of terminating the DOCA. Obligations to the creditors would be met through the creation of a creditors' trust, as outlined in this proposal.



Without the proposed recapitalisation, which is well advanced, it is unlikely that the directors will be able to secure the future of the Company. Without this funding the Company is likely to be placed in liquidation and the obligations to creditors under the DOCA are unlikely to be met.

As a result of these matters the Company proposes the following:

- 1 A meeting of the companies creditors be convened under Section 445F of the Corporations Act for the purposes of considering a variation to the DOCA;
- 2 The DOCA be amended in line with the attached proposal which would have the following effect:
 - 2.1 The payments to employees and creditors would be fast tracked and paid immediately to the Administrator for distribution once the Company had a clear timetable for reinstatement to the ASX. This is of benefit to the creditors in that they will receive there dividends earlier than currently anticipated under the Deed of Company Arrangement;
 - 2.2 Upon payment being made to the Deed Administrator the Deed of Company Arrangement would terminate, the creditors would release the Company from all obligations and the Administrator would enter into the creditors' trust deed;
 - 2.3 The effect of the creditors' trust deed is that the Administrator, as trustee acting on behalf of the creditors as beneficiaries, orchestrates the distribution of those funds in the same manner as they would do under the Deed of Company Arrangement. This process allows the Deed of Company Arrangement to terminate, the Company to be reinstated and the Administrator as trustee for the creditors to complete the procedural aspects of the administration by distributing payments that are due to employees and creditors under the trust deed. The rights of creditors in this distribution process are the same as those rights under a Deed of Company Arrangement.

I am informed by the Company's solicitors that this process has been used on a number of occasions with publicly listed companies. Further, the Western Australian Supreme Court considered a variation to a creditors trust deed in the decision of *West Australian Shed Commercial Pty Ltd, in the Supreme Court of Western Australia, 6 February 2003, BC200300961*.

In light of the above-mentioned timetable and issues regarding the recapitalisation plan, the Company requests that a meeting of creditors be convened for 10 December 2003.

If you have any queries please do not hesitate to contact me or alternatively our solicitors, Mr Dean Hely of Phillips Fox.

Yours sincerely,

Stuart Powell
Director

Variation of Deed of Company Arrangement

Open Telecommunications Limited (Subject to Deed of Company Arrangement)

In summary, it is proposed by the directors of Open Telecommunications Limited (Subject to Deed of Company Arrangement) (**the Company**) that:

- 1 The deed of company arrangement dated 18 November 2002 (original doca) be varied to provide for:
 - 1.1 early receipt of the agreed funding from the Company;
 - 1.2 early termination of the deed of company arrangement;
 - 1.3 transfer of the funds to trustees;
 - 1.4 release of the Company from the debts and claims of creditors upon receipt by the deed administrator of the funds; and
 - 1.5 distribution of the agreed funds to creditors under the terms of a creditors' trust deed.

- 2 The varied deed of company arrangement (**varied doca**) be subject to the following conditions' precedent being fulfilled on or before the execution date of the varied doca:
 - 2.1 A creditors' trust deed which creates an employees' trust and an unsecured creditors' trust, with the effect outlined herein, is executed (**Employees' Trust and Unsecured Creditors' Trust or together, the Trusts**);
 - 2.2 The Australian Stock Exchange (**ASX**) confirm in writing that:
 - 2.2.1 the execution of the varied doca and creditors' trust deed; and
 - 2.2.2 the termination of the varied doca by transfer of all creditors' claims against the company to claims against trust funds in the same amounts and for the benefit of the same parties as provided in the original docawill remove any impediment to the company being relisted on the ASX that existed by reason of the company being subject to deed of company arrangement.
 - 2.3 Subject to the right of the deed administrator to waive this condition, the deed administrator apply to the Supreme Court of New South Wales for

approval to proceed to execute the varied doca and creditors trust deed, and such approval be obtained.

- 2.4 Payment of the sum of \$1.79 million (the **Trust Fund**) by the Company to the deed administrator by 31 December 2003 (or such later date up to and including 31 January 2004 as the deed administrator in his absolute discretion determines) to be utilised as follows:
 - 2.4.1 \$790,000, to be paid to the trustee of the Employees' Trust;
 - 2.4.2 \$1,000,000, to be paid to the trustee of the Unsecured Creditors' Trust.
- 2.5 Payment of the sum of \$100,000 to the deed administrator in respect of his estimated costs and disbursements to completion by 31 December 2003 (or such later date up to and including 31 January 2004 as the deed administrator in his absolute discretion determines).
- 3 The varied deed of company arrangement (**varied doca**) be subject to the following conditions being fulfilled following execution of the varied doca:
 - 3.1 The deed administrator be the trustee of the Trusts;
 - 3.2 The deed administrator transfer the Trust Fund to the trustee to be held pursuant to the Trusts.
 - 3.3 The Company meeting the deed administrator's legal costs associated with the variation proposal and application to Court.
- 4 Immediately upon transfer of the Trust Fund to the trustee in accordance with 3.2, the varied doca shall terminate and the parties entitled to claim on the funds created by the original doca shall make claim against the applicable trust fund of the Trusts.
- 5 The beneficiaries of the Trusts shall be the Creditors and the Employees whose claims were the subject of the original doca. The beneficiaries will be entitled to the same distribution rights under the Trusts as apply under the original doca.
- 6 The trustee's duties under the creditor trust deed will be to:
 - 6.1 determine proofs of debt and finalise an admitted list of claims; and
 - 6.2 make distributions to the Unsecured Creditors and the Employees in accordance with the terms of the Trusts.
- 7 Any fees, costs or disbursements incurred by the deed administrator or the trustee in excess of the estimated fees of \$100,000 provided for in 2.5, be paid by the Trusts subject to the approval of the Company or, if not approved by the Company, the approval of the beneficiaries under the Trusts.

- 8 Upon receipt by the deed administrator of the Trust Fund the Creditors' and Employees' Claims against the Company are released and extinguished in full in exchange for a right to participate pro-rata in the Employees' Trust or the Unsecured Creditors' Trust respectively.
- 9 Within 7 days of the varied doca terminating by fulfilment of the conditions set out in 2 and 3, the Deed Administrators shall lodge notice of that termination with the Australian Securities and Investment Commission.
- 10 If any of the conditions set out in clause 2 or 3 herein are not satisfied, the varied doca shall terminate and the company shall revert to the original doca.
- 11 The Trust will terminate when the monies referred to in clauses 2.4 and 2.5 have been received by the trustee and distributed to those parties with proven claims against the Trusts.
- 12 Following termination of the varied doca the company shall make application for relisting of the company on the ASX and do all things necessary to achieve that re-listing.
- 13 The company shall take all reasonable steps to obtain any necessary approvals and fulfil all necessary formalities to allow the company to undertake an underwritten rights issue to raise \$5,850,000 on or before 28 February 2004.
- 14 The Creditors' Trust Deed be substantially in the form attached, subject to the Deed Administrators' discretion to make any changes necessary to give effect to the terms and purpose of the varied doca.

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**Deloitte
Touche
Tohmatsu**

**DELOITTE TOUCHE TOHMATSU
CORPORATE REORGANISATION GROUP**

**SCALE OF FEES
AS OF 30 SEPTEMBER 2003**

**OPEN TELECOMMUNICATIONS LIMITED
(ADMINISTRATORS APPOINTED)
ACN 056 010 121**

Position	Rate per Hour
Partner	550.00
Senior Manager	380.00
Manager	245.00
Senior Analyst	190.00
Analyst	150.00
Support Staff	150.00
Computer Operator	150.00

Notes:

1. The resolution of creditors for approval of remuneration will set out the basis of charging fees and will include a specified amount.
2. Where remuneration is sought to be approved by creditors prospectively, an upper limited will be included in the resolution.
3. The hourly rates as set out above are in accordance with the scale of fees normally charged by Deloitte Touche Tohmatsu for this type of work
4. The hourly rates set out above are exclusive of GST.

Form 509C

Paragraph 445F(2)(a)

ACN 056 010 121

Corporations Act 2001

NOTICE OF MEETING OF CREDITORS TO VARY OR TERMINATE DEED OF COMPANY ARRANGEMENT

OPEN TELECOMMUNICATIONS LIMITED (Subject to Deed of Company Agreement)

- 1 Notice is given that a meeting of the creditors of the company will be held at the offices of Deloitte Touche Tohmatsu, Level 9, 225 George Street, Sydney NSW 2000, on Wednesday 10 December 2003 at 2.00pm and by teleconference at the Institute of Chartered Accountants, Level 10, 600 Bourke Street, Melbourne Vic 3000.
- 2 The purpose of the meeting is to consider and vote on the following resolutions:

Resolution 1

“That pursuant to Section 445A of the Corporations Act 2001, the Deed of Company Arrangement entered into between Open Telecommunications Limited and its creditors dated 18 November 2003 be varied, such that:

- *Open Telecommunications Limited will establish a Creditors' Trust under which two separate trust funds will be created; the Unsecured Creditors Fund and the Employee Fund, and Peter George Yates, partner of Deloitte Touche Tohmatsu is to be the Trustee;*
- *on payment of the sum of \$1.79 million into the Creditors' Trust, the Deed of Company Arrangement terminates and the employees and creditors claims against the company will be released to be replaced by a right to receive dividends from the trust; This is to be distributed as follows:*

<i>Employee Fund</i>	<i>\$790,000</i>
<i>Unsecured Creditors Fund</i>	<i>\$1,000,000</i>
- *the Deed Administrator will pay the \$790,000 he is presently holding in the existing Deed Employee Fund into the Creditors' Trust Employee Fund if it has not already been distributed;*
- *the Trustee will adjudicate on claims and distribute the Creditors' Trust Employee Fund and Unsecured Creditors Fund to all creditors as soon as practicable under the terms and conditions of the Creditors' Trust Deed,*

This resolution is to be conditional upon the approval of the Court if deemed necessary by the Administrator.”

Resolution 2

“That the future remuneration of the Deed Administrator and the Trustee of the Creditors Trust, his partners and staff be approved at an amount calculated by reference to the hourly scale of fees normally charged by Deloitte Touche Tohmatsu for this type of work (as indexed by CPI from time to time) to a limit of \$100,000.”

Creditors in Melbourne may participate via a telephone conference at the Institute of Chartered Accountants in Melbourne at the address mentioned above. Should you wish to attend this facility and vote at this meeting you must ensure that you have forwarded a proxy form (attached) noting your attendance

Telephone conference facilities are also available (regulation 5.6.13A):

- (a) Telephone number (02) 9322 7205
- (b) Any person, or the proxy or attorney of a person, who wishes to participate in the meeting by telephone must give to the convenor, not later than the second-last working day before the day on which the meeting is to be held, a written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any); and
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a telephone number at which the person, proxy or attorney may be contacted; and
 - (iv) any facsimile transmission number to which notices to the person, proxy or attorney may be sent; and
- (c) Any person, or the proxy or attorney of a person, who participates in the meeting by telephone must pay any costs incurred by the person, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the company.

Dated: 28 November 2003

P G Yates
Deed Administrator

Deloitte Touche Tohmatsu
Level 2 Grosvenor Place
225 George Street
Sydney NSW 2000

Corporations Act 2001
APPOINTMENT OF PROXY

*I/*We
of
a creditor of Open Telecommunications Limited (Subject to Deed of Company Arrangement)
appoint
or in his or her absence

as *my/*our *general/*special proxy to vote at the meeting of creditors to be held on Wednesday, 10
December 2003 at 2.00pm at the offices of Deloitte Touche Tohmatsu, Level 9, Grosvenor Place, 225
George Street, Sydney, or at any adjournment of that meeting.

1. (i) to vote on all matters arising at the meeting (IF GENERAL PROXY) []

OR

(ii) to vote for or against the following resolutions (IF SPECIAL PROXY)

2. Per item 2 (i) of the agenda: FOR AGAINST
" That pursuant to section 445A of the Corporations Act 2001, [] []
the Deed of Company Arrangement entered into between
Open Telecommunications Limited and its creditors dated
18 November 2003 be varied in accordance with the terms set
out in the Deed Administrator's Report to Creditors
dated 28 November 2003."

3. Per item 2 (ii) of the agenda:

To approve the future remuneration of the Deed Administrator
and the Trustee of the Creditors' Trust in accordance with the Deed
Administrator's Report to Creditors dated 28 November 2003. [] []

IMPORTANT: PLEASE TICK "FOR" OR "AGAINST" ONLY IF SPECIAL PROXY

Dated: 2003

Name Signature

[PLEASE PRINT SIGNATURE AS WELL AS SIGNING PROXY FORM]

Deloitte Touche Tohmatsu
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**Deloitte
Touche
Tohmatsu**

CIRCULAR TO CREDITORS

OPEN TELECOMMUNICATIONS LIMITED (Subject to Deed of Company Arrangement) ACN 056 010 121

I refer to previous correspondence from this office.

We have been advised by the directors of the company that the company intends to discharge its obligations under the Deed by making an early payment of its scheduled payments into the Fund, as provided for in Clause 8.4 of the Deed. In accordance with Clause 3.2 of the Deed, following our distribution of these funds to creditors, we as Deed Administrators will lodge with ASIC a notice of termination of the Deed and the Deed of Company Arrangement will be wholly effectuated.

In addition, a creditors meeting is to be called to consider the following:

- (i) entering into a Trust Deed to facilitate the early repayment of the Deed of Company Arrangement
- (ii) approve fees of the Deed Administrator.

The directors' Trust Deed proposal is explained in the Circular to Creditors which is included herein. This Trust Deed will be subject to the approval of the creditors and the Supreme Court of NSW.

We have therefore declared a first and final dividend to unsecured creditors and a final dividend to employee creditors on 7 January 2004. Creditors are required to submit the attached formal proof of debt (form 535), including substantiation to support their claims, on or before 23 December 2003. Otherwise, they will be excluded from participating in the benefit of the dividend.

Please note that you should complete the formal proof of debt as soon as possible. This formal proof of debt needs to be completed with as much supporting documentation as possible so that the final dividend can be paid. All unsecured creditors need to submit these even though they may have previously lodged proof of debt for voting purposes.

Employee creditors should note that this will not affect their receipt of an interim dividend in early December in any way. Employee creditors that have already formally proved their claims do not need to formally prove again.

Should you have any queries regarding the above, please do not hesitate to contact Sallie Muir or Samantha Sutherland of this office on (02) 9322 5621 and (02) 9322 5539 respectively.

Dated this 28th day of November 2003

Yours faithfully

P G Yates
Deed Administrator

Deloitte Touche Tohmatsu
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Grosvenor Place
225 George Street
Sydney NSW 2000
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**Deloitte
Touche
Tohmatsu**

FORM 548

Subregulation 5.6.65(1)

Corporations Act 2001

**NOTICE TO CREDITOR OR PERSON CLAIMING TO BE A CREDITOR
OF INTENTION TO DECLARE A FINAL DIVIDEND**

**OPEN TELECOMMUNICATIONS LIMITED
(Subject to Deed of Company Arrangement)
ACN 056 010 121**

A final dividend to creditors of the company is to be declared on 7 January 2004.

Creditors whose debts or claims have not already been admitted are required on or before 23 December 2003 to formally prove their debts or claims. If they do not, they will be excluded from the benefit of the dividend.

Dated this 28th day of November 2003

P G Yates
Deed Administrator

Deloitte Touche Tohmatsu
Level 2, Grosvenor Place
225 George Street
Sydney NSW 2000

FORM 535
Corporations Act 2001

**FORMAL PROOF OF DEBT OR CLAIM
(GENERAL FORM)**

To the Deed Administrator of Open Telecommunications Limited

1. This is to state that the company was on 12 July 2002, and still is, justly and truly indebted to
for \$ and cents

Date	Consideration (state how the debt arose)	Amount \$ c	Remarks (include details of voucher substantiating payment)

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following:

Date	Drawer	Acceptor	Amount \$c	Due Date

- *3. I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.
- *3. I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

Dated this day of 2003.

.....
Signature
Occupation
Address

*Do not complete if this proof is made by the creditor personally.