

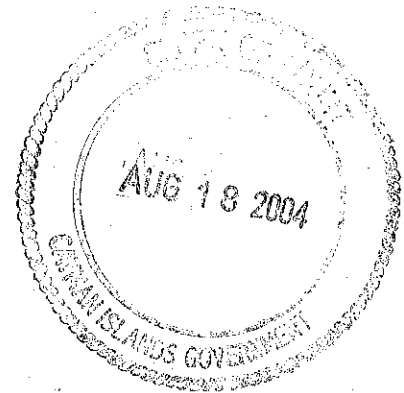
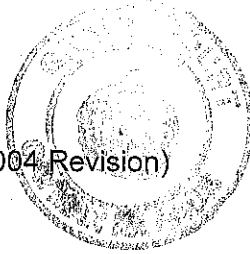
IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 382 OF 2004 ✓

In the matter of **eAnywhere Telecom, Inc.**

And in the matter of the Companies Law (2004 Revision)

And Grand Court Rules 1995 Order 102



PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of **eAnywhere Telecom, Inc.** shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2004 Revision) (the "Companies Law") confirming a reduction of the capital of your Petitioner **eAnywhere Telecom, Inc.** (the "Company").
2. The Company was incorporated under the Companies Law on 14 March 2000 with the name "eAnywhere Telecom, Inc." and registered in the Cayman Islands as an exempted company with registration number 98080.
3. The registered office of the Company is situated at the offices of Corporate Filing Services Ltd., 4th Floor, Harbour Centre, P.O. Box 613 GT, Grand Cayman, Cayman Islands, British West Indies.
4. As at the date of incorporation of the Company, its authorized share capital was US\$50,000 divided into 50,000 shares of a nominal or par value of US\$1 each. On 14 March 2000, two subscriber's shares were issued fully paid.
5. By resolutions of the then shareholders of the Company passed on 15 December 2000, the authorized share capital of the Company was increased from US\$50,000 to

US\$200,000,000 divided into 200,000,000 common shares of par value of US\$1.00 each.

6. By resolutions of the then shareholders passed on 22 December 2001 the Company converted 18,000,000 of the common shares of par value of US\$1.00 into 30,000,000 New Class Shares of US\$0.60 par value each so that thereafter the authorized capital of the Company remained at US\$200,000,000 but divided into 182,000,000 Common Shares of par value of US\$1.00 and 30,000,000 New Class Shares of US\$0.60 each.
7. All of the issued shares of the Company are held by a total of 18 shareholders, all of whom became shareholders on December 15th of 2000. All of the Common Shares in existence were issued on that date. The 4,833,333 New Class Shares in existence were allotted to a single shareholder on July 31, 2002. As at the date of this Petition, the authorized share capital of the Company is US\$200,000,000 divided into 182,000,000 Common Shares and 30,000,000 New Class Shares and the issued share capital of the Company is US\$48,900,000 divided into 46,000,000 Common Shares of \$1.00 each and 4,833,333 New Class Shares of \$0.60 each, all of which are fully paid.
8. The revised Memorandum of Association of the Company provides, inter alia, as follows:

"The authorized share capital of the Company is US\$200,000,000 divided into 182,000,00 Common Shares of a par value of US\$1.00 each and 30,000,000 New Class Shares of a par value of US\$0.60 each with power for the Company in so far as is permitted by law, to redeem any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers herein before contained."
9. By Special Resolution of the Company duly passed in accordance with Section 14(1) of the Companies Law at an extraordinary general meeting held on 26 day of July, 2004 (the "EGM"), it was resolved:

WHEREAS at a meeting of the Shareholders held on June 29, 2004 it was resolved as a Special Resolution to approve a share capital reduction plan presented by the Directors which purported to reduce the Common Shares from 46,000,000 to 15,817,393 shares and the New Class Shares from 4,833,333 shares to 1,661,973 shares (the "Special Resolution").

AND WHEREAS Cayman Islands Counsel has advised that the Special Resolution referred to in the immediately preceding paragraph is contrary to Cayman Islands law and would not be sanctioned by the Grand Court of the Cayman Islands.

NOW THEREFORE IT IS RESOLVED, as a special resolution, to rescind the Special Resolution passed at the Shareholders meeting of June 29, 2004, approving the share capital reduction plan.

WHEREAS legal advice has been sought in the Cayman Islands as to the proper method to effect the desired capital reduction.

AND WHEREAS the Company wishes to restructure the capital of the Company and recognize as permanent the Company's aggregate losses to December 31, 2003 of US\$32,085,423.

NOW THEREFORE IT IS RESOLVED as a special resolution that, subject to approval by the Grand Court of the Cayman Islands, the Company do reduce its issued share capital from US\$48,900,000 represented by 46,000,000 Common Shares of US\$1.00 each and 4,833,333 New Class Shares of par value \$0.60 cents each to US\$16,814,577 divided into 46,000,000 Common Shares of US\$0.344 each and 4,833,333 New Class Shares of par value US\$0.206 each and that the issued capital hereby cancelled be made available for issue by the Company such that the authorized share capital of the Company remains at US\$200,000,000.

AND IT IS FURTHER RESOLVED, subject to approval of the Grand Court of the Cayman Islands, that the within resolutions are effective as of June 29, 2004.

10. At the EGM, a total of 8 shareholders of the Company were present in person or by proxy representing a total of 43,000,000 Common Shares and 4,833,333 New Class Shares. With respect to the Special Resolution referred to in paragraph 9 above, 8 shareholders representing 43,000,000 Common Shares and 4,833,333 New Class Shares voted in favor of the Resolution and NO shareholders voted against the Resolution. As a result, the necessary majority to approve the special resolution did so approve.
11. Up to December 31, 2003 the accumulated losses of the Company were US\$32,085,423. The purpose of the proposed capital reduction is to recognize the accumulated losses as permanent trading losses and to apply the credit arising from the

capital reduction against the accumulated losses so that the Company's balance sheet will no longer reflect capital which is unrepresented by assets.

12. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Furthermore, the Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders.

13. The form of Minute proposed to be registered is as follows:

"The issued ordinary share capital of eAnywhere Telecom, Inc. was by virtue of a Special Resolution passed on 26 day of July, 2004 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [•], 2004, reduced from US\$48,900,000 divided into 46,000,000 shares of US\$1.00 each and 4,833,333 New Class Shares of par value \$0.60 cents each to US\$16,814,577 divided into 46,000,000 shares of US\$0.344 each and 4,833,333 New Class Shares of par value US\$0.206 each and that the issued capital hereby cancelled be made available for issue by the Company such that the authorized share capital of the Company remains at US\$200,000,000.

The authorised share capital of the Company, on the registration of this Minute, US\$200,000,000."

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the special resolution set forth in paragraph 9 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on eAnywhere Telecom, Inc., at its registered office located at the offices of Corporate Filing Services Ltd., 4th Floor, Harbour Centre, P.O. Box 613, George Town, Grand Cayman, Cayman Islands, British West Indies.

DATED THIS 17 DAY OF August, 2004.

Charles Adams, Ritchie & Duckworth
CHARLES ADAMS, RITCHIE & DUCKWORTH
Attorneys-at-Law for the Petitioner herein

This Petition was filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Applicant herein whose address for service is that of its Attorneys, P.O. Box 709GT, Zephyr House, Mary Street, George Town, Grand Cayman, Cayman Islands.

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