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Headnote

Issuer deemed to cease to be a reporting issuer – Issuer's securities are publicly traded, but not on any market in Canada – Canadian shareholders hold less than 10% of the issued and outstanding shares and will continue to receive foreign jurisdiction continuous disclosure documents.

Exemption Order

Quadtel Limited

Section 88 of the *Securities Act*, R.S.B.C. 1996, c. 418

Background

- ¶ 1 Quadtel applied for an order under section 88 of the Act to be deemed to have ceased to be a reporting issuer.

Representations

- ¶ 2 Quadtel represents that:
1. it was incorporated under the laws of New South Wales, Australia;
 2. it is a reporting issuer under the Act, is in default of the requirements to file financial statements and other continuous disclosure documents, and is the subject of a cease trade order issued by the Executive Director on June 20, 2002;
 3. its issued and outstanding capital consists of 375,723,144 ordinary shares and 277,690,000 options;
 4. it has no other securities, including debt securities, outstanding;
 5. its ordinary shares were voluntarily delisted from the TSX Venture Exchange in May 2002 and now trade only on the Australian Stock Exchange;
 6. there is no market for its ordinary shares in Canada;
 7. it does not intend to list its securities on any exchange or market in Canada;
 8. as of July 30, 2002, 14,346,526 of its ordinary shares, representing 3.8% of the total outstanding, are held by six Canadian resident shareholders, five of

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whom have addresses in British Columbia and all of its outstanding options are held by Australian resident shareholders;

9. its management, assets and business are located in Australia;
10. all of its shareholders resident in Canada, whether registered or unregistered, will continue to be provided with the same continuous disclosure documents that are provided to its shareholders resident in Australia, including audited financial statements; and
11. it does not intend to seek public financing by way of an offering of its securities in Canada.

Order

¶ 3 Because it is not prejudicial to the public interest, the Executive Director orders, under section 88 of the Act, that Quadtel is deemed to cease to be a reporting issuer.

¶ 4 August 9, 2002

Noreen Bent
Manager