

1 October, 2001

Mr Adrian Kloeden
Chief Executive Officer
Melbourne IT
Level 2, 120 King Street,
Melbourne 3000

Dear Adrian,

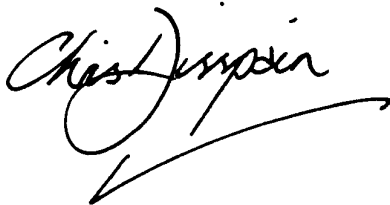
auDA budget

I refer to our meeting today and confirm that we have reached an agreement on the above being that Melbourne IT will pay to auDA the sum of \$175,000 (plus GST) per quarter for the remaining 3 quarters of the financial year 2001-2002. I confirm that the next payment is due on 8 October 2001 and will forward an invoice in the next few days. I also confirm that these payments will cease on the introduction of competition.

In view of the above agreement, I have instructed our lawyers not to proceed with the arbitration under the Interim agreement.

I shall be grateful if you will confirm by return that the above accords with your understanding of the agreement reached.

Yours sincerely



Chris Disspain
CEO - auDA

Cc: auDA Board; Michelle Scott, NOIE; Annabelle Herd, Minister's office.