



SHELL

VILLAGES AND RESORTS LIMITED

ABN 68 009 161 522



12 November 2009

Stephanie Yong (Senior Adviser)
ASX Markets Supervision
20 Bond Street
Sydney
NSW 2000

Regarding: Query of 9th November Relating to Appendix 4C for period ended 30th September 2009

Dear Stephanie,

Please find below responses to each of your 4 questions

Background

The Directors of Shell Villages and Resorts (SVC), have, over the past few months been reviewing and considering options to take the Company forward. Before this can happen the proper procedures of audit and shareholder meetings must be complied with and we are in the process of finalizing these.

The Board has been considering current economic activity, housing market activity, capital and finance availability, and have reviewed a number of possible similar business opportunities to that industry area to which SVC has historically been involved. More recently the Directors have expanded their search to involve other industry areas including Clean Tech, Energy, and Manufacturing. No business has as yet been acquired although we are seriously considering one business.

In answer to your specific questions;

1. The Company does not intend to continue to rely on the current cash resources to fund its ongoing operation, but has taken positive steps to raise capital and these steps have been successful.

In order to re-capitalize the Company a number of individuals have come forward and made available \$250,000 in total to be part of a future capital raising by the Company. These funds have been deposited to a trust account which is under the trusteeship of the Company. When the Board has concluded its current review, and a suitable opportunity to go forward with has been selected, the Company intends to hold its AGM to allow the existing shareholders an opportunity to review and consider the acceptance of the new funds and any other matters which will require their approval, including any new opportunity which the Board might put forward. On this basis, the Board is confident that the Company, in due course, will have enough cash to fund its activities.

Currently the Board of SVC is endeavoring to complete its 2009 Audited Accounts ahead of holding the AGM. In order to do this SVC has paid a number of small creditors in order to achieve a satisfactory outcome to its FY 2008-09 accounts, including the payment for the work undertaken by the Accountant and Auditor. Further payments are envisaged to extinguish some small creditors. The Board is confident that it has reached a conclusion to satisfy a number of small creditors whereby payment can be expected upon a successful capital raising post the AGM. The audit has been protracted as a result of all information not being available but it is now almost complete. After our forthcoming AGM the Board expects to implement a further capital raising based on an acquisition put forward at the AGM. The Board is confident that from a number of possible opportunities shortlisted, an agreement can be reached within a relatively short period of time, which will be fully disclosed to market prior to the issue of AGM documentation. This proposition will then be considered by the existing shareholders at the AGM prior to moving forward with a further capital raising.

2. Refer Point 1.

3. Refer Point 1.

4. The Board considers that it has complied with Listing Rule 3.1 and this response also suffices as a complete update as to matters being dealt with by that Rule.

5. The Company believes it has been compliant , and continues to comply with all listing rules and in particular listing rule 12.2.
The Board of SVC is confident that the continued quotation of its securities will provide for further significant future capital raisings to enable a new proposed direction at its forthcoming AGM proposed to be held by end January 2010 or before, subject to the Auditor finalizing the 2009 accounts. The AGM will provide opportunity for its existing shareholders and new shareholders to be part of a new and dynamic direction for the Company. Accordingly the Board believes the entity's financial condition will be adequate to warrant continued quotation.

Regards



Boris Patkin
Company Secretary and Director
Shell Villages and Resorts Limited



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

9 November 2009

Boris Patkin
Company Secretary
Shell Villages and Resorts Limited

Telephone 61 2 9227 0000
Facsimile 61 2 9241 7620
www.asx.com.au

By Email

Dear Boris

Shell Villages and Resorts Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2009, released to ASX Limited ("ASX") on 30 October 2009 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$13,000.
2. Net negative operating cash flows for the quarter of \$30,000.
3. Cash at end of quarter of \$10,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?
5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me by email or on **facsimile number (02) 9241 7620**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00 p.m. A.E.D.T. on Thursday, 12 November 2009**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me.

Yours sincerely,

[Sent electronically without signature]

Stephanie Yong
Senior Adviser, Issuers (Sydney)