SHELL
VILLAGES AND RESORTS LIMITED
ABN 68 009 161 522
Suite 20, Level 3, 72 Pitt Street
Sydney NSW 2000

31 January 2011

The Company Announcements Office
ASX Limited

AMENDED AGREEMENT OF CONVERSION OF DEBT

Further to Announcement made 30th December 2010 & Retraction of all 3Bs issued 31st December 2010.

SHELL Villages & Resorts Ltd (SVC) advised on 30 April 2010 that it had reached agreement with its major creditors to convert $2,112,413.70 of debt into equity by way of payment of cash $79,500 plus issuing 39,788,221 shares at $0.05.

The Company has had to amend its agreement with its major creditors due to the Company not being able to be in a position to apply for relisting on the ASX by 31 December 2010. The delay in listing has been due to delays in finalising the 2009 and 2010 Audits preparatory to convening an AGM.

As per the Deeds of Release signed the Company will now issue shares to certain creditors in satisfaction of their debts at $0.025 and not at $0.05 as previously disclosed.

Address for all mail:
GPO Box 5188 Sydney
NSW 2001 Australia
Tel: +61412224225
Fax: +612 9232 8816

The arrangement regarding the conversion of the $950,000 Convertible Note has been retracted by the Company pending further negotiations as it fell due on the 31st December 2010.The Company will advise as soon as possible the outcome of negotiations regarding the debt.

The Company retracts the Appendix 3B issued on the 31st December 2010.

B PATKIN
DIRECTOR & COMPANY SECRETARY
boris@shellvillages.com.au

Address for all mail:
GPO Box 5188 Sydney
NSW 2001 Australia
Tel: +61412224225
Fax: +612 9232 8816