

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 4

TO

FORM SB-2

REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933

GlobalTel IP, Inc.

(Name of Small Business Issuer as Specified in its Charter)

Florida	4813	65-0958798
<hr/>	<hr/>	<hr/>
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

8000 North Federal Highway, Suite 100
Boca Raton, FL 33487
(561) 939-3300

(Address and Telephone Number of
Principal Executive Offices and Principal Place of Business)

Larry M. Reid
8000 North Federal Highway, Suite 100
Boca Raton, FL 33487
(561) 939-3300

(Name, Address and Telephone Number of Agent for Service)

With Copies to:
Jonathan B. Reisman, Esq.

Reisman & Associates, P.A.
6975 N.W. 62nd Terrace
Parkland, FL 33067
(954) 344-0809
Facsimile (309) 402-2342

Approximate date of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. []

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS
GLOBALTEL IP, INC.

13,637,925 shares of Common Stock

This prospectus relates to (a) 5,722,500 shares of our outstanding common stock which may be offered for sale by selling stockholders named in this prospectus, (b) 812,500 shares of our common stock which may be acquired upon exercise of outstanding warrants and (c) 7,102,925 shares of our common stock which Interactive Media Technologies, Inc. intends to distribute to its stockholders. Interactive Media Technologies, Inc. owns approximately 27% of our outstanding common stock and, as more fully described in this prospectus, we are operationally dependant upon Interactive Media Technologies, Inc. See “Plans of Distribution.”

We will not receive any proceeds from sales of shares to be sold by the selling stockholders or shares which will be distributed by Interactive Media Technologies, Inc. We may receive proceeds of up to \$130,750 if the warrants are exercised. We will bear the costs and expenses of registering all the common stock to which this prospectus relates.

In connection with the offering of the 812,500 shares underlying warrants, there is no minimum amount of shares that must be sold if any shares are to be sold.

Until such time, if any, as our shares become quoted on the OTC Bulletin Board, the price at which shares sold by the selling stockholders other than Interactive Media Technologies, Inc. will be \$.25 per share. If our shares become quoted on the OTC Bulletin Board, those selling stockholders may sell their shares in one or more transactions on the over-the-counter market, in negotiated transactions, or through a combination of those methods of distribution, at prices related to prevailing market prices or at negotiated prices.

Each of the selling stockholders may be deemed to be an “underwriter” as that term is defined in the Securities Act of 1933.

An investment in the shares involves substantial risks and is highly speculative. See “Risk Factors” beginning on page 9 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2007.

In making a decision whether to buy our common stock, you should only rely on the information contained in this prospectus. The information in this prospectus may only be accurate on the date of this prospectus.

TABLE OF CONTENTS

PROSPECTUS SUMMARY	6
Our business	6
Corporate information	6
The offering	7
Summary Financial Information	8
RISK FACTORS	9
FORWARD LOOKING STATEMENTS	22
DILUTION	23
USE OF PROCEEDS	23
MANAGEMENT'S DISCUSSION AND ANALYSIS	23
Off-balance sheet arrangements	27
OUR BUSINESS	27
Background	27
VoIP Technology	28
VoIP Industry Overview	29
Our VoIP Operations	30
Our VoIP Service Offerings	31
Marketing	32
Customer Service	32
Competition	33
Intellectual Property	36
Physical Property	37
Employees	38
REGULATION	38
MANAGEMENT	40
Executive Officers and Directors	40
Executive Compensation	41
Summary Compensation Table	41
Options Grants Table	42
Aggregated Option Exercises in Last Fiscal Year and Fiscal-Year End	42
Option Values	
Long-term Incentive Plans- Awards in Last Fiscal Year	43
Compensation of Directors	45
Employment Contracts and Termination of Employment and Changes	45
in Control Arrangements	
Equity Securities Authorized for Issuance with Respect to Compensation Plans	45
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	46
MARKET FOR COMMON EQUITY AND CERTAIN STOCKHOLDER MATTERS	47
DESCRIPTION OF CAPITAL STOCK	47
CERTAIN TRANSACTIONS	48
SHARES ELIGIBLE FOR FUTURE SALE	50
THE SELLING SHAREHOLDERS	51
PLAN OF DISTRIBUTION	52
INDEMNIFICATION	53
LEGALITY OF SHARES	54
LEGAL PROCEEDINGS	54
EXPERTS	54
ADDITIONAL INFORMATION	54
FINANCIAL STATEMENTS	F-1

We have not taken any action to permit a public offering of our shares of common stock outside of the United States or to permit the possession or distribution of this prospectus outside of the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

No person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this prospectus and, if given or made, such other information and representations must not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any sale made will, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained in this prospectus is correct as of any time subsequent to its date. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which it relates. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy such securities in any

circumstances in which such offer or solicitation is unlawful.

In this prospectus, “GlobalTel IP,” “we,” “us,” “our” and “our company” refer to GlobalTel IP, Inc., a Florida corporation, unless the context otherwise requires.

Until _____, 2007, all dealers that effect transactions in our common stock whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers’ obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

This summary does not contain all the information you should consider before investing in our shares. You should carefully read the entire prospectus, including the documents incorporated by reference into this prospectus, before making an investment decision. In this prospectus, unless the context otherwise requires, references to “we” “us” and “our” refer to GlobalTel IP, Inc., a Florida corporation.

Our business

We are primarily engaged in providing telecommunications services to our customers employing VoIP (Voice over Internet Protocol) technology. VoIP is a technology that enables voice communications over the Internet through the conversion of voice signals into data packets. The data packets are transmitted over the Internet and converted back into voice signals before reaching their recipient. The Internet has always used packet-switched technology to transmit information between two communicating terminals. Packet switching allows a personal computer to download a page from a web server or to send an email message to another computer. VoIP allows for the transmission of voice signals over the same packet switched networks and, in doing so, provides an alternative to traditional telephone networks.

We provide telecommunications services to our customers employing VoIP technology, utilizing software that we acquired from others to run our VoIP communications platform. We market our VoIP services primarily in foreign countries using independent resellers and commissioned sales agents. Resellers purchase our services and resell the services to their customers at a markup determined exclusively by the resellers.

The resellers are primarily foreign operators of public call centers located abroad, including call centers located within Internet cafes. Public call centers are popular in emerging markets where telecommunications infrastructure is limited and consumers may not have access to a telephone or the Internet. We provide the resellers with a billing software platform that allows their call centers to create their own rate tables, bill in their local currencies and print customized bills with their companies' information. Through our VoIP network, we offer resellers what we believe is a competitive cost, high quality alternative for the transport and termination of voice and fax communications.

Sales agents sell our VoIP services to individual end users for which they receive commissions. We do not intend to market our services directly to retail customers and our success depends, in substantial part, on our ability to retain our existing resellers and agents and recruit new resellers and agents.

Interactive Media Technologies, Inc. (“IMT”) provides much of the technology and services that we provide to our resellers and agents. We do not employ any engineers or technical personnel and outsource substantially all of our technical and service functions to IMT. The loss of technological support and telecommunications services from IMT would severely impact our business. We have entered into leases with IMT and independent consulting agreements with three of IMT's employees. An employee of IMT is one of our commissioned sales agents and other sales agents and resellers introduced to us by this agent accounted for approximately 80% of our revenues during our fiscal year ended September 30, 2006.

At the time that the foregoing arrangements with IMT and its employees were made, the Chief Executive Officer of IMT was also our Chief Executive Officer and a member of our Board of Directors. As of the date of this prospectus, IMT owned 7,102,925 shares, or approximately 27% , of our outstanding common stock. IMT has represented to us that it intends to distribute all of those shares to its stockholders. See “Plans of Distribution.”

In March, 2006 we entered into an Application Service Provider License Agreement with Twisted Pair Solutions, Inc. pursuant to which we obtained the license to certain WAVETM components. In June, 2006, we also became an authorized reseller of Twisted Pair Solutions, Inc.'s WAVE (*Wide Area Voice Environment*) components. WAVE is a software application suite designed for building group communications systems. WAVE accepts most analog or digital audio signals as input, converts the signals into VoIP packets when needed, mixes the signals together, and then routes them across a network to their destinations. WAVE converts VoIP traffic back into audio at the destination end. WAVE can mix together different sorts of devices, such as cell phones, two-way radios, analog and digital PBX phones, and personal computers. Neither the sale nor license of the WAVE components has constituted a material part of our business and we do not expect that either of them will be material in the foreseeable future, if at all.

We incurred net losses of \$802,552, \$370,625, \$559,248 and \$277,762 during the fiscal years ended September 30, 2006 and 2005 and the six months ended March 31, 2007 and 2006, respectively. We had no operations during the fiscal year ended September 30, 2004. From inception (November 15, 1999) through March 31, 2007, we incurred cumulative net losses of \$2,187,061.

We do not have the capital to further significantly fund or develop our business activities and we have never realized any significant revenues. As stated in the notes to our financial statements, because we have suffered recurring losses and a have experienced severe liquidity problems, there is substantial doubt about our ability to continue as a going concern. Our auditors have included a statement to that effect in their report dated December 22, 2006.

Corporate information

We were incorporated in Florida on November 15, 1999. Our principal office is located at 8000 North Federal Highway, Suite 100, Boca Raton, FL 33487 and our telephone number is 561-939-3300. Any information contained in, or that can be accessed through, our website is not part of this prospectus.

The offerings

This prospectus relates to (a) 5,722,500 shares of our outstanding common stock which may be offered for sale by selling stockholders named in this prospectus, (b) 812,500 shares of our common stock which may be acquired upon exercise of outstanding warrants and (c) 7,102,925 shares of our common stock which Interactive Media Technologies, Inc intends to distribute to its stockholders. The sale and resale of the shares can be expected to depress the market price, if any, of our shares. See “Plans of Distribution.”

We will not receive any proceeds from this offering from sales of shares to be sold by the selling stockholders or shares which will be distributed by Interactive Media Technologies, Inc.

Common Stock to be offered by the selling stockholders other than Interactive Media Technologies, Inc.	5,722,500 shares
Common Stock which may be distributed by Interactive Media Technologies, Inc. to its shareholders	7,102,925 shares
Common Stock which may be sold by us upon exercise of outstanding warrants.	812,500 shares
Common Stock outstanding before the offering	26,655,581 shares (1)
Common Stock outstanding after the offering	27,468,081 shares (1) (2)
Proceeds	We will not receive any proceeds from the sale of the shares by the selling stockholders or the distribution of our shares by Interactive Media Technologies, Inc. to its shareholders. Any net proceeds we receive from the sale of the shares underlying the warrants referred to in note (1) below will be used for working capital and other corporate purposes.
Risk Factors	The securities offered by this prospectus involve a high degree of risk. See “Risk Factors.”

(1) Does not include 1,850,000 shares which may be issued upon exercise of outstanding derivative securities which shares have not been registered by the registration statement of which this prospectus is a part.

(2) Assumes the exercise of all outstanding warrants with respect to which the underlying shares have been registered in the registration statement of which this prospectus is a part.

Summary Financial Information

The following table summarizes our statements of operations and balance sheet data for and as of the periods indicated. The summary should be read in conjunction with Management's Plan of Operation and our financial statements and notes thereto included elsewhere in this prospectus. The amounts for the fiscal years ended September 30, 2006 and 2005 have been derived from our audited financial statements.

	March 31, 2007 <hr/> (unaudited)	March 31, 2006 <hr/> (unaudited)	September 30, 2006 <hr/>	September 30, 2005 <hr/>
BALANCE SHEET DATA:				
Cash	\$13,826	\$86,172	\$19,600	\$113,185
Total current assets	76,090	90,355	113,819	117,368
Property and equipment, net	310,722	315,893	288,572	94,553
Total assets	390,812	429,783	404,391	211,921
Total current liabilities	312,358	217,353	165,035	61,846
Total liabilities	823,708	321,123	524,821	173,084
Capital stock	23,584	20,801	22,301	18,073
Additional paid-in-capital, net	1,730,581	1,190,882	1,485,082	846,025
Accumulated (deficit)	(2,187,061)	(1,103,023)	(1,627,813)	(825,261)
Total liabilities and stockholders' equity	390,812	429,783	404,391	211,921
	For six months ended March 31, 2007 <hr/> (unaudited)	For six months ended March 31, 2006 <hr/> (unaudited)	For the year ended September 30, 2006 <hr/>	For the year ended September 30, 2005 <hr/>
STATEMENT OF OPERATIONS DATA:				
Revenues	\$913,333	\$645,732	\$1,806,193	\$268,783
Cost of revenue	754,128	499,274	1,444,422	184,538
Selling expenses	81,650	77,832	168,831	56,560
General and administrative expenses	440,109	247,608	838,731	382,328
Research and development costs	164,050	84,118	113,464	5,337
Depreciation and amortization	32,644	14,662	42,997	10,645
Net (loss)	(559,248)	(277,762)	(802,552)	(370,625)
Net (loss) per share	(0.02)	(0.01)	(0.04)	(0.03)
Weighted average number of common shares outstanding	22,508,548	19,488,293	20,091,467	12,368,979

RISK FACTORS

An investment in our common stock involves substantial risks. We believe that all material risks are disclosed under this caption. You should consider carefully the following information about these risks, together with the financial and other information, including additional risks, contained elsewhere in this prospectus, before you decide whether to buy our common stock. If any of the following risks and uncertainties develops into actual events, our business, financial condition or results of operations could be materially and adversely affected and the market price of our shares, if any, would likely decline significantly. In such case, you may lose all or part of your investment.

Because we have an extremely limited operating history, there is no meaningful basis on which you can evaluate our proposed business and prospects. We did not realize any revenues from our telecommunications business until March 2005. Prospective investors customarily consider a company's operating history as a factor in determining whether to make an investment. Prospective investors who decide to purchase our shares may have decided not to purchase the shares if they had a significant operating history to review.

We have had losses since inception and expect losses to continue for the foreseeable future. We incurred net losses of \$802,552, \$370,625, \$559,248 and \$277,762 during the fiscal years ended September 30, 2006 and 2005 and the six month periods ended March 31, 2007 and 2006, respectively. Since our inception through March 31, 2007, we incurred cumulative net losses of \$2,187,061. In addition, since we began to engage in the VoIP business in March 2005, we have incurred aggregate net losses of \$1,698,419 through March 31, 2007. Any future operations may not be sufficient to generate the revenues necessary to reach profitability.

Because of our lack of capital, unless we obtain substantial additional capital we will not be able to continue to engage in or to expand our business. On March 31, 2007, we had current assets of \$76,090 and current liabilities of \$312,358. We do not have adequate capital to continue, fund, develop or expand our business activities.

Unless we are able to obtain significant capital or realize a significant increase in our revenues, we will not be able to operate our business or continue development or administrative functions. In addition, we will require substantial additional capital to pursue our business strategy, to respond to new competitive pressures or to respond to opportunities to acquire complementary businesses or technologies. Our losses to date and our limited tangible assets may prevent us from obtaining additional funds on terms not unfavorable to us, if at all. Because we do not fit traditional credit lending criteria, it is difficult if not impossible for us to obtain loans or to access capital markets.

We have never had a positive cash flow from operations.

There can be no assurance that our revenues will increase or that any capital will be available to us on terms not unfavorable to us, if at all.

Because of our limited capital, unless we obtain substantial additional capital we may not have sufficient capital to continue as a going concern. As stated in the notes to our financial statements, because we have suffered recurring losses and have experienced severe liquidity problems, there is substantial doubt about our ability to continue as a going concern. Our auditors have included a statement to that effect in their report on our fiscal 2006 financial statements dated December 22, 2006.

If we raise additional funds through the issuance of our equity securities, the percentage ownership of our stockholders will be reduced, we may undergo a change in control and stockholders may experience dilution which could substantially diminish the value of their common stock. One of the factors which generally affects the market price of publicly traded equity securities is the number of shares outstanding in relationship to assets, net worth, earnings or anticipated earnings and other financial items. If a public market is sustained for our shares, a material amount of dilution can be expected to cause the market price of our shares to decline. Furthermore, the public perception of future dilution can have the same effect even if the actual dilution does not occur.

If we are unable to compete successfully, we could lose or fail to gain market share and revenue. The VoIP industry is fiercely competitive. Over the past year, the number of companies entering our industry have increased dramatically. Competitive pricing pressures can impact profit margins, if any, negatively.

We face intense competition from traditional telephone companies, wireless companies, cable companies and alternative voice communication providers. Our principal competitors are traditional telephone service providers which provide telephone service based on the public switched telephone network. Some of these traditional providers also have added or are planning to add VoIP services to their existing telephone and broadband offerings. We also face, or expect to face, competition from cable companies which have added or are planning to add VoIP services to their existing cable television, voice and broadband offerings. Further, certain wireless providers offer services that some customers may prefer over wireline service. In the future, as wireless companies offer more minutes at lower prices, their services may become more attractive to customers as a replacement for wireline service. Some of these providers may be developing a dual mode phone that will be able to use VoIP where suitable internet access is available and cellular phone service elsewhere, which will pose additional competition to us.

The traditional wireline and wireless telephone service providers and cable companies are substantially larger and better capitalized than we are and have the advantage of a large existing customer base. Because most of our end users are already purchasing communications services from one or more of these providers, our success is dependent upon our ability to attract target customers away from their existing providers. Attracting customers away from their existing providers will become more difficult as mainstream customers make up more of our target market. These competitors could focus their substantial financial resources to develop competing technology that may be more attractive to potential customers than what we offer. Our competitors' financial resources may allow them to offer services at prices below cost or without charge in order to maintain and gain market share or otherwise improve their competitive positions. Our competitors also could use their greater financial resources to offer VoIP services with more attractive service packages that include on-site installation and more robust customer service. In addition, because of the other services our competitors provide, they may choose to offer VoIP services as part of a bundle that includes other products, such as video, high speed Internet access and wireless telephone service, which we do not and cannot offer. This bundle may enable our competitors to offer VoIP service at price levels with which we may not be able to compete or to offer functionality that integrates VoIP service with their other offerings, both of which may be more desirable to consumers. Any of these competitive factors could make it more difficult or impossible for us to attract and retain customers, cause us to lower our prices in order to compete and reduce our market share and revenues.

10

We also compete against established alternative voice communication providers, such as Skype (a service of eBay Inc.), and face competition from other large, well-capitalized Internet companies, such as America Online, Inc., Google Inc., Microsoft Corporation and Yahoo! Inc., which have recently launched or plan to launch VoIP-enabled instant messaging services. In addition, we compete with independent VoIP service providers. Some of these service providers may choose to sacrifice revenue in order to gain market share and have offered their services at lower prices or without charge. In order to compete with such service providers, we may have to significantly reduce our prices, which would delay or prevent our profitability or prevent us from remaining in business.

There can be no assurance that we will be able to increase our revenues or achieve profitability.

Because the telecommunications industry has experienced a sharp contraction in the availability of capital and dramatic reductions in capital expenditures by service providers, our business can be adversely affected. Prior to 2001, the telecommunications market experienced rapid growth spurred by a number of factors, including deregulation in the industry, entry of a large number of new emerging service providers, growth in data traffic and the availability of significant capital from the financial markets. Commencing in 2001 and continuing thereafter, the telecommunications industry experienced a reversal of some of these trends. Many service providers have experienced financial difficulties and, in some cases,

bankruptcies. We expect the developments described above to continue to affect our business in the following manner:

- our ability to accurately forecast revenues is diminished;
- intense competition could adversely affect our profit margins, if any;
- our revenues could be reduced; and
- we may continue to incur losses, even if our revenues increase, because a high percentage of our operating expenses are and will continue to be fixed in the short-term.

Any one or a combination of the above could materially and adversely affect our business, operating results and financial condition as well as our ability to remain in business.

Because the international market for VoIP telecommunication services is evolving, our business will suffer if that market does not develop as we expect. VoIP technology may not be widely accepted as a platform for voice or it may become obsolete. Accordingly, a viable market for our services may not develop or be sustainable. If the market does not develop, or develops more slowly than we expect, we may not be able to sell our services in significant volume, if at all.

11

Because the market for VoIP services is likely to be characterized by rapid technological change, if we do not respond rapidly to technological changes or to changes in industry standards, our services could become obsolete. We may be unable to respond quickly or effectively to new developments because of our limited capital or otherwise. We may experience difficulties with software development, hardware procurement, or marketing strategies that could delay or prevent our development, introduction or marketing of new services and enhancements. The introduction of new services by our competitors, the market acceptance of services based on new or alternative technologies or the emergence of new industry standards could render our existing or future services obsolete. If the standards adopted are different from those that we have chosen to support, market acceptance of our services may be significantly reduced or delayed. If our services become technologically obsolete, we may be unable to sell our products in the marketplace and generate revenues.

If we are not able to obtain necessary licenses of third-party technology at acceptable prices, or at all, our products and services could become obsolete. From time to time, we may be required to license technology from third parties to develop new products or product enhancements. Third-party licenses may not be available or continue to be available to us on commercially reasonable terms. The inability to maintain or re-license any third-party licenses or to obtain any new third-party licenses to develop new products, services and product enhancements could require us to obtain substitute technology of lower quality or performance standards or at greater cost, and delay or prevent us from offering these products, services or enhancements, any of which could seriously harm the competitiveness of our services.

If the VoIP technology that we are using or may use in the future infringes upon patents held by others, we could be held liable for large sums of money and may not be able to continue to provide VoIP services. In June 2006, Verizon Communications instituted legal proceedings against Vonage Holdings Corp. in the United States District Court in the Eastern District of Virginia. Verizon alleged that Vonage is infringing, as well as contributing to and inducing the infringement of at least seven of Verizon's patents relating to VoIP technology. Verizon sought a judgment which would enjoin Vonage from using the technologies which are the subject of the patents and to pay to Verizon substantial monetary damages. In March 2007, a jury determined that Vonage infringed several of Verizon's patents and will have to pay \$58 million to Verizon. Verizon has also obtained an injunction that bans Vonage from using the VoIP technology. We do not know if any of the technologies we are using or may use in the future are the subject of Verizon's or others' patents. If, however, any of them are the subject of such patents or any future patents, we could be materially adversely affected to the extent that we would not be able to continue our business.

Because competition in our business is intense, we may not be able to effectively compete with other VoIP service providers. Over the past several years, the number of companies entering our industry has increased dramatically. Competition is very intense and pricing pressures can impact profit margins, if any, negatively. Substantially all of our competitors are larger, established and well financed companies which have greater financial resources, technical expertise and managerial capabilities than we do.

12

Decreasing telecommunications prices may cause us to lower our prices to remain competitive, which could delay or prevent our future profitability. Domestic and international telecommunications prices have decreased significantly over the last few years, and we anticipate that prices will continue to decrease. Users who select our service offerings to take advantage of our prices may switch to another service provider as the difference between prices diminishes or disappears, and we may be unable to use our price as a distinguishing feature to attract new customers in the future. Such competition or continued price decreases may require us to lower our prices to remain competitive, may result in reduced revenue and a loss of customers and may delay or prevent our future profitability, if any.

If VoIP technology fails to gain acceptance among mainstream consumers, our ability to grow our

business will be limited. We believe that a significant portion of our revenue currently comes from consumers who are early adopters of VoIP technology. In order for our business to grow and to become profitable, VoIP technology must gain acceptance among mainstream consumers, who tend to be less technically knowledgeable and more resistant to new technology or unfamiliar services. Because potential VoIP customers must connect additional hardware at their location and take other technical steps not required for the use of traditional telephone service, mainstream consumers may be reluctant to use our service. If mainstream consumers choose not to utilize our technology, our ability to grow our business will be limited.

Certain aspects of our service are not the same as traditional telephone service, which may limit the acceptance of our services by mainstream consumers and our potential for growth. Our growth is dependent in significant part on the adoption of our services by mainstream customers, therefore the differences are becoming increasingly important. For example:

- Our basic emergency calling services in areas which services are available are different in significant respects from the 911 or other such service associated with traditional wireline and wireless telephone providers and, in certain cases, with other VoIP providers.
- Our customers may experience lower call quality than they are used to from traditional wireline telephone companies, including static, echoes and delays in transmissions.
- Our customers may experience higher dropped-call rates than they are used to from traditional wireline telephone companies.
- Customers who obtain new phone numbers from us do not appear in the phone book and their phone numbers are not available through directory assistance services offered by traditional telephone companies.
- In the event of a power loss or Internet access interruption experienced by a customer, our service is interrupted. Unlike some of our competitors, we do not install any equipment at customers' premises or provide emergency power for our customers' equipment if they lose power.

13

If customers do not accept the differences between our service and traditional telephone service, they may choose to remain with their current telephone service provider or may choose to return to service provided by traditional telephone companies.

Our basic emergency calling services are more limited than those offered by traditional wireline telephone companies and may expose us to significant liability. Our emergency calling service is more limited, in significant respects, than the emergency calling services offered by traditional wireline telephone companies. In each case, those differences may cause significant delays, or even failures, in callers' receipt of the emergency assistance they may need.

If one of our customers experiences an Internet or power outage, or if a network failure were to occur, the customer will not be able to reach an emergency services provider. Any ability or delay in reaching an emergency services provider or the inability of the answering point to automatically recognize the caller's location or telephone number can have devastating consequences. Customers may in the future attempt to hold us responsible for any loss, damage, personal injury or death suffered as a result. This liability could be significant. In addition, we may lose existing and prospective customers because of the limitations inherent in our emergency calling services. Any of these factors could cause us to lose revenues, incur greater expenses or cause our reputation or financial results to suffer.

Flaws in our technology and systems could cause delays or interruptions of service, damage our reputation, cause us to lose customers and limit our growth. Our service may be disrupted by problems with our technology and systems, such as malfunctions in our software or other facilities and overloading of our network. Our customers have experienced interruptions in the past and may experience interruptions in the future as a result of these types of problems. Interruptions may cause us to lose customers and offer substantial customer credits, which could adversely affect our revenue and profitability. We have had outages that affected our customers at various times. In addition, because our systems and our customers' ability to use our services are Internet-dependent, our services may be subject to "hacker attacks" from the Internet, which could have a significant impact on our systems and services. If service interruptions adversely affect the perceived reliability of our service, we may have difficulty attracting and retaining customers and our brand reputation and growth may suffer.

Our ability to provide our service is dependent upon third-party facilities and equipment, the failure of which could cause delays or interruptions of our service, damage our reputation, cause us to lose customers and limit our growth. Our future success depends in significant part upon our ability to provide quality and reliable service, which, in turn, is in part dependent upon the proper functioning of facilities and equipment owned and operated by third parties and is, therefore, beyond our control. Unlike traditional wireline telephone service or wireless service, our service requires our customers to have an operative

Internet connection and an electrical power supply, which are provided by the customer's Internet service provider and electric utility company, respectively, and not by us. The quality of some Internet connections may be too poor for customers to use our services properly. In addition, if there is any interruption to a customer's Internet service or electrical power supply, that customer will be unable to make or receive calls, including emergency calls, using our service. We also outsource our network functions to third-party providers. For example, we outsource the maintenance of our regional data connection points, which are the facilities at which our network interconnects with the public switched telephone network. If our third-party service providers fail to maintain these facilities properly, or fail to respond quickly to problems, our customers may experience service interruptions. Our customers have experienced such interruptions in the past and will experience interruptions in the future. If interruptions adversely affect the perceived reliability of our service, we may have difficulty attracting new customers and our brand, reputation and growth will be negatively impacted.

14

Because our executive offices and equipment are located in South Florida, our service has and may, in the future, be disrupted by hurricanes or other catastrophic events. During the summer of 2005, as a result of a relatively minor hurricane, we lost power and were unable to provide service to our customers for approximately 24 hours. Future hurricanes or other events could result in substantially longer interruptions in service through power outages and damage or destruction to our equipment and our inability to have access to our premises.

Our business may be adversely impacted by political and military events that are outside of control. During our fiscal year ended September 30, 2006, our revenues generated from customers in Lebanon decreased substantially as a result of the then armed conflict. In addition, foreign governments may ban the use of VoIP services provided by foreign operators.

If IMT were to stop terminating traffic for us, our business would be severely adversely impacted. Customers initiate (originate) calls to our VoIP softswitch via the Internet. Once our switch receives the call it must be sent (terminated) to the number the customer is calling. Currently, substantially all of our customers' VoIP calls are sent to IMT, which terminates the calls with carriers of its choice. If IMT were to stop terminating traffic for us, our business would be severely adversely impacted because we would not be able to complete our customers' calls. We have no written agreement with IMT in connection with terminating our customers' calls and IMT is not obligated to continue to do so. There can be no assurance that IMT will continue to terminate our calls at rates which are not unfavorable to us, if at all or that we can locate additional carriers to terminate calls for us at such rates, if at all. Our operational dependence upon IMT is critical because most other carriers will not agree to terminate our calls because of our small size. On June 3, 2007, we were in arrears to IMT under various agreements and arrangements in the approximate amount of 105,000. There can be no assurance that IMT will continue to provide services to us if we fail to pay the arrearage and make subsequent payments on a current basis. We do not have the funds to pay the arrearage.

Until such time, if any, that we are able to establish direct relationships with carriers other than IMT, we will have difficulty providing competitive rates at satisfactory margins. Rates and quality of service are usually the deciding factors in recruiting and maintaining agents and resellers process and there are trade offs. We believe that providing good call quality is more important than offering the lowest rate. Good call quality usually means sending the calls over Tier One carrier routes, such as AT&T, Sprint, MCI and Global Crossing. We do not have a significant business relationship with these carriers and it is doubtful that we can establish one in the foreseeable future, if at all. Until such time, if any, that we are able to establish direct relationships with other carriers, we will have difficulty providing competitive rates at satisfactory gross profit margins.

15

We may not be able to maintain adequate customer care which could adversely affect our ability to grow and cause our financial results to be negatively impacted. Good customer care is important to acquiring and retaining customers. We may not be able to maintain or expand our customer care operations quickly enough to meet the needs of our greatly customer base, in which case the quality of our customer care will suffer. If we are unable to hire, train and retain sufficient personnel to provide adequate customer care, we may fail to retain existing customers, experience slower or no growth and increased costs, any of which would cause us to be negatively impacted.

If we are unable to improve our process for local number portability provisioning, our growth may be negatively impacted. We support local number portability for our customers, which allows our customers to retain their existing telephone numbers when subscribing to our services. Transferring numbers is a manual process that could take 20 business days or longer and, in many foreign countries, it may not be possible to transfer a number. A new customer must maintain both our VoIP service and the customer's existing telephone service during the transferring process. By comparison, transferring wireless telephone numbers among wireless service providers generally takes several hours or less, and transferring wireline telephone numbers among traditional wireline service providers generally takes not more than a few days. The

additional delay that our customers experience is due to reliance on the telephone company from which the customer is transferring and to the lack of automation in our process. Further, because we are not a regulated telecommunications provider, we must rely on the telephone companies, over whom we have no control, to transfer numbers. Local number portability is considered an important feature by many potential customers, and if we fail to reduce related delays, we may experience increased difficulty in acquiring new customers.

A higher rate of customer terminations would negatively impact our business by reducing our revenue or requiring us to spend more money to grow our customer base. Our termination or churn rate could increase in the future if customers are not satisfied with our service. Other factors, including increased competition from other providers, also influence our churn rate. Because of churn, we have to acquire new customers on an ongoing basis just to maintain our existing level of customers and revenues. As a result, marketing expense is an ongoing requirement of our business. If our churn rate increases, we will have to acquire even more new customers in order to maintain our existing revenues. We incur significant costs to acquire new customers, and those costs are an important factor in determining our net losses and achieving future profitability. Therefore, if we are unsuccessful in retaining customers or are required to spend significant amounts to acquire new customers beyond those budgeted, our revenue could decrease and our net losses could increase.

Because a significant portion of our revenues has been generated through a small number of independent sales agents and resellers, the loss of any of them would cause us to be materially negatively impacted. During our fiscal year ended September 30, 2006, two resellers accounted for approximately 24% and 8% of our revenues, respectively. During the six months ended March 31, 2007, two resellers accounted for approximately 40 % and 7% of our revenues, respectively. We do not have any agreement with any of our resellers or sales agents to continue to solicit customers on our behalf and any of them may terminate its relationship with us without penalty. Furthermore, any of them may decide not to sell our services and, instead, to sell the services of our competitors. Because our competitors have greater financial resources than we have, they are financially able to provide more favorable pricing to resellers and sales agents than we do and sell VoIP services at lower rates.

16

Because a significant portion of our revenues has been generated through the efforts of one individual, the loss of that individual would cause us to be materially negatively impacted. During our fiscal year ended September 30, 2006 and the six months ended March 31, 2007, one of our commissioned sales agents, who is also an employee of IMT, accounted for approximately 80% and 76% of our revenues, respectively, through sales made to his customers and by obtaining other sales agents and resellers. That individual may terminate his relationship with us without penalty. Neither IMT nor that individual is obligated to assist us in finding or maintaining any sales agents or resellers

Because our business is fiercely competitive, relatively small differentials in pricing by our competitors have and may continue to cause us to lose customers and materially impair our ability to obtain new customers. Price differentials as low as \$.001 per minute have been considered to be material by certain of our large customers to cause them to leave us for competitors. During the fiscal year ended September 30, 2006, we lost one customer which had been responsible for revenues of approximately \$135,000 over a four month period. We believe the reason for the loss of this customer was the availability of lower pricing from competitors. Because of our relatively small size, we cannot compete on the basis of price with substantially all of our competitors.

If we do not expand our reseller and agent base to market our services, our revenues will not grow significantly, if at all. We will not retain resellers and agents or attract new resellers and agents if we do not anticipate and meet consumer requirements and expectations for VoIP telecommunication services, including quality of services and competitive pricing. Even if we are able to do so, we cannot assure you that we will be able to retain resellers and agents or attract new resellers and agents.

As a result of being a reporting company, we will incur increased costs that may place a strain on our resources or divert our management's attention from other business concerns. Because we are now required to file reports with the SEC, we will incur additional legal, accounting and other expenses that we did not incur in the past. The Exchange Act requires us to file annual, quarterly and current reports with respect to our business and financial condition, which will require us to incur legal and accounting expenses. The Sarbanes-Oxley Act requires us to maintain effective disclosure controls and procedures and internal controls for financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management "oversight will be required. We expect the corporate governance rules and regulations of the SEC will increase our legal and financial compliance costs and make some activities more time consuming and costly. These requirements may place a strain on our systems and resources and may divert our management's attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to hire legal, accounting and financial staff with appropriate public company experience and technical accounting knowledge, which will increase our operating expenses in future periods.

17

We also expect these rules and regulations to make it difficult, if not impossible, and expensive for us to obtain director and officer liability insurance. Because we do not now have and may not be able to obtain such insurance in the future, we may not be able to attract and retain qualified persons to serve on our board of directors or as executive officers.

If we experience growth, there will be substantial demands on our management and operations. If we are not able to hire, train and retain the necessary personnel, or if these operational and reporting improvements are not implemented successfully, we may have to make significant additional expenditures and further draw management attention away from running our business to address these issues. The quality of our services could suffer, which could negatively affect our operating results and financial position.

If we are not able to develop international market demand for our services, our ability to increase our revenues will be significantly impaired. International operations are subject to many risks, including.

- greater difficulty collecting accounts receivable and longer collection periods;
- difficulties and costs of staffing and managing international operations;
- the impact of differing technical standards;
- the impact of recession in economies;
- changes in regulatory requirements and currency exchange rates;
- certification and licensing requirements;
- reduced protection for intellectual property rights;
- potentially adverse tax consequences; and
- political and economic instability.

Because much of our potential success and potential value lie in our use of our software, if we fail to protect it, our business could be materially adversely affected. Our ability to compete effectively is dependent in large part upon the maintenance and protection of our software. We have no patents and we believe that we cannot patent the technology that is important to us. To date, we have relied on trade secret laws, as well as confidentiality procedures and licensing arrangements, to establish and protect our rights to the technology. We have not entered into any confidentiality or license agreements. We intend, in the future, to enter into confidentiality or license agreements in an effort to control access to and distribution of our software and other information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the technology without authorization. Policing unauthorized use of the technology is difficult. The steps we take may not prevent misappropriation of the technology we rely on. In addition, effective protection may be unavailable or limited in many jurisdictions outside the United States. Litigation may be necessary in the future to enforce or protect our rights or to determine the validity and scope of the rights of others. Even if we have the financial resources to pursue litigation, it could cause us to incur substantial costs and divert resources away from our daily business, which in turn could materially adversely affect our business.

18

We may be subject to damaging and disruptive intellectual property litigation. Intellectual property litigation could be time-consuming and expensive, divert attention and resources away from our daily business, impede or prevent delivery of our products and services; and may require us to pay significant royalties, licensing fees and damages.

Parties making claims of infringement may be able to obtain injunctive or other equitable relief that could effectively block our ability to provide our services and could cause us to pay substantial damages. In the event of a successful claim of infringement, we may need to obtain one or more licenses from third parties, which may not be available at a reasonable cost, if at all. The defense of any lawsuit could result in time-consuming and expensive litigation, regardless of the merits of such claims, and could also result in damages, license fees, royalty payments and restrictions on our ability to provide our services, any of which could harm our business. See “Our Business – Intellectual Property.”

The most effective use of our service requires an operative broadband connection, and if the adoption of broadband does not progress as expected or if it increases in price, the market for our services will not grow and we may not be able to grow our business and increase our revenue. Although our service is available with a dial-up connection, to most effectively use our service a subscriber must utilize an existing broadband Internet service, most typically provided through a cable or digital subscriber line, or DSL, connection. Although the number of broadband subscribers worldwide has grown significantly over the last five years, the service has not yet been adopted by a majority of consumers. If the adoption of broadband services does not continue to grow, the market for our services may not grow. As a result, we may not be able to increase our revenue and become profitable.

Future disruptive new technologies could have a negative effect on our businesses. VoIP technology,

which our business is based upon, did not exist and was not commercially viable until relatively recently. VoIP technology is having a disruptive effect on traditional telephone companies, whose businesses are based on other technologies. We also are subject to the risk of future disruptive technologies. If new technologies develop that are able to deliver competing voice services at lower prices, better or more conveniently, it could have a material adverse effect on us.

We are dependent on a small number of individuals, and if we lose the services of any person upon whom we are dependent, we will be adversely affected. Our future success depends to a considerable degree on the vision, skills, experience and effort of our management. We do not have an employment agreement with any members of our management. If we lose the services of any of them, or if members of our management do not work well together, it would have an adverse effect on our business.

19

The unpredictability of our quarterly results may adversely affect the market price, if any, of our common stock. We expect that our revenues and operating results will vary significantly from quarter to quarter due to a number of factors, many of which are outside of our control. The primary factors that may affect our revenues and operating results include the following:

- fluctuation in demand for our VoIP services and the timing and size of our reseller and agent bases;
- cancellations or defections of existing resellers and agents or the renegotiation of existing reseller and agent contracts;
- the length and variability of the sales cycle for our services;
- new product introductions and service enhancements by our competitors;
- the timing of revenue recognition and amount of deferred revenues;
- changes in our pricing policies, the pricing policies of our competitors and the prices of the vendors we buy services from;
- our ability to develop, introduce and activate new services with our resellers and agents;
- costs related to acquisitions of complementary services, technologies or businesses; and
- general economic conditions, as well as those specific to the telecommunications, networking and related industries.

Because we are dependant upon our contractual relationship with IMT, if that relationship terminates, our business will be materially adversely affected. We have entered into a Software Support Agreement with IMT which IMT may terminate without penalty in February 2008. Although IMT is presently our principal stockholder, IMT intends to distribute all the shares of our common stock owned by it to its stockholders. See “Our Business – Intellectual Property,” “Security Ownership of Certain Beneficial Owners and Management,” “Certain Transactions” and “Plans of Distribution.”

If IMT fails to perform the required services under or terminates the Software Support Agreement and we are not able to retain a third party to perform such services on similar terms, we may be unable to provide adequate service, if any, to our customers.

Fraudulent acts committed against us could adversely impact our financial condition and results of operations. International telecommunications providers are susceptible to fraudulent acts that are committed by their customers, resellers and agents. During 2005 we incurred a loss of approximately \$30,000 through the fraudulent use of our service. We have since taken steps to better detect and prevent fraudulent acts. We cannot, however, prevent all future attempts to fraudulently use our service.

We may be unable to successfully integrate any products, technologies, businesses or personnel that we might acquire in the future without significant costs or disruption to our business. Because of our limited financial and managerial resources, any acquisition we make may require additional personnel and the attention of our management to the acquisition.

20

Because companies in our industry whose employees accept positions with competitors frequently claim that their competitors have engaged in unfair hiring practices, we may be faced with material litigation.

We could incur substantial costs defending ourselves or our employees against those claims, regardless of their merits. In addition, defending ourselves from those types of claims could divert our management's attention from our operations. If we are found liable in connection with any employment claim, we may incur significant costs that could adversely impact our financial condition and results of operations.

We could face exposure to substantial liabilities arising from our products and services. We cannot assure you that we will not be subject to liability arising from the use of our products or services, or that any product liability coverage we obtain will be adequate to protect against claims which may be asserted against us by our customers or others. We do not now have any product liability insurance and there can be no assurance that even if such insurance becomes available to us at reasonable rates, we will have the financial resources to purchase the insurance.

Because of the ownership of our common stock by our management, it is unlikely that any other holder of common stock will be able to affect our management or direction. On June 29, 2007, our officers and directors were deemed to beneficially own approximately 13% of our outstanding common stock. Accordingly, if these stockholders act together as a group, they would likely be able to control the outcome of stockholder votes, including votes concerning the election of directors, the adoption or amendment of provisions in our articles of incorporation and bylaws and the approval of significant corporate transactions. The existence of ownership concentrated in a few persons may have the effect of delaying or preventing a change in management or voting control. Furthermore, the interests of our controlling stockholders could conflict with those of our other stockholders.

Because our common stock is considered to be a "penny stock," our stockholders' ability to sell their shares in a public market may be significantly impaired by the Securities and Exchange Commission's penny stock rules. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that is or becomes subject to the penny stock rules. In addition the burdens imposed upon broker-dealers by the penny stock rules may discourage broker-dealers from effecting transactions in our common stock, which could severely limit its liquidity.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements relating to events anticipated to or which may happen in the future. These forward-looking statements are based on the beliefs of our management, as well as assumptions made by and information currently available to our management. Forward-looking statements also may be included in other written and oral statements made or released by us. You can identify forward-looking statements because they do not relate strictly to historical or current facts. The words "believe," "anticipate," "intend," "expect," "estimate," "project" and similar expressions are intended to identify forward-looking statements. Forward-looking statements describe our present expectations of what we believe are most likely to occur or may be reasonably achievable in the future, but they do not predict or assure any future occurrence and may turn out to be wrong. Forward-looking statements are subject to both known and unknown risks and uncertainties and can be affected by inaccurate assumptions we might make. Consequently, no forward-looking statement can be guaranteed. Actual future results may and most likely will vary materially. We may not publicly update any forward-looking statements to reflect new information or future events or occurrences. The statements reflect our current views with respect to future events and are subject to risks and uncertainties about us, including, among other things:

- our ability to market our services successfully to and through existing as well as new resellers and agents;
- the ability of our resellers and agents to attract new customers and retain a high percentage of their present customers;
- the possibility of unforeseen capital expenditures and other investments required to maintain our business, deploy new technologies or to effect new business initiatives;
- our ability to access markets and finance network developments and operations;
- our expansion, including reseller, agent and consumer acceptance of new price plans and bundled offerings;
- additions or departures of key personnel;
- competition, including the introduction of new products, services and pricing plans by our present and prospective competitors;

- existing and future laws or regulations affecting us and our business and our ability to comply with these laws or regulations;
- our reliance on the other telecommunications companies' operating systems and provisioning processes;
- technological innovations;
- the outcome of legal and regulatory proceedings;
- general economic and business conditions, both nationally and in the countries in which our present and prospective resellers and agents operate; and
- other factors described in this prospectus.

We caution you not to place undue reliance on our forward-looking statements, which speak only as of the date of this prospectus.

DILUTION

The following table sets forth certain information relating to the immediate and substantial dilution in our net tangible book value to be absorbed by purchasers of the 812,500 shares being offered by us upon exercise of warrants.

Net tangible book value per share on March 31, 2007	\$(0.018)
Net tangible book value per share on March 31, 2007 if the shares offered by us through this prospectus were sold on that date *	\$(0.013)
Amount of increase in net tangible book value per share attributable to cash payments made by purchasers of the shares being offered us *	\$ 0.005
Amount of the immediate per share dilution from the public offering price which will be absorbed by purchasers *	\$ 0.148
Cash contribution of purchasers *	\$130,750

* Assumes all of the 812,500 shares underlying warrants being offered by this prospectus are purchased.

The immediate and substantial dilution could adversely affect the value of our shares.

USE OF PROCEEDS

If all of the 812,500 shares underlying warrants which are being offered by this prospectus are purchased, we will receive gross proceeds of \$130,750. We estimate that our offering expenses will be \$65,000. We intend to use any net proceeds we receive from the sale of such shares for working capital and other corporate purposes. We cannot assure you that any of the shares will be purchased or that sufficient shares will be purchased to cover our cost of the offerings made by this prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

From inception (November 15, 1999) through February 28, 2005 we were a development stage company or inactive, generated no revenue and incurred cumulative net losses of \$488,642. In February 2005, we acquired certain VoIP assets from Interactive Media Technologies, Inc. ("IMT") under an Asset Purchase Agreement. These assets enabled us to begin generating revenue by providing VoIP services to customers. We offer our VoIP services to resellers and sales agents primarily located abroad. Resellers purchase our services and resell the services to their customers at a markup determined exclusively by the reseller. Sales agents sell our VoIP services to their customers for which they receive commissions. We continue to recruit international resellers and agents in an effort to expand our VoIP business. All of our revenue is generated by international long distance minutes used by customers of our agents and resellers. The major cost of generating the revenue is the cost our carriers charge to terminate customer's calls.

23

Results of Operations (comparison of six months ended March 31, 2007 and 2006)

Revenues were \$913,333 and \$645,732 for the six months ended March 31, 2007 and 2006, respectively. The increase was a result of increased traffic on our VoIP network generated from more resellers and active agents in the six month period in 2007 than in the comparable 2006 period. Revenues were \$455,065 and \$434,878 for three months ended March 31, 2007 and 2006, respectively. Revenues were \$468,268 and \$210,854 for three months ended December 31, 2006 and 2005, respectively. Quarterly revenues declined from \$468,268 for the quarter ended December 31, 2006 to \$455,065 for the quarter ended March 31, 2007 or approximately 3%. This decline resulted from lowering of rates by our competitors forcing us to lower rates in order to remain competitive. In the current international VoIP communications market there continues to be downward pressure on rates, which may result in our having to lower rates further in the future which will result in reduced gross profit margins.

Cost of revenues were \$754,128 and \$499,274 for the six months ended March 31, 2007 and 2006, respectively. Gross profits were \$159,205 and \$146,458 for the six months ended March 31, 2007 and 2006, respectively. As a percentage of revenues, gross profit margins fell from 22.7% in the six months ended March 31, 2006 to 17.4% in the six months ended March 31, 2007. The decrease was due to two major factors. First, a shift from commissioned agents to resellers during the past year has decreased our margins as we sell minutes at discounted rates versus paying a commission for minutes sold. The shift,

however, resulted in selling expenses decreasing from 12% of revenues in the six months ended March 31, 2006 to 9% of revenues in 2007 or \$77,832 and \$81,650, respectively. Secondly, increased rate competition from other VoIP carriers forced us to lower prices in order to retain existing and solicit new resellers resulting in lower gross margins.

General and administrative expenses were \$440,109 and \$247,608 for the six months ended March 31, 2007 and 2006, respectively. This increase was the result of expenditures listed below:

<u>Category</u>	<u>Six months ending March 31, 2007</u>	<u>Six months ending March 31, 2006</u>	<u>Difference</u>
Salaries and contract labor	\$236,925	\$162,467	\$74,458
Consulting fees	\$40,600	\$9,000	\$31,600
Interest expense	\$11,796	\$0.00	\$11,796
Rent	\$21,000	\$11,700	\$9,300
Software support	\$27,777	\$3,756	\$24,021
Other administrative expenses	\$102,011	\$60,685	\$41,326

Improvement in our VoIP related communications network are necessary for us to remain competitive in the global VoIP marketplace. These improvements will require substantial expenditures in research and development for the foreseeable future. For the six months ended March 31, 2007 and 2006, these expenses were \$164,050 and \$84,118, respectively. If we are able to complete these improvements we will be in a more advantageous position to expand our VoIP product offerings, become more competitive in the VoIP marketplace, broaden our reach to attract additional resellers, and become less dependent on our current suppliers including IMT.

24

As a result of the additional expenses and lower gross margins net losses were \$559,248 and \$277,762 for the six month periods ended March 31, 2007 and 2006, respectively.

Results of Operations (comparison of fiscal years ended September 30, 2006 and 2005)

We began operations on March 1, 2005 and had only seven months of operations during the fiscal year ended September 30, 2005 compared to twelve months of operations for the fiscal year ended September 30, 2006.

Our revenues were \$1,806,193 and \$268,783 for fiscal years ended September 30, 2006 and 2005, respectively. The increase was primarily a result of the longer operating period and the increased traffic on our VoIP network. The increase in traffic resulted from the expansion of our agent/reseller network from 11 active agents/resellers on September 30, 2005 to 54 active agents/resellers on September 30, 2006. Our revenues were negatively impacted as result of the regional conflicts in the Middle East in the summer of 2006.

Cost of revenues was \$1,444,422 and \$184,538 for the fiscal years ended September 30, 2006 and 2005, respectively. The increase was primarily attributable to the increased cost of providing additional VoIP termination services.

Selling, general and administrative expenses were \$1,164,023 and \$454,870 for the fiscal years ended September 30, 2006 and 2005, respectively. The increase was primarily the result of a longer operating period and an increase in research and development expense and professional fees associated with the registration statement of which this prospectus is a part.

Operating expenses by category.

<u>Fiscal Year Ended September 30,</u>	<u>2006</u>	<u>2005</u>
Selling expenses	\$ 168,831	\$ 56,560
Administrative expenses	683,111	306,609
Professional fees	155,620	75,719
Research and development	113,464	5,337
Depreciation	<u>42,997</u>	<u>10,645</u>
Total SG&A Expenses	\$ 1,164,023	\$ 454,870
	=====	=====

Net losses were \$802,552 and \$370,625 for the fiscal years ended September 30, 2006 and 2005, respectively. Losses increased due a longer operating period and increased expenses as described above.

Trends and Uncertainties

The VoIP communications industry is fiercely competitive. We have opted to concentrate on the international market and are recruiting agents and resellers in the Middle East, Asia, Africa and Central and South America. While our agent/reseller base has grown significantly, it is uncertain if we can continue to maintain that growth or even maintain the agents and resellers that we currently have. Some agents and resellers have left us because they obtained lower rates elsewhere and many more may do so. Our ability to maintain our current agents and resellers as well as our ability to recruit additional agents and resellers are critical to our revenues, financial position liquidity, plan of and results of operations.

Rates and quality of service are usually the deciding factors in the recruiting process. We have found that the lower the rate, the poorer the quality. We believe that providing good call quality is more important than offering the lowest rate. Good call quality usually means sending the calls over Tier one carrier routes, such as AT&T, Sprint, MCI and TeleGlobe. Because we do not currently have a significant direct business relationship with any Tier-one carrier, we must purchase termination services through other resellers such as IMT at a markup which puts upward pressure on our rates and forces us to reduce our margins if we wish to be competitive at all. We are working on the development our own VoIP communications network which, if successfully completed, will allow us to be less dependant on IMT. However, until that network is fully tested and operational we will need to continue to rely on IMT for various services. We cannot assure you that we can maintain our relationship with IMT or that we can replace it should it decide to stop doing business with us. We will need to obtain additional capital to complete the development of our VoIP communications network.

We are currently attempting to develop a service provider model for voice interoperability technology. If we are successful, the technology would allow disparate communication devices to communicate with each other over the Internet using our network. We have allocated approximately \$128,000 to the development of this technology as of December 31, 2006. We do not know if such a model can or will be developed. Even if the model can be developed, it would require very substantial funds that we do not have and may never be able to obtain.

In order to become more competitive and increase our revenues we will need to hire additional employees over the next six months. There is no assurance that we will be able to hire qualified personnel or have the financial resources to retain our current employees.

Liquidity and Capital Resources

Cash and cash equivalents decreased \$5,773 during the six months ended March 31, 2007 to \$13,826. Net cash used in operating activities for the three months ended December 31, 2006 was \$102,171 due to an increase in operating expenses, lower margins and network development expenses. We funded our operating activities during the six month period through financing activities that generated net proceeds of \$151,192.

At March 31, 2007 our total liabilities were approximately \$823,708 which included \$65,932 in deferred revenue.

At March 31, 2007 our negative working capital was approximately \$236,268.

Unless we can obtain substantial additional debt or equity capital we will not be able to continue to operate our business.

Cash and cash equivalents decreased by \$93,585 during the fiscal year ended September 30, 2006 to \$19,600. Net cash used in operating activities for the fiscal year ended September 30, 2006 was \$467,154, due primarily to the net loss described above. We funded our operating activities principally through financing activities that generated proceeds of \$590,000.

We have never been profitable. We have experienced negative cash flows from operations and have been dependent on the issuances of debt and common stock in private transactions to support our operations and continue our business.

At September 30, 2006 our total liabilities were approximately \$524,821 which included \$75,978 in deferred revenue.

At September 30, 2006 our negative working capital was approximately \$51,000.

Based on results of operations for our fiscal year ended September 30, 2006 our monthly operating expenses (inclusive of professional fees research and development expenses and depreciation) were approximately \$97,000 and our operating cash flow deficit was approximately \$39,000 per month. Based on results of operations for our six months ended March 31, 2007 our monthly operating expenses (inclusive of professional fees research and development expenses and depreciation) were approximately \$120,000 and our operating cash flow deficit was approximately \$75,000 per month. We expect to continue to experience negative cash flows from operations for at least the next eighteen months. In order to cover the deficit and discharge current liabilities, including payments under our leases, and continue to fund our research and development efforts we must raise an additional \$2,000,000 in debt or equity capital during this period. There can be no assurance that we will be successful in obtaining any additional capital on terms not unfavorable to us, if at all. Unless we can obtain substantial additional debt or equity capital, we will not be able to continue to operate our business.

26

Contractual Obligations – Related Party

The following table illustrates our annual contractual obligations to IMT as of June 25, 2007. As of that date we were in arrears for 10 monthly payments on a software support agreement and current on the other two agreements with IMT. As of July 8, 2007, we terminated our Office Lease Agreement with IMT.

<u>Agreements with IMT</u>	<u>Total</u>
Software Support Agreement	\$ 126,000
Co-Location Lease Agreement	<u>22,200</u>
Total	\$ 148,200 =====

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

OUR BUSINESS

Background

From November 1999 until December 2001, we were a development stage company that was unsuccessful in our business activities. Between December 2001 and October 2004 we were inactive. In October 2004

we began the process of engaging in the Voice over Internet Protocol, or VoIP, business.

On February 25, 2005 we acquired the VoIP assets of Interactive Media Technologies, Inc., or IMT. The assets consisted of certain equipment and software necessary to operate a VoIP business. On March 31, 2005, we changed our name to GlobalTel IP, Inc. See “Security Ownership of Certain Beneficial Owners and Management,” “Certain Transactions” and “Plans of Distribution.”

In June 2006, we became a reseller of Twisted Pair Solutions, Inc.’s WAVETM (*Wide Area Voice Environment*TM) components and in August 2006 we entered into an Application Service Provider License Agreement with Twisted Pair Solutions pursuant to which we obtained the license to certain WAVE components. WAVE is a software application suite designed for building group communications systems. WAVE accepts most analog or digital audio signals as input, converts the signals into VoIP packets when needed, mixes the signals together, and then routes them across a network to their destinations. WAVE converts VoIP traffic back into audio at the destination end. WAVE can mix together different sorts of devices, like cell phones, two-way radios, analog and digital PBX phones and personal computers.

27

Neither the sale or license of the WAVE components has constituted a material part of our business and we do not expect that they will be material in the foreseeable future, if at all.

VoIP Technology

VoIP is a technology that enables voice communications over the Internet through the conversion of voice signals into data packets. The data packets are transmitted over the Internet and converted back into voice signals before reaching their recipient. The Internet has always used packet-switched technology to transmit information between two communicating terminals. For example, packet switching allows a personal computer to download a page from a web server or to send an email message to another computer. VoIP allows for the transmission of voice signals over these same packet switched networks and, in doing so, provides an alternative to traditional telephone networks.

VoIP technology presents several advantages over the technology used in traditional wireline telephone networks that have enabled VoIP providers to operate with lower capital expenditures and operating costs. Traditional networks, which require that each user’s telephone be connected to a central office circuit switch, are expensive to build and maintain. In contrast, VoIP networks route calls over the Internet using either softswitches or software, both of which are less expensive than circuit switches. In addition, traditional wireline networks use dedicated circuits that allot fixed bandwidth to a call throughout its duration, whether or not the full bandwidth is being used throughout the call to transmit voice signals. VoIP networks use bandwidth more efficiently, allocating it instead based on usage at any given moment.

Traditional telephone companies originally avoided the use of VoIP networks for transmitting voice signals due to the potential for data packets to be delayed or lost, preventing real-time transmission of the voice data and leading to poor sound quality. While a delay of several seconds in downloading a web page or receiving an email is generally acceptable to a user, a delay of more than a few milliseconds during a live, two-way voice conversation is not satisfactory. Original VoIP services, which were pioneered in the mid-1990s, were typically only PC-to-PC, requiring two personal computers to be in use at the same time. Early international calling card services, which allowed users to dial abroad for significantly discounted rates, also relied on a form of VoIP technology. These initial VoIP services often suffered from dropped calls, transmission delays and poor sound quality because of bandwidth limitations. As a result, VoIP initially developed a poor reputation for service quality relative to traditional fixed line telephone service. Subsequent increases in bandwidth, driven by increased broadband penetration, and improvements in packet switching, signaling, and compression technology have significantly enhanced the quality and reliability of VoIP calls.

VoIP technology is now used by many traditional telephone networks, and VoIP services are offered to residential and business users by a wide array of service providers, including established telephone service providers. VoIP providers include traditional local and long distance phone companies (such as AT&T, BellSouth, Qwest and Verizon), established cable companies (such as Cablevision, Charter Communications, Comcast, Cox and Time Warner Cable), competitive telephone companies (such as Time Warner Telecom), Internet service providers (such as AOL, EarthLink and MSN) and alternative voice communications providers (such as Vonage and Skype).

28

The type of network used by a VoIP provider can result in important differences in the characteristics and features of VoIP communications services. Traditional wireline telephone companies offering VoIP services to consumers do so using their existing broadband DSL networks. Similarly, cable companies offering VoIP communications services use their existing cable broadband networks. Because these companies own and control the broadband network over which their VoIP traffic is carried between the customer and public switched telephone network, they have the advantage of controlling a substantial portion of the call path and therefore being better able to control call quality. In addition, many of these providers are able to offer their customers additional bandwidth dedicated solely to the customer’s VoIP service, further enhancing call quality and preserving the customer’s existing bandwidth for other uses. These companies, however,

typically have high capital expenditures and operating costs in connection with their networks. In addition, depending on the structure of their VoIP networks, the VoIP services provided by some of these companies can only be used from the location at which the broadband line they provide is connected.

As do traditional telephone companies and cable companies offering VoIP services, we also connect our VoIP traffic to the public switched telephone network so that our customers can make and receive calls to and from non-VoIP users. Unlike traditional telephone companies and cable companies, however, we do not own or operate a private broadband network. Instead, the VoIP services offered by us use the customers' existing Internet connection to carry call traffic from the customers to the VoIP network. As a result, we have less control over call quality than traditional telephone or cable companies do.

A third group of VoIP providers, such as America Online, Google, Microsoft, Skype (a service of eBay) and Yahoo!, generally offers or has announced intentions to offer VoIP services principally on a PC-to-PC basis. These providers generally carry their VoIP traffic for the most part over the public Internet, with the result that VoIP services are often offered without charge to customers, but can only be used with other users of the provider's services. Many of these providers offer a premium service that allows customers to dial directly into a public switched telephone network. In addition, while no special adapters or gateways are required, often customers must use special handsets, headsets or embedded microphones through their computers, rather than traditional telephone handsets.

VoIP Industry Overview

The VoIP industry has grown dramatically from its early days in which calls were made exclusively through personal computers. We believe that the growth of VoIP has been and continues to be driven primarily by:

- increasing consumer demand for lower cost phone service;
- improved quality and reliability of VoIP calls fueled by technological advances, increased network development and greater bandwidth capacity;
- continuing domestic and international deregulation, opening new market opportunities for VoIP services;
- new product innovations that allow VoIP providers to offer services not currently offered by traditional phone service companies; and
- growing demand for long distance communication services driven by the increased mobility of the global workforce.

29

Consumers, particularly in emerging markets, are increasingly using VoIP-enabled services, such as calling cards and Internet Protocol (“IP”) telephones, to realize significant cost savings on long distance calls. Enterprises can reduce telephony expenses by using VoIP to link users within offices and around the world. VoIP enables telecommunications providers to reduce their network costs and to deliver new products and services that cannot be supported by traditional networks.

Our business has developed in an environment largely free from regulation. However, the United States and other countries have begun to examine how VoIP services should be regulated, and a number of initiatives could have an adverse impact on our business. These initiatives include the assertion of state regulatory authority over us, Federal Communications Commission, or FCC, rulemaking regarding emergency calling services and proposed reforms for the intercarrier compensation system. Complying with regulatory developments will impact our business by increasing our operating expenses, including legal fees, requiring us to make significant capital expenditures or increasing the taxes and regulatory fees we pay. We may impose additional fees on our customers in response to these increased expenses. As a result our revenues per customer will increase, but not our profitability, if any, and the cost of our services to our customers will increase, which would have the effect of decreasing any price advantage we may have. See “Regulation.”

Our VoIP Operations

We own and manage a Voice over Internet Protocol (VoIP) network at a network operations center (NOC) in Miami, Florida. This network has been designed to provide VoIP services to the international telecommunications market as well as provide hosted VoIP solutions to Internet service providers (“ISP’s”) and Internet telephone service providers (“ITSP’s”). We currently utilize two softswitches, one of which we have acquired by license and the other of which we acquired from IMT and is based upon open standards.

We do not employ any engineers or technical personnel and outsource substantially all of our technical and service functions.

Our VoIP platforms were built to the Session Initiation Protocol, or SIP, standard which is a signaling protocol for Internet telephony. SIP can establish sessions utilizing features such as audio/video conferencing, interactive gaming, and call forwarding to be deployed over Internet Protocol, or IP, networks thus enabling service providers to integrate basic IP telephony services with web, email, and chat services. In addition to user authentication, redirect and registration services, SIP supports traditional telephony features such as personal mobility, time-of-day routing and call forwarding based on the geographical location of the person being called. The use of SIP eliminates the need for TCP—the robust “Transmission Control Protocol” used by many IP applications to “virtualize” and manage the network link. Other than SIP, the other most common call setup protocol is H.323. Our platforms are compatible with both SIP and H.323.

Although our VoIP technology works with a dial-up connection, in order to take full advantage of VoIP technology a broadband Internet connection is required.

30

Dependence on IMT for Termination

Our customers can place VoIP calls to locations anywhere in the world using their Internet connections. The calls are routed over the Internet to our switch in Miami, Florida where they are then handed off to a carrier for termination. Substantially all of the terminations are handed off to IMT, which terminates the calls with carriers of its choice. IMT bills us for the terminations and IMT is responsible for paying the carriers. If IMT were to stop terminating traffic for us, our business would be severely adversely impacted. IMT is not obligated to continue terminating our traffic. We can not assure you that IMT will continue to terminate our traffic or that we can locate carriers to deal directly with us at prices similar to those charged to us by IMT, if at all. During the fiscal year ended September 30, 2006 and as of June 3, 2007, IMT terminated approximately 95% and 93% of our traffic, respectively.

In October 2006, IMT (a) demanded a daily payment from us for each previous day’s termination charges,

(b) demanded immediate payment of our then outstanding obligation to it of approximately \$200,000, and (c) stated that if we failed to make the payments it would discontinue its services to us. IMT did not, however, discontinue our service and we have paid IMT \$185,000 of the then outstanding balance and have kept our daily usage payments current. There can be no assurance, however, that IMT will not again demand immediate full payment, which we are unable to make, or that we will continue to keep our daily usage payments current. In any event or for any other reason, IMT may, without prior notice to us, terminate our service.

Our VoIP Service Offerings

VoIP Reseller Programs

We offer our VoIP services to resellers. The resellers purchase our services and resell the services to their customers at a markup determined exclusively by the resellers. The resellers are primarily foreign operators of public call centers located abroad, including call centers located within Internet cafes. Public call centers are popular in emerging markets where telecommunications infrastructure is limited and consumers may not have access to a telephone or the Internet. We provide the resellers with a billing software platform that allows their call centers to create their own rate tables, bill in their local currencies and print customized bills with their company's information. Through our VoIP network, we offer resellers what we believe is a competitive cost, high quality alternative for the transport and termination of voice and fax communications. We do not have any agreement with any of our resellers to continue to solicit customers on our behalf and any of them may terminate its relationship with us without penalty. Furthermore, any of them may decide not to sell our services and, instead, to sell the services of our competitors. Because our competitors have greater financial resources than we have, they are financially able to provide more favorable pricing to resellers and sales agents than we do and sell VoIP services at lower rates.

We have recently purchased a software platform that allows us to offer additional products to resellers, ISPs and ITSPs. The products include:

- Hosted VoIP Solutions - Our hosted VoIP Service is a turnkey service available to all service providers and resellers for rapid entry into the VoIP marketplace.
- VoIP Calling Card Solutions – Our calling card service provides resellers a means to enter the calling card business.
- Call Shop Solutions – The call shop solutions allows resellers to resell our products to existing call shops and Internet cafes as well and provide entrepreneurs a means to establish their own call shops.
- A platform for ISPs and ITSPS to provide IP PBX Centrex services as well as a unified messaging system that handles voice, fax and regular e-mail messages as objects in a single mailbox that a user can access via a web interface or by telephone.

Our resellers generally pay us in advance for the services we provide. Each reseller determines the price to be charged to its respective customers. Our resellers currently resell our VoIP services in Bahrain, South Africa, Kuwait, Lebanon, Saudi Arabia, Brunei, Guinea, and Angola.

31

As a result of our plan to focus on increasing reseller revenue and reduce reliance on sales agents, resellers accounted for 89% and 41% of our revenues for the fiscal years ended September 30, 2006 and 2005, respectively. During our fiscal year ended September 30, 2006, three of our resellers located in Kuwait, South Africa and Lebanon accounted for 23%, 8% and 5% of such revenues, respectively. Resellers accounted for 95% and 5% of our revenues for the six months ended March 31, 2007 and 2006, respectively. During the six months ended March 31, 2007, nine of our resellers located in two countries accounted for 65% of such revenues, respectively.

Offerings to Sales Agents

Our sales agents are primarily located abroad and sell our VoIP services to individual end users for which they receive commissions. The agents or their customers generally pay us in advance for the services we provide. Each agent selects a rate of commission and our call use statements to the respective agent or the agents' customers include the appropriate commission. We do not have any agreement with any of our sales agents to continue to solicit customers on our behalf and any of them may terminate its relationship with us without penalty. Furthermore, any of them may decide not to sell our services and, instead, to sell the services of our competitors. Because our competitors have greater financial resources than we have, they are financially able to provide more favorable pricing to resellers and sales agents than we do and sell VoIP services at lower rates.

During our fiscal year ended September 30, 2006 and the six months ended March 31, 2007, approximately 11% and 3% of our revenues were received from sales agents or their customers, respectively. Sales agents have become a smaller factor in our overall VoIP business.

Marketing

Our marketing efforts are primarily focused on the international markets with an emphasis on Asia, the Middle East, Africa, Central and South America. June 29, 2007, 2006, we had 29 agents or resellers in ten countries which had generated revenues of at least \$1,000 during the prior month. We believe that certain foreign markets presently have among the highest cost of long distance service and thus provide some of the best opportunities for us to offer significant cost savings. Our ability to engage in marketing activities is substantially dependant on the amount of capital available to use for that purpose.

We solicit sales agents and resellers directly through two salaried full time employees dedicated to selling our services. We also utilize one sales person employed by IMT who introduces our VoIP services to agents who are selling other services of IMT and encourages them to sell our services. During the fiscal years ended September 30, 2006 and 2005 and the six months ended March 31, 2007, one employee of IMT accounted for sales agents and resellers that generated approximately 80%, 86% and 75% of our revenues, respectively. Neither IMT nor that individual is obligated to assist in finding or maintaining any sales agents or resellers. We have paid or agreed to pay the employee of IMT commissions of 2% of revenues generated through his efforts, which commissions from October 1, 2005 through May 31, 2007 amounted to \$17,544. Neither IMT nor its employee is under any obligation to continue to introduce our services to others and may discontinue doing so at any time.

Customer Service

Prior to March 2006, customer service personnel had been provided to us by IMT without charge. In March 2006, we entered into an agreement with Cofrec, Inc., an independent contractor, whereby Cofrec provides us with customer support for forty hours per week for a weekly fee of \$600. Cofrec also provides after hours support at \$15 per hour and weekend support at an on call rate of \$200 per weekend. Highly technical support is handled by IMT pursuant to our Software Support Agreement with IMT. In June 2006 we hired a full time support person who works in tandem with Cofrec, Inc. in providing customer support.

Competition

We face fierce competition from telephone companies, cable companies, alternative voice communication providers and wireless companies. Because most of our target customers are already purchasing communications services from one or more of these providers, our success is dependent upon our ability to attract these customers away from their existing providers. As the early adopter market becomes saturated and mainstream customers make up more of our target market, our ability to attract new customers will become more difficult. We believe that the principal competitive factors affecting our ability to attract and retain customers are price, call quality, reliability, customer service, and enhanced services and features.

Companies that own Internet connections of our customers could detect and interfere with the completion of our customers' calls. These companies may degrade the quality of, give low priority to or block entirely the information packets and other data we transmit over their lines. In addition, these companies may attempt to charge their customers more for using our services.

Incumbent telephone companies

The incumbent telephone companies are our primary competitors and have historically dominated their regional markets. These competitors include AT&T (formerly SBC Communications), BellSouth (now a part of AT&T), Qwest Communications and Verizon Communications as well as rural incumbents, such as Citizens Communications and similar companies operating abroad. These competitors are substantially larger and better capitalized than we are and have the advantage of a large existing customer base. Many of their customers either do not have a broadband Internet connection or are very satisfied with their current service. In addition, many users of traditional phone service who might otherwise switch to our service do not have the ability to cancel their traditional phone service without also losing their broadband DSL service. While a majority of broadband users today subscribe to cable modem service, recent trends suggest that DSL providers are gaining broadband market share. Others are not willing to accept the limitations of our emergency calling service, forgo service during power outages or trust a new company such as us with a vital service. Before subscribing to our service, a substantial majority of our new customers must first decide to terminate their service from their incumbent telephone company or pay for our service in addition to their existing service.

The incumbent phone companies own networks that include a "last mile" connection to substantially all of our existing and potential customers as well as the places our customers call. As a result, the vast majority of the calls placed by our customers are carried over the "last mile" by an incumbent phone company, and we indirectly pay access charges to these competitors for each of these calls. In contrast, traditional wireline providers do not pay us when their customers call our customers. Their "last mile" connections may enable these competitors to bundle phone service with Internet access and, potentially, with television at prices with which we will find difficult or impossible to compete.

We currently charge prices that are significantly lower than prices charged by the incumbent phone companies. The incumbent phone companies have significant overhead expenses, which have resulted in the high prices they charge. However, their marginal cost to complete each additional call on their networks is negligible which could lead them to decrease the prices they charge, which would have an adverse effect on our ability to attract and retain their customers. We also currently compete with the incumbent phone companies on the basis of the features we offer that they do not (such as area code selection and virtual phone numbers). If the incumbent phone companies are able to offer those features, it will have an adverse effect on our ability to attract and retain customers. Furthermore, the incumbent phone companies could offer broadband communications through subsidiaries that are not burdened with their overhead and legacy equipment. Given their ability to offer DSL last mile connections, this would significantly enhance their ability to compete with us on the basis of price and features.

The incumbent phone companies, as well as the cable companies, are well-financed and have large legal departments. They have long-standing relationships with regulators, legislators, lobbyists and the media. This can be an advantage for them because legislative, regulatory or judicial developments in our rapidly evolving industry and public perception could have a material effect on the value of our stock.

Cable companies

Companies such as Cablevision, Comcast, Cox Communications and Time Warner Cable and similar companies operating abroad have made and are continuing to make substantial investments in delivering "last mile" broadband Internet access to their customers. As a result, they can be expected to compete intensely for the money that their customers spend for phone service over that connection. They provide Internet access and cable television to many of our existing and potential customers which allows them to engage in highly targeted, low-cost direct marketing and may enhance their image as trusted providers of services.

Cable companies are using their existing customer relationships to bundle services. For example, they bundle Internet access, cable television and phone service with an implied price for the phone service that may be significantly below ours. In addition to their existing bundling capabilities, Advance/Newhouse Communications, Comcast, Cox Communications and Time Warner Cable announced on November 2, 2005 that they will form a joint venture with Sprint Nextel which will enable these cable companies to offer wireless services as a fourth element of their bundle of service offerings. We believe this joint venture will further enhance the competitive offering of cable companies. Cable companies operating in foreign markets may enter into similar arrangements.

Many cable companies send technicians to customers' premises to initiate service. Although relatively expensive, it can be more attractive to customers than installing their own router and cable modem. In addition, the technicians may install an independent source of power, which can give customers assurance that their phone service will not be interrupted during power outages.

Cable companies are able to advertise on their local access channels with no significant out-of-pocket cost and through mailings in bills with little marginal cost. They also receive advertising time as part of their relationships with television networks, and they are able to use this time to promote their telephone service offerings.

34

Wireless telephone companies

We also compete with wireless phone companies, such as Cingular Wireless LLC, Sprint Nextel Corporation, T-Mobile USA, Inc. and Verizon Wireless and similar companies operating abroad. Some consumers use wireless phones, instead of VoIP phones, as a replacement for a wireline phone. Also, wireless phone companies increasingly are providing wireless broadband Internet access to their customers and may in the future offer VoIP service to their customers. We believe some of these companies are developing a dual mode phone that will be able to use VoIP where broadband access is available and cellular phone service elsewhere. Wireless telephone companies have a strong retail presence and have significant financial resources.

Alternative voice communication providers

Many alternative voice communication providers are small companies with limited resources that seek to offer a primary line replacement service. Although these providers have not achieved significant market penetration, they may do so in the future.

In addition to the competitors described above, we also compete with companies that offer computer-based VoIP services. Computer-based VoIP services typically are not marketed as a primary line replacement, but because they offer their users the ability to call and be called from any phone using a dedicated phone number, they may be used to replace traditional phone service. We believe that Skype (a service of eBay), in particular, has a large group of users, many of whom may potentially use Skype as their only phone service. With Skype, however, the ability to make and receive calls over the public switched telephone network is a feature that costs extra and which only a fraction of Skype users purchase, as compared to Skype's free service that has a larger market penetration.

We may also increasingly face competition from large, well-capitalized Internet companies, such as America Online, Google, Microsoft and Yahoo!, which have launched or plan to launch VoIP-enabled instant messaging services. While not all of these competitors currently offer the ability to call or be called from anyone not using their service, in the future they may integrate such capabilities into their service offerings. In addition, a continuing trend toward consolidation of telecommunications companies and the formation of strategic alliances within the telecommunications industry, as well as the development of new technologies, could give rise to significant new or stronger competition.

Internationally, the competitive marketplace varies from region to region. In markets where the telecommunications marketplace has been fully deregulated, the competition continues to increase. Even a newly deregulated market allows new entrants to establish a foothold and offer competitive services relatively easily. Internationally, our competitors include both government-owned and incumbent phone companies and emerging competitive carriers. As consumers and telecommunications providers have come to understand the benefits that may be realized from transmitting voice over the Internet, a substantial number of companies have emerged to provide VoIP services. The principal competitive factors in the international market include: price, quality of service, distribution, customer service, reliability, network capacity, the availability of enhanced communications services and brand recognition.

35

Substantially all of our competitors have substantially greater resources than we do. Intense competitive pressures could have a material adverse effect on our business.

Companies with substantially greater expertise and resources than those available to us may develop or market new, similar or virtually identical products that directly compete with us. Competitors may also develop technologies or products that render our products less marketable or obsolete. If we are unable to continually enhance and improve our products, we may be unable to compete with others. We may not be able to successfully enhance or improve any product or develop or acquire new products, because of our limited resources.

Intellectual Property

Our business is dependent on the our intellectual property which consists primarily of two softswitches. We pay annual support and maintenance fees to the softswitch developers for updates and upgrades to our softswitches. In the event that we are unable to or otherwise fail to pay the annual support and maintenance fees, our softswitches may not function as they were designed in which case we would lose customers. We do not have any patents, trademarks or trade secret confidentiality agreements to protect our softswitches.

We purchased a softswitch from IMT in February of 2005. We have entered into a software support agreement with IMT for maintenance of the associated software. In the event that we do not have the funds to pay the monthly fee to IMT or otherwise fail to pay the fee, IMT could terminate its support services. During any period that our software is not properly supported, our customers may not be able to use our VoIP services and our business would be severely impacted. As of June 3, 2007, we were approximately \$105,000 in arrears in payments to IMT under our software support agreement with it. See “Certain Transactions” and “Management’s Discussion and Analysis.”

Our second softswitch was licensed from PortaOne, Inc. in January 2006 and is effective, unless earlier terminated pursuant to the terms of our agreement with PortaOne, until the applicable copyrights expire. PortaOne has informed us that the copyrights will not expire until 2035. The softswitch we have licensed from PortaOne enables us to offer the following features:

- Call waiting
- Call forwarding
- Voice mail
- Voicemail to email
- Electronic facsimile
- Find Me – Follow Me
- Three way conference calling

- Caller ID
- Caller ID on call waiting
- Call transfer
- Unified messaging
- Real time web based processing of call detail records

We are required to pay PortaOne an annual maintenance and support fee of \$24,030 which entitles us to customer support and access to any upgrades or changes that PortaOne may make to the software. PortaOne may raise the price of its annual fee at the end of each one year term. In the event that we do not have the funds to pay the annual fee to PortaOne or otherwise fail to pay the fee, PortaOne could terminate the license and its support services. In either of those events, our business would be severely impacted. As of June 3, 2007, we were current in our payments to PortaOne. There can be no assurance, however, that we will be able to remain current in the future. We also acquired the right to distribute the PortaOne license to third parties on a commission basis, although we have not done so.

Other than the two softswitches we have no significant intellectual property.

We do not have any patents, trademarks or trade secret confidentiality agreements. For projects that are in development, we intend to rely on intellectual property rights afforded by trademark and trade secret laws, as well as confidentiality procedures and licensing arrangements, to establish and protect our rights to our technology and other intellectual property.

Physical Property

We lease approximately 1,840 square feet for our principal offices in Boca Raton, Florida from an unaffiliated party at a monthly rental of approximately \$5,000. The lease, which provides for annual increases of base rent of 3%, expires on June 30, 2011.

We have a co-location sublease with IMT for premises in Miami, Florida expiring on February 28, 2008 with a monthly rental of approximately \$1,850. Substantially all of our technical equipment is located on those premises.

We believe that other suitable facilities will be available to us upon the expiration of the leases at comparable rates.

We own computer servers, routers and telephony switches as well as office equipment such as computers, printers and software.

IMT has listed us as an insured on an insurance policy that provides us with property insurance coverage of \$100,000. IMT has not charged us for the insurance and may discontinue the insurance at any time.

Employees

On June 29, 2007, we had five employees, inclusive of our two executive officers.

REGULATION

Telephony services are subject to many state and federal regulations. There is uncertainty over whether VoIP should be treated as a telecommunications or information service. Implementation and interpretation of the existing laws and regulations is ongoing and subject to litigation by various federal and state agencies and courts. Due to the nature of the technology, there is no guarantee that regulation or new interpretations of existing regulations will not emerge at any time. In addition, several foreign governments have adopted or proposed laws and/or regulations that could be interpreted to restrict or prohibit the provision of VoIP services. Other countries, however, have begun to open their markets to competition from new Internet-based voice services.

E-911

We rely on third party underlying service providers to offer enhanced 911 emergency calling services ("E911"). We are currently in compliance with existing Federal Communications Commission ("FCC") E911 regulations. On June 1, 2007, the FCC issued a notice of proposed rule making proposing that VoIP providers employ an automatic location technology ("ALI") whenever the VoIP service may be used in more than one location. We are unable to estimate the financial or operational impacts resulting from the proposed ALI requirements, if any.

Communications Assistance for Law Enforcement Act ("CALEA")

Under CALEA we are required to provide law enforcement officials with call content and call identifying information upon receipt of a valid electronic surveillance warrant.

Customer Proprietary Network Information

CPNI includes information such as the phone numbers dialed, frequency of calls, duration of calls and retail services purchased by a customer. The Telecommunications Act of 1996 requires service providers to ensure the confidentiality of CPNI and provides that CPNI may be used, disclosed or shared only if required by law, the customer has given consent, or CPNI is necessary for the provision of services from which CPNI was derived. The FCC has implemented rules that require service providers to establish safeguards to prevent the unauthorized disclosure of CPNI. We believe that we have implemented all required safeguards in accordance with FCC rules.

On April 2, 2007, the FCC released an order and adopted a further notice of proposed rulemaking to alter the requirements to safeguard customers' CPNI. The order prohibits carriers from releasing phone records except when the customer provides a password and requires carriers to obtain explicit consent from customers when releasing CPNI to third parties for the purposes of marketing retail services to that customer. The order also establishes a notification process for law enforcement and customers in the event of a CPNI breach, requires that carriers provide notice to customers immediately following certain account changes and requires carriers to file annual certifications of CPNI compliance with the FCC. The further notice requests comment on what additional steps, if any, the Commission should take to further protect the privacy of consumers. These rules will likely go into effect in the third or fourth quarter of 2007. At the present time, we do not utilize CPNI in a manner which would require us to obtain consent from our customers, but in the event that we do in the future, we will be required to adhere to specific CPNI rules aimed at marketing such services. Within the next six months we will be required to implement internal processes in order to be compliant with all the CPNI rules.

Disability Access

On May 31, 2007, the FCC extended the disability access requirements that currently apply to traditional phone services to VoIP providers. Among other things, the new obligations (1) require telecommunications service providers to ensure that their service is accessible to individuals with disabilities, if readily achievable; (2) require manufacturers and service providers to evaluate the accessibility, usability, and compatibility of covered services and equipment; and (3) require manufacturers and service providers to ensure that information and documentation provided in connection with equipment or services be accessible to people with disabilities, where readily achievable, and that employee training, where provided at all, account for accessibility requirements. In addition, the Commission said that interconnected VoIP providers were subject to the requirements of Section 225 of the Communications Act, including contributing to the Telecommunications Relay Services (TRS) Fund and offering 711 abbreviated dialing for access to relay services. We cannot estimate the financial or operational impacts resulting from the proposed disability requirements, if any.

International

The regulatory treatment of IP communications outside the United States varies significantly from country to country. The regulations we are subject to in many jurisdictions change from time to time. Due to various regulatory regimes, it may be difficult to obtain timely compliance as applied to our business. This is

especially true for developing markets. Additionally, in our experience, the enforcement of these regulations does not always track the letter of the law. Accordingly, we cannot be certain that we are in compliance with all of the relevant regulations at any given point in time.

Some countries prohibit IP telecommunications. As the Internet telephony market has expanded, regulators have begun to reconsider whether to regulate Internet telephony services. Some countries currently impose little or no regulation on Internet telephony services. Other countries, however, are beginning to take a more structured approach to regulating VoIP. For instance, in 2002 the European Union, or EU, adopted several directives that revamp the existing EU telecommunications policies and regulations (Directives). The EU Directives, collectively referred to as the New Regulatory Framework (NRF), require Member States to adopt laws that implement the provisions of the NRF and that promote its key objectives, which include fostering competition and innovation, liberalizing markets and simplifying market entry; promoting the single European market and the interest of citizens. While the European Commission (EC) monitors and supervises the Member States of the EU to ensure they properly apply the provisions of the Directives, the primary responsibility for implementing the provisions of specific EU legislation lies with the legislatures and regulatory authorities of the Member States. Accordingly, although Member States are required to adhere to the EU laws, Member States do not necessarily take a uniform approach toward a particular service such as VoIP. Moreover, one of the key tenants of the NRF is technological neutrality, which means that a given service should in theory be subject to the same kind of regulation, regardless of the technological platform or network over which the service is delivered. The level of regulation in a given situation will depend principally on market analysis conducted by each regulatory authority. Consumer protection, quality of service and public safety obligations also may be imposed on providers of publicly available voice services

Currently, we intend to offer our cable telephony platform, and other services, in several EU countries, including France, Belgium, and Luxemburg. Those countries and other EU Member States where we may elect to do business may impose additional regulations on our VoIP services as they implement and interpret the NRF. The EU and several Member States have issued consultation documents regarding the various VoIP services. We cannot predict the outcome of these consultations or the manner in which Member States will implement the NRF with respect to VoIP services such as ours.

Other countries, including those in which the governments prohibit or limit competition for traditional voice telephony services, generally do not permit Internet telephony services or strictly limit the terms under which those services may be provided. Still other countries regulate Internet telephony services like traditional voice telephony services, requiring Internet telephony companies to, among other things, apply for the same types of licenses and pay the same regulatory fees as traditional telecommunications service providers in those countries. Still other countries have lifted bans on provision of IP communications services. We believe that increased prohibitions and restrictions could materially threaten our ability to provide services in a country. We cannot predict how a regulatory or policy change of a particular country might affect the provision of our services.

In addition, if we expand into additional foreign countries, some of those countries may conclude that we are required to qualify to do business in their country, that we are otherwise subject to regulation, or that we are prohibited from conducting our business in such countries. Such unknown regulatory requirements in foreign jurisdictions may materially and adversely affect our business.

Moreover, our resellers, agents, underlying providers, and wholesale clients in various foreign countries may be or may become subject to various regulatory requirements. We cannot be certain that any of them are in compliance with every regulatory or other legal requirement in their respective countries, or that they will be able to comply with existing or future requirements. Failure of to comply with these requirements could materially and adversely affect our business.

MANAGEMENT

Executive Officers and Directors

Set forth below are the name, age, position, and a brief account of the business experience of each of our executive officers and directors. Each of our directors holds office until the next annual meeting of shareholders and until the director's successor is elected and qualified or until the director's resignation or removal. Each of our executive officers holds office until the next annual meeting of shareholders.

NAME	AGE	POSITIONS
Larry M. Reid	62	President, Chief Executive Officer, Chief Financial Officer and a director
Michael J. Gutowski	48	Vice President of Sales and Marketing and a director

Larry M. Reid has been a member of our Board of Directors since 1999 and our President since September 2006. He was also our President from 1999 to March, 2005 at which time he became our Executive Vice President and Chief Financial Officer. From December 2001 until September 2005, Mr. Reid was the Chief Financial Officer and a director of Connectivity Inc., which was primarily engaged in the manufacture and

distribution of emergency call boxes. In April 2003, Connectivity Inc. was acquired by Arrow Resources Development, Inc. at which time Mr. Reid became the Executive Vice President and a director of that company. Mr. Reid left Arrow Resources Development, Inc. because, notwithstanding the terms of his written employment agreement with Arrow, his salary was not paid. After Mr. Reid left Arrow, he instituted litigation against Arrow Resources Development, Inc. based upon non-payment of his salary. Arrow Resources Development, Inc. asserted counterclaims against Mr. Reid to the effect that Mr. Reid had engaged in fraudulent activities against Arrow Resources Development, Inc. Mr. Reid denied all of Arrow Resources Development, Inc.'s substantive counterclaims. The parties settled the litigation without any admission of wrongdoing by Mr. Reid.

Michael J. Gutowski has held his present positions with us since March 2005. From November 1999 to December 2002 Mr. Gutowski was the Chief Executive Officer and a director of Connectivity Inc., which was primarily engaged in the manufacture and distribution of emergency call boxes. In April, Connectivity Inc. was acquired by Arrow Resources Development, Inc. at which time Mr. Gutowski became the President, Chief Operating Officer and a director of that company. Mr. Gutowski left Arrow Resources Development, Inc. in September 2004 because, notwithstanding the terms of his written employment agreement with Arrow, his salary was not paid. After Mr. Gutowski left Arrow, he instituted litigation against Arrow Resources Development, Inc. based upon non-payment of his salary. Arrow Resources Development, Inc. asserted counterclaims against Mr. Gutowski to the effect that Mr. Gutowski had engaged in fraudulent activities against Arrow Resources Development, Inc. Mr. Gutowski denied all of Arrow Resources Development, Inc.'s substantive counterclaims. The parties settled the litigation without any admission of wrongdoing by Mr. Gutowski.

There are no family relationships among our directors, executive officers, or persons nominated or chosen by us to become directors or executive officers.

None of the following events occurred during the past five years that is material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, promoter or control person:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- Being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Executive Compensation

Summary Compensation Table

The following table discloses all plan and non-plan compensation awarded to, earned by, or paid to the following for all services rendered in all capacities to us: (a) all individuals serving as our chief executive officer (CEO) or acting in a similar capacity during the fiscal year ended September 30, 2006, regardless of compensation level; (b) our four most highly compensated executive officers other than the CEO who were serving as executive officers at September 30, 2006 and whose total annual salary and bonus, as so determined, was in excess of \$100,000; and (c) up to two additional individuals for whom disclosure would have been provided pursuant to (b) of this paragraph but for the fact that the individual was not serving as an executive officer of us at September 30, 2006 and whose total annual salary and bonus, as so determined, was in excess of \$100,000 (the "Named Executive Officers"):

Name and Principal Position	Fiscal Year	Annual Compensation	Long Term Compensation Awards
		Salary and Consulting Fees	Securities Underlying Options (shares of common stock)
Larry M. Reid – President, CEO, Executive Vice President and Chief Financial Officer	2006	\$104,000	250,000 shares
	2005	\$48,000	-0-
	2004	-0-	-0-
Steven M. Williams - CEO	2006	\$5,000 *	250,000 shares
	2005	\$0.00	-0-
	2004	\$0.00	-0-
Michael J. Gutowski, Vice President of Sales and Marketing	2006	\$104,000	250,000 shares
	2005	\$48,000	-0-
	2004	-0-	-0-

* We issued 500,000 shares of our common stock to Mr. Williams for services rendered to us during our development stage in lieu of a cash payment of \$5,000.

The aggregate amount of any perquisites and other personal benefits, securities or property paid or given by us to any of the Named Executive Officers in any of the fiscal years was less than 10% of the total of annual salary of the respective Named Executive Officer.

During the fiscal year ended September 30, 2006, we did not adjust or amend the exercise price of stock options previously awarded to any of the Named Executive Officers, whether through amendment, cancellation or replacement grants, or any other means.

Larry M. Reid and Michael J. Gutowski each presently receive salaries from us of \$104,000 per year.

Option Grants Table

The following table provides certain information concerning individual grants of stock options made during the fiscal year ended September 30, 2006 to each of the Named Executive Officers:

Option Grants in Fiscal Year Ended September 30, 2006				
Name	Individual Grants			Expiration Date
	Number of Securities Underlying Options (shares of common stock)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh)	
Larry M. Reid	250,000	13.5%	\$.22	March 1, 2010
Michael J. Gutowski	250,000	13.5%	\$.22	March 1, 2010
Steven M. Williams	250,000	13.5%	\$.22	March 1, 2010

We have never granted any stock appreciation rights to the Named Executive Officers and during the fiscal year ended September 30, 2006 we did not reprice any options previously granted to them.

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table provides certain information concerning each exercise of stock options during the fiscal year ended September 30, 2006 by each of the Named Executive Officers and the fiscal year-end value of unexercised options:

Aggregated Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values				
Name	Shares Acquired on Exercise	Value Realized (\$)	Number of Shares of Common Stock Underlying Unexercised Options at FY-End (shares of common stock)	Value of Unexercised In-the Money Options/ at Fiscal Year End
			Exercisable/Unexercisable	
Larry M. Reid	-0-	-0-	250,000 /-0-	-0-
Michael J. Gutowski	-0-	-0-	250,000 /-0-	-0-
Steven M. Williams	-0-	-0-	250,000 /-0-	-0-

An option is considered "in the money" for purposes of the table if its exercise price was lower than \$.0.19, the approximate market value of a share of our common stock on September 30, 2006.

42

Long-Term Incentive Plans - Awards in Last Fiscal Year

The GlobalTel IP, Inc. 2005 Incentive Equity Plan, or the Plan, was adopted and approved by our Board of Directors and our stockholders in October 2005. The following summary of the Plan is qualified in its entirety by the terms and conditions of the Plan which has been filed as an exhibit to the registration statement of which this prospectus is a part.

The purpose of the Plan is to promote long-term profitability and to enhance value for our stockholders by offering incentives and rewards to our key employees, directors and officers, including those of our subsidiaries, to retain their services and to encourage them to acquire stock ownership in us.

The Plan will terminate in October 2010 unless terminated earlier by our Board of Directors or a Committee composed of two or more of members of our Board of Directors to administer the Plan. All references below to the "Board" in connection with the Plan refer to our Board of Directors and any such Committee. After termination of the Plan, no future awards may be granted, but previously granted awards shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of the Plan.

The Plan may be amended only by the Board as it deems necessary or appropriate to better achieve the purposes of the Plan, except that no such amendment shall be made without the approval of our stockholders which would increase the number of shares available for issuance in accordance with the Plan.

43

The Board has the discretion, exercisable at any time before a sale, merger, consolidation, reorganization, liquidation or change in control of us, as defined by the Board, to provide for the acceleration of vesting and for settlement, including cash payment, of an award granted under the Plan upon or immediately before such event is effective. However, the granting of awards under the Plan shall in no way affect our right to adjust, reclassify, reorganize, or otherwise change our capital or business structure, or to merge, consolidate, dissolve, liquidate, sell or transfer all or any portion of our businesses or assets.

The Board is responsible for administering the Plan. The Board has full and exclusive power to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper. This power includes but is not limited to selecting award recipients, establishing all award terms and conditions and adopting modifications, amendments and procedures, as well as rules and regulations governing awards under the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The interpretation and construction of any provision of the Plan or any option or right granted under the Plan and all determinations by the Board in each case shall be final, binding and conclusive with respect to all interested parties.

Subject to adjustment as provided in the Plan, 5,000,000 shares of our common stock, \$.001 par value, may be issued to participants under the Plan. On June 3, 2007, options to purchase an aggregate of 1,850,000 shares of our common stock had been granted under the Plan.

All of our key employees, directors and officers are eligible to receive awards under the Plan as well as those of any entity that is directly or indirectly controlled by us, as determined by the Board.

The period of time within which employees may elect to participate in the plan shall be determined by the Board at the time an award is granted. The purchase price per share shall be not less than 100% of "Current Value" on the date of grant (except if a stock option is granted retroactively in tandem with or as a substitution for an SAR, the exercise price may be no lower than the exercise price per share for such tandem or replaced SAR).

For purposes of the Plan, Current Value of a security shall be determined as follows:

(a) If the security is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ or the NASD Bulletin Board, the Current Value of a share or other unit shall be the last reported sale price of such security on such exchange; or

(b) If the security is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the National Quotation Bureau, Inc. or any successor thereto, the Current Value shall be the average of last reported high bid and low asked prices reported by the National Quotation Bureau, Inc.; or

(c) If the security is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Value shall be the book value of a share or other unit as at the end of our immediately prior fiscal quarter determined in accordance with generally accepted accounting principles consistently applied.

The exercise price for a stock option shall be paid in full by the optionee at the time of the exercise in cash or such other method permitted by the Board, including (i) tendering (either actually or by attestation) shares, (ii) authorizing a third party to sell the shares (or a sufficient portion thereof) acquired upon exercise of a stock option and assigning the delivery to us of a sufficient amount of the sale proceeds to pay for all the shares acquired through such exercise, or (iii) any combination of the above.

If approved by the Board, the purchase price for shares purchased under the Plan may be paid in cash or a finite number of shares at the option of the Employee. Payment must be made at such time as determined by the Board.

The purchase price of securities purchased under the Plan will be received by us and may be used to pay compensation to our affiliates and to reimburse them for amounts advanced by them to us or on our behalf.

Compensation of Directors

We have no arrangements pursuant to which any of our directors were compensated during the fiscal year ended September 30, 2006 or are expected to be compensated in the future for any service provided as a director.

Employment Contracts and Termination of Employment and Change in Control Arrangements.

We have no employment contracts with any of our employees or any compensatory plan or arrangement, including payments to be received from us, with respect to a Named Executive Officer, if such plan or arrangement results or will result from the resignation, retirement or any other termination of such executive officer's employment with us or from a change in control of us or a change in the Named Executive Officer's responsibilities following a change-in-control. In addition, we have no termination of employment or change in control arrangements.

Equity Securities Authorized for Issuance With Respect to Incentive Compensation Plan

As of June 29, 2007, 5,000,000 shares of our common stock were authorized for issuance under a compensation plan (including individual compensation arrangements). Pursuant to the plan, we have granted options to purchase 1,850,000 shares at an exercise price of \$.22 per share, expiring March 1, 2010.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of June 29, 2007 with respect to any person (including any "group") who is known to us to be the beneficial owner of more than 5% of any class of our common stock and as to each class of our equity securities beneficially owned by our directors and directors and officers as a group:

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned (1)(2)	Approximate Percent of Class
Steven M. Williams 7999 North Federal Highway Boca Raton, FL 33487	7,852,925 (3)	30% (3)
Interactive Media Technologies, Inc. 7999 North Federal Highway Boca Raton, FL 33487	7,102,925	27%
Larry M. Reid 7999 North Federal Highway Boca Raton, FL 33487	2,003,400 (4)	8% (4)
Global Trading Inc. of South Florida 6540 Sutton Court Parkland, FL 33067	1,500,000	6%
Michael J. Gutowski 7999 North Federal Highway Boca Raton, FL 33487	1,218,500 (5)	5% (5)
Margherita Colella 4201 N. Ocean Boulevard Boca Raton, FL 33431	1,750,000 (6)	7% (6)
Officers and directors as a group (2 persons)	3,221,900	13%

- (1) Unless otherwise noted below, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.
- (2) For purposes hereof, a person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from the date hereof upon the exercise of warrants or options or the conversion of convertible securities. Each beneficial owner's percentage ownership is determined by assuming that any such warrants, options or convertible securities that are held by such person (but not those held by any other person) and which are exercisable within 60 days from the date hereof, have been exercised.
- (3) Includes (a) 7,102,925 shares owned by Interactive Media Technologies, Inc. of which Mr. Williams is the President, Chief Executive Officer and sole member of its Board of Directors and (b) 250,000 shares that can be acquired by Mr. Williams upon exercise of an option. Mr. Williams is also the beneficial owner of approximately 24% of IMT's outstanding voting securities.
- (4) Includes 250,000 shares that can be acquired by Mr. Reid upon exercise of an option.
- (5) Includes 250,000 shares that can be acquired by Mr. Gutowski upon exercise of an option.
- (6) Includes an aggregate of 750,000 shares held jointly with family members .

46

MARKET FOR COMMON EQUITY AND CERTAIN RELATED STOCKHOLDER MATTERS

Since November 7, 2005, our common stock is principally traded in the over-the-counter market and has been quoted by the Pink Sheets® LLC under the symbol GIPI. The trading market is extremely limited and sporadic and should not be considered to constitute an established trading market. The following table sets forth the range of high and low bid prices for the common stock for the fiscal quarters indicated. The quotations were obtained from the Pink Sheets® LLC.

Quarter Ended	Low	High
December 31, 2005	\$.05	\$.75
March 31, 2006	\$.15	\$.40
June 30, 2006	\$.21	\$.40
September 30, 2006	\$.19	\$.35
December 31, 2006	\$.17	\$.19
March 31, 2007	\$.15	\$.45

All quotes reflect inter-dealer prices without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

On June 29, 2007, our common stock was held of record by approximately 105 holders.

We have never paid dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. We intend to retain any earnings for the operation and expansion of our business. Other than financial ability, we have no legal, contractual or corporate constraints against the payment of dividends. Commitments we may make in the future may, however, contractually limit or prohibit the payment of dividends.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of 750,000,000 shares of common stock, \$.001 par value, and 200,000,000 shares of preferred stock, no par value. No shares of preferred stock have been issued.

The holders of outstanding shares of our common stock are entitled to receive dividends out of assets legally available therefor at such times and in such amounts, if any, as our Board of Directors from time to time may determine. Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders which means that the holders of a majority of the shares voted can elect all of the directors then standing for election. Holders of the common stock are not entitled to preemptive rights and the common stock is not subject to conversion or redemption.

On June 3, 2007, our directors and executive officers beneficially owned approximately 13% of our outstanding common shares. These stockholders may be able to effectively determine the outcome of stockholder votes, including votes concerning the election of directors, amendments to our charter and bylaws, and the approval of significant corporate transactions such as a merger or a sale of our assets. In addition, their controlling influence could have the effect of delaying, deferring or preventing a change in control of our company.

Control Share Acquisitions

We are subject to the control-share acquisitions provisions of the Florida Business Corporation Act and will continue to be so if (a) we have at least 100 shareholders; (b) have our principal place of business, our principal office, or substantial assets within Florida; and (c) either: (1) more than 10 percent of our shareholders reside in Florida; (2) more than 10 percent of our shares are owned by residents of Florida or (3) 1,000 of our shareholders reside in Florida.

47

Shares acquired in a "control share acquisition" cannot be voted and become subject to other control-share acquisitions provisions unless the holders of a majority of our voting shares approves the granting of voting rights as to the shares acquired in the control share acquisition. An acquisition of our shares will not be deemed to be a control-share acquisition if it is either (i) approved by our board of directors before the acquisition, or (ii) made pursuant to a merger or share exchange in compliance with the applicable provisions of the Florida Business Corporation Act to which we are a party. The foregoing is a summary of the control-share acquisitions provisions of the Florida Business Corporation Act and is subject to certain exceptions and additional provisions.

For purposes of the Florida Business Corporation Act, a "control-share acquisition" means the acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding "control shares." "Control shares" means shares issued by us that, except for the control-share acquisitions provisions, would have voting power that, when added to all other of our shares owned by a person or which that person may exercise or direct the exercise of voting power, would entitle that person, immediately after acquisition of the shares, directly or indirectly, alone or as a part of a group, to exercise or direct the exercise of the voting power of our shares in the election of directors within any of the following ranges of voting power: (a) one-fifth or more but less than one-third of all voting power; (2) one-third or more but less than a majority of all voting power or (3) a majority or more of all voting power.

Transfer agent

The transfer agent for our common stock is Florida Atlantic Stock Transfer, Inc., 7130 Nob Hill Road, Tamarac, Florida 33321.

CERTAIN TRANSACTIONS

Other than as set forth under this caption and elsewhere in this prospectus, during the last two years there have been no transactions, or are there any proposed transactions, to which we were or are to be a party, in which any of the following persons had or is to have a direct or indirect material interest and the amount involved in the transaction or a series of similar transactions does not exceed \$60,000

- Any of our directors or executive officers;
- Any nominee for election as a director;
- Any security holder named in this prospectus as beneficially owning more than 5% of our outstanding common stock; and
- Any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any of the above persons.

In October 2004, we issued 668,500 shares to Michael J. Gutowski for consulting services which we valued at \$6,680.

In February 2005, pursuant to an Asset Purchase Agreement with IMT we issued 7,000,000 shares to IMT. The assets purchased consisted primarily of hardware and software used by us in providing VoIP Services. A schedule of the assets has been filed as an exhibit to our registration statement filed with the SEC of which this prospectus is a part. Included in the assets we purchased from IMT, were assets acquired by IMT within two years prior to our purchase having an aggregate cost to IMT of \$125,000 which we valued at \$70,000 at the time of our purchase. In connection with our purchase of the assets, at our request one of our

stockholders transferred 1,500,000 shares of our common stock to Global Trading Inc. of South Florida as part of the purchase price of the assets. Global Trading Inc. of South Florida was designated as the recipient of the shares by Steven M. Williams. Gene Williams, Steven M. Williams' father, has informed us that neither Steven M. Williams nor any person other than Gene Williams has any interest, direct or indirect, in the 1,500,000 shares. The public records of the Florida Department of State indicate that Global Trading Inc. of South Florida was administratively dissolved in 1996.

48

In March 2005, we entered into a software support agreement with IMT. Pursuant to the agreement, IMT agreed to provide support for the software we purchased from IMT that we utilize in our VoIP business. The particular services to be provided to us and the price we pay to IMT are described in a software support order. IMT's cumulative liability under the agreement is limited to the amounts we pay to IMT under the agreement. In addition, in the event that IMT does not properly perform its contractual obligations or fails to perform them, our sole remedy is to terminate the software support agreement. On May 20, 2005 we submitted a software support order to IMT which was accepted by IMT. Pursuant to the order, IMT agreed to provide 150 hours per month of billing, development and support for a monthly fee of \$10,500. IMT has the right to increase the fee with our consent, which we cannot unreasonably withhold. We agreed to reimburse IMT for travel, accommodations and certain other expenses. A subsequent similar agreement and order was entered into in March 2006. As of June 3, 2007, IMT advised us that it had incurred no such additional expenses.

In April 2005, we entered into a one year Office Lease Agreement with IMT pursuant to which we leased approximately 1,000 square feet of office space from IMT for approximately \$2,000 per month.

In April 2005, we entered into a one year Co-Location Lease Agreement with IMT pursuant to which we leased space for our equipment in Miami, Florida from IMT for approximately \$1,850 per month.

From October 1, 2005 to June 30, 2007, we paid IMT approximately \$2,523,000 for terminating the VoIP calls of our customers with carriers of IMT's choice. On June 30, 2007, we owed IMT approximately \$81,000 for amounts billed for call terminations and not yet paid and accrued amounts for call terminations which had not then been billed.

In December 2005, we issued 500,000 shares of our common stock to Steven M. Williams for services rendered to us during our development stage which we valued at \$5,000.

In March 2006, pursuant to a second Asset Purchase Agreement with IMT we issued 102,925 shares to IMT. The assets purchased consisted of hardware used by us in providing VoIP Services. A schedule of the assets has been filed as an exhibit to our registration statement filed with the SEC of which this prospectus is a part. Included in the assets we purchased from IMT, were assets acquired by IMT within two years prior to the purchase having an aggregate cost to IMT of \$45,000 which we valued at \$20,585 the time of our purchase.

In March 2006, we entered into a one year Co-Location Lease Agreement with IMT pursuant to which we lease space for our equipment in Miami, Florida from IMT for \$1,850 per month.

In April 2006, we entered into a one year Office Lease Agreement with IMT pursuant to which we lease approximately 1,500 square feet of office space in Boca Raton, Florida from IMT for approximately \$3,500 per month.

In February 2007, IMT agreed to extend the Software Support Agreement, Office Lease Agreement and Co-Location Lease Agreement for periods of one year each on a month to month basis. The agreements may only be terminated by IMT as is provided in the Agreements. We terminated the Office Lease as of July 8, 2007.

49

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been a limited public market for our common stock, and we cannot assure you that a significant public market for our common stock will develop or be sustained after this offering. Future sales of significant amounts of our common stock, including shares of our outstanding common stock and shares of our common stock issued upon exercise of outstanding options and warrants, in the public market after this offering could adversely affect the prevailing market price of our common stock and could impair our future ability to raise capital through the sale of our equity securities.

All of the shares sold in this offering by the selling stockholders, including those shares distributed by IMT to its shareholders, will be freely tradable without restriction under the Securities Act of 1933 unless acquired by an affiliate of us, as that term is defined in Rule 144 under that Act. See "Plans of Distribution."

On June 30, 2007, we had outstanding 26,655,581 shares of common stock. Of the 16,330,756 shares held by persons who are not our affiliates on that date, approximately 7,908,675 shares were freely tradable without restriction or further registration under the Securities Act of 1933. In addition, approximately 4,277,925 additional shares held by non-affiliates were then eligible to be sold in accordance with Rule 144 under that Act and approximately 4,194,156 more shares will be able to be sold within the ensuing twelve month period.

In general, Rule 144 allows a stockholder (or stockholders where shares are aggregated) who has owned shares which have been acquired from us or an affiliate of us at least one year prior to resale and who files a requisite notice with the SEC to sell within any three month period a number of those shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding; or
- the average weekly trading volume of the common stock on a national securities exchange and/or reported through the automated quotation system of a registered securities association during the four calendar weeks preceding the filing of the notice with respect to such sale.

Any shares registered in the registration statement of which this prospectus is a part and which are acquired by any of our affiliates in accordance with the any of the plans of distribution described below will not be subject to the one year holding period although they cannot be publicly resold by such affiliates for at least ninety days subsequent to the effective date of such registration statement.

Sales under Rule 144, however, generally are subject to specific manner of sale provisions, notice requirements, and the availability of current public information about our company. If, however, a stockholder (or stockholders where shares are aggregated) has owned shares which have been acquired from us or an affiliate of us at least two years prior to resale and who is not then and has not been an affiliate of us at any time during the immediately preceding three months, the stockholder(s) may sell the shares without complying with the manner of sale provisions, notice requirements, public information requirements, or volume limitations of Rule 144.

We may file a registration statement with the SEC for shares of our common stock issued or reserved for issuance under our present or future compensatory plans. Any shares registered under that registration statement will be available for sale in the open market.

THE SELLING STOCKHOLDERS

The following table sets forth information as of June 3, 2007 with respect to our common stock held by each selling stockholder:

Name of Selling Stockholder	Number of Shares Owned Before the Offering (1)	Number of Shares Being Offered	Number of Shares to be Owned After the Offering	Approximate Percentage of Outstanding Shares to be Owned After the Offering (assuming the sale of all shares being offered by the selling stockholders)
Interactive Media Technologies, Inc.	7,102,925	7,102,925	-0-	-0-
Margherita Colello (2)	1,750,000	1,000,000	750,000	3%
Dino Natali	750,000	825,000	- -0-	(4)
Santo Sciarrino	1,000,000	500,000	500,000	2%

Jopat Enterprise, Inc.	500,000	500,000	-0-	-0-
James Drew	675,000	500,000	175,000	(4)
Judith Holding, Ltd.	500,000	500,000	-0-	-0-
Paul and Nancy Williams	500,000	500,000	-0-	-0-
Dominic Albi	28,000	562,500	3,000 (3)	(4)
Tremount Ventures Ltd.	1,000,000	500,000	500,000	2%
Philippi Trading, Inc.	500,000	250,000	250,000	1%
Family Medicine Clinics	250,000	125,000	125,000	(4)
EVoice International, Inc.	250,000	125,000	125,000	(4)
Andre Larabie, Inc.	125,000	62,500	62,500	(4)
The Bowditch Corporation	175,000	62,500	112,500	(4)
John Sciarrino	125,000	62,500	62,500	(4)
Estate of Richard Banconi	50,000	50,000	-0-	(4)
Neal Vaccaro	50,000	50,000	-0-	(4)
Carl Feuerstein	30,000	30,000	-0-	(4)
Marilyn Gerstein	30,000	30,000	-0-	(4)
Irwin Dwoskin	30,000	30,000	-0-	(4)
Phillip Goldberg	30,000	30,000	-0-	(4)
Allen Feuerstein	20,000	20,000	-0-	(4)
Jack S. Rizzo	10,000	10,000	-0-	(4)
Sari Dwoskin	10,000	10,000	-0-	(4)
Joseph Conti	- 0-	100,000	- 0-	(4)
Joseph Giuliano	- 0-	100,000	- 0-	(4)

- (1) Does not include shares underlying derivative securities which shares are being offered for sale by us pursuant to this prospectus.
- (2) Includes an aggregate of 750,000 shares held jointly with family members.
- (3) Does not include 425,000 shares underlying warrants which shares are not being registered in the registration statement of which this prospectus is a part.
- (4) Less than 1%.

The selling stockholders purchased their respective shares from us in private transactions. The shares were not offered or sold by means of: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, or broadcast over television or radio, (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising, or (iii) any other form of general solicitation or advertising and the purchases were made for investment and not with a view to distribution.

We have been advised that the respective persons identified below have voting and dispositive powers of the shares held by the following entities:

ENTITY	NAME OF PERSON
Interactive Media Technologies, Inc	Steven M. Williams
Jopat Enterprise, Inc.	Santo Sciarrino
Philippi Trading, Inc	Brian Kane
Tremount Ventures Ltd.	Robert Seaman
Family Medicine Clinics	Jonathan Ware
Evoice International, Inc.	Jonathan Ware
Andre Larabie, Inc.	Andre Larabie
The Bowditch Corporation	Clifford Bowditch
Judith Holding, Ltd.	Eleanor Bauman

We have been advised by the selling stockholders that none of them is a registered broker-dealer or an affiliate of a registered broker-dealer.

Dominic Albi has been our financial advisor and has introduced us to certain of the selling stockholders and purchasers of our convertible debentures for which he has received compensation from us. For his services, we have issued to Mr. Albi warrants to purchase 962,500 shares of our common stock at exercise prices ranging from \$0.10 to \$0.22 per share. and have paid him \$86,750. In addition, Mr. Albi is a member of our Advisory Board which meets once approximately each six weeks. Mr., Albi, as do the other members of the Advisory Board, receives shares of our commons stock having a market value of \$1,000 for each meeting he attends. Since May 2007, we have compensated Mr. Albi in the amount of \$3,000 per month for consulting services. We may terminate that arrangement without penalty at any time.

Joseph Conti and Joseph Giuliano have provided financial advisory services to us.

In June 2006 we entered into a one year management agreement with Tremont Ventures LLC., an affiliate of Tremont Ventures Ltd. The agreement provided that Tremont was entitled to 8,000 shares of our common stock for each of twelve months plus reasonable expenses for services rendered and to be rendered. The services were to consist primarily of advice relating to possible acquisitions and sources of additional capital. Tremont anticipated that it would spend approximately ten hours per month providing the services to us. In addition, subsequent to July 1, 2007 and for a period of four years thereafter, Tremont had agreed to be available on a continuing basis to provide advice and guidance in consideration of the foregoing compensation and such other compensation as may be agreed to between Tremont and us. In June 2007, the agreement was terminated by mutual consent. At that time, Tremont had not rendered any services to us and we had not given any compensation to Tremont.

Except for the relationships described in this prospectus, none of the selling stockholders has had any position, office or other material relationship with us or any of our affiliates or any of our predecessors within the past three years.

PLANS OF DISTRIBUTION

IMT intends to distribute 7,102,925 of our shares to its 285 stockholders in proportion to the number of shares of IMT that each of them holds. Steven M. Williams beneficially owns approximately 24% of such shares. IMT is a Florida corporation and it is aware, however, that the Florida Business Corporation Act provides that the distribution may not be made if, after giving it effect:

- (a) IMT would not be able to pay its debts as they become due in the usual course of business; or
- (b) IMT's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if it were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

We do not know if the foregoing provisions would prevent IMT from distributing all or a portion of the shares.

Until such time, if any, as our shares become quoted on the OTC Bulletin Board, the price at which shares sold by the selling stockholders other than IMT will be \$.25 per share. Those selling stockholders have advised us that thereafter the sale or distribution of our common stock which may be effected by them or by pledgees, transferees or other successors in interest, as principals or through one or more underwriters, brokers, dealers or agents from time to time in one or more transactions, will take place either (a) on the over-the-counter market or in any other market on which the price of our shares is quoted or (b) in transactions otherwise than on the over-the-counter market or in any other market on which the price of our shares is quoted. Such transactions may be effected at or about prevailing market prices at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale or at negotiated or fixed prices, in each case as determined by the selling stockholders or by agreement between the selling stockholders and underwriters, brokers, dealers or agents, or purchasers. If the selling stockholders effect such transactions by selling their shares of common stock to or through underwriters, brokers, dealers or agents, such underwriters, brokers, dealers or agents may receive compensation in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of common stock for whom they may act as agent (which discounts, concessions or commissions as to particular underwriters, brokers, dealers or agents may be in excess of those customary in the types of transactions involved). The selling stockholders may be deemed to be underwriters and any brokers, dealers or agents that participate in the distribution of the common stock may also be deemed to be underwriters, and any profit on the sale of common stock by them and any discounts, concessions or commissions received by any such underwriters, brokers, dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act of 1933.

Under the securities laws of certain states, the shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless the shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

The 812,500 shares to be offered by upon exercise of outstanding warrants will be sold directly by us without the payment of any commission. The following table describes the material terms of those warrants:

Number of Shares Underlying Warrants	Exercise Price Per Share	Expiration Date of Warrants
425,000	\$0.12	December 31, 2008
275,000	\$0.20	December 31, 2008
112,500	\$0.22	December 31, 2008

The exercise prices of the warrants are subject to adjustment in certain cases. The form of the warrants have been filed as exhibits to the registration statement of which this prospectus is a part. The warrants are immediately exercisable.

We have or will pay for all costs and expenses incident to the registration of the shares offered by the selling stockholders. We will not pay sales or brokerage commissions or underwriter or dealer discounts with respect to sales of the shares offered by the selling stockholders.

Our shares are subject to the “penny stock rules” adopted pursuant to Section 15(g) of the Securities Exchange Act of 1934 (the “Exchange Act”). Such rules require, among other things, that brokers who trade “penny stock” to persons other than “established customers” complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Penny stocks sold in violation of the applicable rules may entitle the buyer of the stock to rescind the sale and receive a full refund from the broker.

Many brokers have decided not to trade “penny stock” because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market-makers in such securities is limited. In the event that our shares remain subject to the “penny stock rules” for any significant period, there may develop an adverse impact on the market, if any, for our shares. Because our shares are subject to the ‘penny stock rules,’ investors will find it more difficult to dispose of them and the liquidity of the shares, if any, may be significantly diminished. Further, for companies whose securities are quoted on the OTC Bulletin Board or the “Pink Sheets,” it is more difficult: (i) to obtain accurate quotations, (ii) to obtain coverage for significant news events because major wire services, such as the Dow Jones News Service, generally do not publish press releases about such companies, and (iii) to obtain needed capital.

INDEMNIFICATION

We have agreed to indemnify our executive officers and directors to the fullest extent permitted by the Florida Business Corporation Act. That law generally permits us to indemnify any person who is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that the person is or was an officer or

director or is or was serving at our request as an officer or director. The indemnity may include expenses (which we may pay in advance of a final disposition), including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding, provided that the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to our best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to our best interests and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful approval if the officer or director is adjudged to be liable to us. The indemnification provisions of the Florida Business Corporation Act are not exclusive of any other rights to which an officer or director may be entitled under our bylaws, by agreement, vote, or otherwise.

Insofar as indemnification arising under the Securities Act of 1933 may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

53

LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding that primarily involves a claim for damages and the amount involved in such proceeding, exclusive of interest and costs, exceeds 10% of our current assets nor is any of our property the subject of such a pending legal proceeding. We are not aware of any such proceeding that a governmental authority is contemplating.

LEGALITY OF SHARES

The legality of the shares of common stock offered by this prospectus has been passed upon for us by Reisman & Associates, P.A. to the extent set forth in its opinion filed as an exhibit to the registration statement of which this prospectus is a part. An affiliate of such firm beneficially owns 600,000 shares of our common stock.

EXPERTS

The financial statements included in the Prospectus have been audited by Ribotsky, Levine & Company, CPAs, an independent registered public accounting firm, to the extent and for the periods set forth in their report appearing elsewhere herein and are included in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

ADDITIONAL INFORMATION

We have electronically filed a registration statement on Form SB-2 and amendments thereto with the SEC with respect to the shares of common stock to be sold in this offering. This prospectus, which forms a part of that registration statement, does not contain all of the information included in the registration statement. Certain information is omitted and you should refer to the registration statement and its exhibits for complete information. With respect to references made in this prospectus to any contract or other document, the references are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may read and copy the registration statement and other materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy statements and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

We are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and file periodic reports, proxy soliciting material and other information with the SEC.

We intend to furnish our stockholders with annual reports containing audited financial statements.

54

FINANCIAL STATEMENTS

TABLE OF CONTENTS

PAGE NO.

Condensed Balance Sheet (Unaudited)-- as of March 31, 2007.....	F-2
Condensed Statement of Operations (Unaudited) For the Three Months and Six Months Ended March 31, 2006 and 2007.....	F-3
Condensed Statements of Cash Flows (Unaudited) For the Three Months and Six Months Ended March 31, 2006 and 2007.....	F-4-5
Condensed Statements of Stockholders' Deficit (Unaudited) For the Three Months Ended March 31, 2006 and 2007.....	F-6
Notes to Condensed Financial Statements (Unaudited).....	F-7-11
Audited Financial Statements at September 30, 2006 and for the Two Years then Ended: Report of Independent Registered Public Accounting Firm.....	F-12
Balance Sheets.....	F-13
Statements of Operations.....	F-14
Statements of Cash Flows.....	F-15-16
Statement of Stockholders' Deficit.....	F-17
Notes to Financial Statements.....	F-18-27

GLOBALTEL IP, INC.**CONDENSED BALANCE SHEETS****ASSETS**

	March 31, 2007 (unaudited)	September 30, 2006
CURRENT ASSETS:		
Cash	\$ 13,826	\$ 19,600
Accounts receivable - net	13,159	41,238
Prepaid expenses and other current assets	49,105	52,981
Total Current Assets	76,090	113,819
PROPERTY AND EQUIPMENT, NET	310,722	288,572
OTHER ASSETS	4,000	2,000
TOTAL ASSETS	\$ 390,812	\$ 404,391

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES:		
Accounts payable	\$ 232,741	\$ 94,362
Accrued expenses	46,030	60,250
Commissions payable	10,440	10,423
Note payable - stockholder	23,147	-
Total Current Liabilities	312,358	165,035
Due to related party	220,418	283,808
Notes payable - stockholders	225,000	-
Deferred revenue	65,932	75,978
Total Liabilities	823,708	524,821
STOCKHOLDERS' DEFICIT:		
Preferred stock - 200,000,000 shares authorized, no par value; no shares issued or outstanding	-	-
Common stock - 750,000,000 shares authorized, \$.001 par value; 23,584,081 and 22,301,425 shares issued and outstanding respectively	23,584	22,301
Additional paid-in capital	1,730,581	1,495,082
Less: Subscription receivable	-	(10,000)
Accumulated (deficit)	(2,187,061)	(1,627,813)
Total Stockholders' Deficit	(432,896)	(120,430)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 390,812	\$ 404,391

See accompanying notes to these financial statements.

GLOBALTEL IP, INC.**CONDENSED STATEMENTS OF OPERATIONS****(Unaudited)**

	For the three months ended March 31, 2007	For the three months ended March 31, 2006	For the six months ended March 31, 2007	For the six months ended March 31, 2006
Revenue	\$ 445,065	\$ 434,878	\$ 913,333	\$ 645,732
Cost of Revenue	<u>385,837</u>	<u>351,276</u>	<u>754,128</u>	<u>499,274</u>
Gross Profit	<u>59,228</u>	<u>83,602</u>	<u>159,205</u>	<u>146,458</u>
Operating Expenses:				
Selling expenses	49,166	39,226	81,650	77,832
Administrative expenses	242,761	167,311	440,109	247,608
Research and development	164,050	31,500	164,050	84,118
Depreciation	<u>16,253</u>	<u>9,339</u>	<u>32,644</u>	<u>14,662</u>
Total Operating Expenses	<u>472,230</u>	<u>247,376</u>	<u>718,453</u>	<u>424,220</u>
Other Income (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET (LOSS)	<u>\$ (413,002)</u>	<u>\$ (163,774)</u>	<u>\$ (559,248)</u>	<u>\$ (277,762)</u>
(Loss) per Common Share				
Basic and fully diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted Average of Shares Outstanding				
Basic and fully diluted	<u>22,557,414</u>	<u>20,415,081</u>	<u>22,508,548</u>	<u>19,488,293</u>

See accompanying notes to these financial statements.

GLOBALTEL IP, INC.**CONDENSED STATEMENTS OF CASH FLOWS****(Unaudited)**

	For the three months ended March 31, 2007	For the three months ended March 31, 2006	For the six months ended March 31, 2007	For the six months ended March 31, 2006
NET (LOSS)	\$ (413,002)	\$ (161,774)	\$ (559,248)	\$ (277,762)
Adjustments to reconcile net loss to net cash used by operating activities:				
Depreciation	16,253	9,339	32,644	14,662
Stock and warrants exchanged for services	9,781	18,500	36,782	27,000
(Increase) decrease in assets:				
Accounts receivable	(3,881)	360	28,079	(1,290)
Inventory	-	2,775	-	1,290
Prepaid expenses	(7,592)	(5,083)	5,876	(13,535)
Other assets	21,000	(10,000)	(4,000)	(10,000)
Increase (decrease) in liabilities:				
Accounts payable	178,022	95,132	138,379	166,123
Accrued expenses	(19,336)	5,000	(14,220)	(12,159)
Commissions payable	(782)	5,432	17	1,540
Deferred revenue	(372)	9,004	(10,046)	28,683
Other current liabilities-related party	-	-	23,147	-
Net Cash (Used in) Operating Activities:	(219,909)	(31,315)	(322,589)	(75,448)
Cash Flows From Investing Activities:				
Purchase of property and equipment	(45,910)	(171,650)	(54,794)	(236,000)
Net Cash (Used in) Investing Activities:	(45,910)	(171,650)	(54,794)	(236,000)
Sub-Totals	\$ (265,819)	\$ (202,965)	\$ (377,383)	\$ (311,448)

(CONTINUED)

See accompanying notes to these financial statements.

GLOBALTEL IP, INC.**CONDENSED STATEMENT OF CASH FLOWS - (Continued)****(Unaudited)**

	For the three months ended March 31, 2007	For the three months ended March 31, 2006	For the six months ended March 31, 2007	For the six months ended March 31, 2006
<i>Sub-totals from previous page</i>	<u>\$ (265,819)</u>	<u>\$ (202,965)</u>	<u>\$ (377,383)</u>	<u>\$ (311,448)</u>
Cash Flows From Financing Activities:				
Net (repayments) advances - due to related party	53,058	-	(63,390)	(36,151)
Proceeds from notes payable	-	-	225,000	-
Proceeds from issuance of common stock	200,000	195,586	200,000	320,586
Proceeds from stock subscription receivable	10,000	-	10,000	-
Net Cash Provided by Financing Activities:	<u>263,058</u>	<u>195,586</u>	<u>371,610</u>	<u>284,435</u>
Net (Decrease) In Cash	<u>(2,761)</u>	<u>(7,379)</u>	<u>(5,773)</u>	<u>(27,013)</u>
Cash - Beginning of Period	<u>16,587</u>	<u>93,551</u>	<u>19,600</u>	<u>113,185</u>
Cash - End of Period	<u>\$ 13,826</u>	<u>\$ 86,172</u>	<u>\$ 13,826</u>	<u>\$ 86,172</u>
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid for interest	<u>\$ 4,290</u>	<u>\$ -</u>	<u>\$ 4,290</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

The Company issued 232,656 shares during the six months ended March 31, 2007 for services rendered by non-employees.

The Company issued 425,000 warrants during the six months ended March 31, 2007 for services rendered by a non-employee.

The Company issued 500,000 shares during the six months ended March 31, 2006 for services to a former officer of the Company who is an officer of IMT, a related party.

The Company issued 102,925 shares during the six months ended March 31, 2006 for the purchase of software valued at \$20,585 from IMT, a related party.

The Company issued 350,000 warrants during the six months ended March 31, 2006 for services rendered by a non-employee.

See accompanying notes to these financial statements.

GLOBALTEL IP, INC.

CONDENSED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

	Common stock		Additional paid-in capital	Stock Subscription Receivable	Accumulated Deficit	Total
	Shares	Amount				
BALANCE AT OCTOBER 1, 2005	18,073,500	\$ 18,073	\$ 846,025	\$ -	\$ (825,261)	\$ 38,837
Shares issued for cash	3,625,000	3,625	596,375	(10,000)	-	590,000
Shares issued for non-employee services	500,000	500	4,500	-	-	5,000
Options issued under <i>2005 Incentive Equity Plan</i>	-	-	23,075	-	-	23,075
Warrants issued for non-employee services	-	-	4,625	-	-	4,625
Shares issued for assets	102,925	103	20,482	-	-	20,585
Net (Loss) year ending September 30, 2006	-	-	-	-	(802,552)	(802,552)
BALANCE AT SEPTEMBER 30, 2006	22,301,425	22,301	1,495,082	(10,000)	(1,627,813)	(120,430)
Shares issued for cash	1,050,000	1,050	208,950	10,000	-	220,000
Shares issued for non-employee services	232,656	233	22,299	-	-	22,532
Warrants issued for non-employee services	-	-	4,250	-	-	4,250
Net (Loss) three months ending March 31, 2007	-	-	-	-	(559,248)	(559,248)
BALANCE AT MARCH 31, 2007 (Unaudited)	<u>23,584,081</u>	<u>\$ 23,584</u>	<u>\$ 1,730,581</u>	<u>\$ -</u>	<u>\$ (2,187,061)</u>	<u>\$ (432,896)</u>

See accompanying notes to these financial statements.

F-5

GLOBALTEL IP, INC.

Notes to Unaudited Condensed Financial Statements March 31, 2007

NOTE 1 - ORGANIZATION

GlobalTel IP, Inc. (the "Company") formerly CNE Industries, Inc., was incorporated in the state of Florida on November 15, 1999. Originally formed as a developer of unique websites, the Company ceased operations in 2002. In 2005, the Company became a provider of Voice Over Internet Protocol (VOIP) services and an authorized re-seller of international pre-paid telecommunication services through Interactive Media Technologies, Inc. ("IMT"), a related party.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying unaudited interim financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. They may not include all information and footnotes required by United States generally accepted accounting principles for complete financial statements. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended September 30, 2006 and 2005 included in the Company's Form SB-2/A filed with the SEC. The interim unaudited financial statements should be read in conjunction with those financial statements included in the Form SB-2/A. In the opinion of management, all adjustments considered necessary for a fair presentation, consisting solely of normal and recurring adjustments have been made. Operating results for the three months and six months ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ending September 30, 2007.

USE OF ESTIMATES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and operations for the reporting period. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

ACCOUNTS RECEIVABLE

The Company provides an allowance for uncollectible accounts based upon a periodic review and analysis of outstanding accounts receivable balances. Uncollectible receivables are charged to the allowance when deemed uncollectible. Recoveries of accounts previously written off are used to credit the allowance account in the periods in which the recoveries are made.

F-6

LONG-LIVED ASSETS

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of long-lived assets. If and when such factors, events or circumstances indicate possible impairment to long lived-assets the Company would make an estimate of undiscounted cash flows over the remaining lives of the respective assets in measuring recoverability from future operations.

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one banking institution. Balances maintained are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. From time to time, the Company has maintained cash balances in excess of federally insured limits.

REVENUE RECOGNITION AND DEFERRED REVENUES

The Company's revenue recognition policies are in compliance with Staff accounting bulletin (SAB) 104. The Company recognizes sales from telecommunications services as services are provided. Payments are made at the customer's own discretion, primarily through a web-based payment system. Services consist primarily of VoIP telecommunication measured in units of time and therefore the primary criterion for the recognition of revenues is the usage of time by customers. Payments received in advance before the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue. Cost of revenue includes the cost of capacity associated with the revenue recognized within the corresponding time period.

EARNINGS PER SHARE

Basic income (loss) per common share is calculated using the weighted average number of shares outstanding during the periods reported. Diluted earnings per share include the weighted average effect of all dilutive securities outstanding during the periods presented. Diluted per share loss is the same as basic per share loss when there is a loss from continuing operations. Accordingly, for purposes of dilutive earnings per share, the Company excluded the effect of warrants and options.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash, accounts receivable, accounts payable and accrued expenses, deferred liabilities and due from related party. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

F-7

INCOME TAXES

The Company recognizes income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a tax rate change on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company records valuation allowance to reduce net deferred tax assets to the amount considered more likely than not to be realized. Changes in estimates of future taxable income can materially change the amount of such valuation allowances.

STOCK-BASED COMPENSATION

Prior to January 1, 2006, the Company accounted for stock-based awards under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" using the intrinsic value method of accounting, under which compensation expense was only recognized if the exercise price of the Company's employee stock options was less than the market price of the underlying common stock on the date of grant. The Company also had adopted the disclosure-only alternative of SFAS No. 123, Accounting for Stock-Based Compensation ("SFAS 123") and SFAS No. 148, Accounting for Stock-Based Compensation -- Transition and Disclosure. In March 2005 the SEC issued SAB No. 107, Share-Based Payment ("SAB 107") which provides guidance regarding the interaction of SFAS 123R and certain SEC rules and regulations. The Company has applied the provisions of SAB 107 in its adoption of SFAS 123R.

Effective January 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123R "Share Based Payments" using the modified retrospective transition method. SFAS 123R requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods. The Company has estimated the fair value of each award as of the date of grant or assumption using the Black-Scholes option pricing model, which was developed for use in estimating the value of traded options that have no vesting restrictions and that are freely transferable. The Black-Scholes option pricing model considers, among other factors, the expected life of the award and the expected volatility of the Company's stock price. In all other cases, the Company valued the options or warrants based on the value of the services rendered.

F-8

NOTE 3 - GOING CONCERN

As reflected in the accompanying consolidated financial statements, the Company reflected an operating loss during the six months ended March 31, 2007 and in the preceding year ending September 30, 2006. The Company historically and since inception has incurred recurring losses from operations, negative cash flows from operations, a working capital deficit and from time-to-time, the Company has experienced difficulties meeting its obligations as they became due. These matters raise substantial doubt about the Company's ability to continue as a going concern.

In 2005 the Company entered into a new business (VoIP based services) which required, and continues to require, substantial expenditures in network infrastructure resources and research and development expenses. To fund these investments and expenses the Company has had to rely on equity and debt financing. Management believes that in order to solicit and retain new resellers and agents which are required to increase revenue and alleviate some of the liquidity and profitability issues above it will have to continue to rely on external sources of financing for the foreseeable future or until such time as positive substantial cash flows from operations can be generated. It is the intent of management through the issuance of equity to obtain sufficient working capital necessary to support the Company as a going concern.

The condensed financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue its existence as a going concern.

NOTE 4 - NOTES PAYABLE - RELATED PARTY

The Company has a note payable of \$23,147 due to an officer-shareholder. The note bears interest at 10% per year. This maturity of this note was extended with consent of the payee and matures on May 17, 2007.

F-9

NOTE 5 - NOTES PAYABLE - STOCKHOLDERS

In December 2006, Company issued three convertible debentures totaling \$225,000 to three individual stockholders of the Company. The notes bear interest of 10% annually payable at the end of each quarter beginning on December 31, 2006. The notes mature on December 31, 2008, however the holders of the debentures may, at any time prior to maturity, convert the outstanding principle and interest due, if any, on the notes to common stock of the Company at an exercise price of \$0.75 per share.

NOTE 6 - EQUITY TRANSACTIONS

Common Stock

During the six months ended March 31, 2007, the Company issued 232,656 shares of

common stock in exchange for consulting and professional services totaling \$22,532, the estimated value for the services received and 1,050,000 shares of stock for cash pursuant to subscription agreements executed by several individuals and entities.

Stock Options and Warrants

During the year ended September 30, 2006 the Company adopted the GlobalTel IP, Inc. 2005 Incentive Equity Plan (the "Plan") allocating up to five million shares of the Company's common stock to offer incentives to key employees, contractors, directors and officers.

No options were granted, exercised or cancelled during the three months ended December 31, 2006. No warrants were granted, exercised or cancelled during the year ended September 30, 2006. Previous warrants granted were extended through December 31, 2008. During the six months ended March 31, 2007, the Company issued warrants for the purchase of 425,000 shares of common stock at an exercise price of \$0.22 per share expiring December 31, 2009 in exchange for consulting services rendered valued at \$4,250.

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company currently leases office space from an entity that is also a stockholder. Rent expense to the related party was \$21,000 for the six months ended March 31, 2007. The Company is also obligated under a co-location agreement with this entity and accrued \$12,950 pursuant to this agreement during the six months ended March 31, 2007. Additionally, pursuant to a comprehensive support agreement with the same entity, the Company receives certain administrative, billing, marketing, website and technical support. Total support expense incurred to this related party during the six month period ending March 31, 2007 totaled \$63,000.

F-10

NOTE 8 - REGULATORY MATTERS

The telecommunications industry is subject to federal, state and local regulations. Additionally, the Company operates in several foreign countries. Any change in those regulations or enforcement of those regulations could impact the Company's future ability to continue its current operations.

NOTE 9 - SUBSEQUENT EVENTS

Subsequent to March 31, 2007, the Company entered into subscription agreements with several individuals and entities for the purchase of 3,062,500 restricted shares of common stock at a price of \$0.20 per share, resulting in proceeds to the Company totaling \$612,500.

In June 2007 the Company entered into a four-year lease for office space and intends to relocate their executive offices and administrative support functions in July 2007. The lease provides monthly rent of \$4,970 with a 3% annual increase in base rent.

On June 5, 2007 the Company collectively issued 9,000 restricted shares of common stock in consideration for services rendered by the members of the Company's Advisory Board. The Advisory Board consists of three members chosen by the President to assist management on a wide variety of technical, marketing and financial issues. Each member is compensated with a \$1,000 (at market value) in stock for every meeting attended. Meetings are scheduled approximately twice each quarter.

F-11

=====

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
GlobalTel IP, Inc.
Boca Raton, Florida

We have audited the accompanying balance sheets of GlobalTel IP, Inc. as of September 30, 2006, and 2005, and the related statements of operations, stockholders' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance the standards of the Public Company Accounting Oversight Board of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included the consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GlobalTel IP, Inc., as of September 30, 2006, and 2005, and the results of its operations and its cash flows for each of the years in the two year period ended September 30, 2006 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has incurred net losses since its inception and has experienced severe liquidity problems. Those conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to those matters also are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Ribotsky Levine & Company, CPAs
Certified Public Accountants
Miami, Florida

December 22, 2006

GLOBALTEL IP, INC.

BALANCE SHEETS

For the Years Ended September 30,

	2006	2005
ASSETS		
CURRENT ASSETS:		
Cash	\$ 19,600	\$ 113,185
Accounts receivable - net	41,238	2,510
Prepaid expenses and other current assets	52,981	1,673
Total Current Assets	<u>113,819</u>	<u>117,368</u>
PROPERTY AND EQUIPMENT, NET	<u>288,572</u>	<u>94,553</u>
OTHER ASSETS	<u>2,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 404,391</u>	<u>\$ 211,921</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accrued expenses	\$ 60,250	\$ 36,158
Accounts payable	94,362	14,839
Commissions payable	10,423	10,849
Total Current Liabilities	<u>165,035</u>	<u>61,846</u>
Due to related party	283,808	66,303
Deferred revenue	75,978	44,935
Total Liabilities	<u>524,821</u>	<u>173,084</u>
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred stock - 200,000,000 shares authorized, no par value; no shares issued or outstanding	-	-
Common stock - 750,000,000 shares authorized, \$.001 par value; 22,301,425 and 18,073,500 shares issued and outstanding respectively	22,301	18,073
Additional paid-in capital	1,495,082	846,025
Less: Subscription receivable	(10,000)	-
Accumulated (deficit)	<u>(1,627,813)</u>	<u>(825,261)</u>
Total Stockholders' Equity (Deficit)	<u>(120,430)</u>	<u>38,837</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 404,391</u>	<u>\$ 211,921</u>

"Attention is directed to the Independent Auditors' Report and accompanying notes to these financial statements"

GLOBALTEL IP, INC.

STATEMENTS OF OPERATIONS

For the Years Ended September 30,

	<u>2006</u>	<u>2005</u>
Revenue	\$ 1,806,193	\$ 268,783
Cost of Revenue	<u>1,444,422</u>	<u>184,538</u>
Gross Profit	<u>361,771</u>	<u>84,245</u>
Operating Expenses:		
Selling expenses	168,831	56,560
Administrative expenses	838,731	382,328
Research and development	113,464	5,337
Depreciation	<u>42,997</u>	<u>10,645</u>
Total Operating Expenses	<u>1,164,023</u>	<u>454,870</u>
Other Income (Expenses)	<u>(300)</u>	<u>-</u>
NET (LOSS)	<u>\$ (802,552)</u>	<u>\$ (370,625)</u>
(Loss) per Common Share		
Basic & Diluted	<u>\$ (0.04)</u>	<u>\$ (0.03)</u>

"Attention is directed to the Independent Auditors' Report and accompanying notes to these financial statements"

GLOBALTEL IP, INC.**STATEMENTS OF CASH FLOWS**
For the Years Ended September 30,

	<u>2006</u>	<u>2005</u>
NET LOSS	\$ (802,552)	\$ (370,625)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	42,997	10,645
Change in allowance for bad debt	3,200	500
Stock and warrants exchanged for services	32,700	12,435
(Increase) decrease in assets:		
Accounts receivable	(41,928)	(3,010)
Prepaid expenses	(52,981)	1,027
Inventory	1,673	(1,673)
Other assets	(2,000)	-
Increase (decrease) in liabilities:		
Accounts payable	79,523	25,688
Accrued expenses	24,092	36,158
Commissions payable	(426)	-
Deferred revenue	31,043	44,935
Due to related party	217,505	66,303
Net Cash (Used in) Operating Activities:	<u>(467,154)</u>	<u>(177,617)</u>
Cash Flows From Investing Activities:		
Purchase of property and equipment	<u>(216,431)</u>	<u>(35,198)</u>
Net Cash (Used in) Investing Activities:	<u>(216,431)</u>	<u>(35,198)</u>
<i>Sub-Totals</i>	<u>\$ (683,585)</u>	<u>\$ (212,815)</u>

(CONTINUED)

"Attention is directed to the Independent Auditors' Report and accompanying notes to these financial statements"

GLOBALTEL IP, INC.

STATEMENTS OF CASH FLOWS - (Continued)

For the Years Ended September 30,

	<u>2006</u>	<u>2005</u>
<i>Sub-totals from previous page</i>	\$ (683,585)	\$ (212,815)
Cash Flows From Financing Activities:		
Proceeds from issuance of common stock, warrants and options	<u>590,000</u>	<u>326,000</u>
Net Cash Provided by Financing Activities:	<u>590,000</u>	<u>326,000</u>
Net (Decrease) Increase In Cash	(93,585)	113,185
Cash - Beginning of Period	<u>113,185</u>	<u>-</u>
Cash - End of Period	<u>\$ 19,600</u>	<u>\$ 113,185</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

The Company issued 7,000,000 shares in 2005 for \$70,000 in equipment and software in connection with an Asset Purchase Agreement with Interactive Media Technologies, Inc., (IMT) a related party.

The Company issued 102,925 shares during the year ended September 30, 2006 to purchase software valued at \$20,585 from IMT, a related party.

The Company issued 893,500 shares during the year ended September 30, 2005 for services to non-employees.

The Company issued 500,000 shares during the year ended September 30, 2006 to a former officer of the Company for services performed during its development stage valued at \$5,000.

"Attention is directed to the Independent Auditors' Report and accompanying notes to these financial statements"

GLOBALTEL IP, INC.

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common stock		Additional paid-in capital	Stock Subscription Receivable	Accumulated Deficit	Total
	Shares	Amount				
BALANCE AT SEPTEMBER 30, 2004	6,920,000	\$ 6,920	\$ 448,743	\$ -	\$ (454,636)	\$ 1,027
Shares issued for cash	3,260,000	3,260	322,740	-	-	326,000
Shares issued for non-employee services	893,500	893	8,042	-	-	8,935
Warrants issued for non-employee services	-	-	3,500	-	-	3,500
Shares issued for assets	7,000,000	7,000	63,000	-	-	70,000
Net (Loss) year ending September 30, 2005	-	-	-	-	(370,625)	(370,625)
BALANCE AT SEPTEMBER 30, 2005	18,073,500	18,073	846,025	-	(825,261)	38,837
Shares issued for cash	3,625,000	3,625	596,375	(10,000)	-	590,000
Shares issued for non-employee services	500,000	500	4,500	-	-	5,000
Warrants issued for non-employee services	-	-	27,700	-	-	27,700
Shares issued for assets	102,925	103	20,482	-	-	20,585
Net (Loss) year ending September 30, 2006	-	-	-	-	(802,552)	(802,552)
BALANCE AT SEPTEMBER 30, 2006	<u>22,301,425</u>	<u>\$ 22,301</u>	<u>\$ 1,495,082</u>	<u>\$ (10,000)</u>	<u>\$ (1,627,813)</u>	<u>\$ (120,430)</u>

"Attention is directed to the Independent Auditors' Report and accompanying notes to these financial statements"

F-17

GLOBALTEL IP, INC.

Notes to Financial Statements

September 30, 2006 and 2005

NOTE 1 - ORGANIZATION, CAPITALIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

GlobalTel IP, Inc. (the "Company") formerly CNE Industries, Inc., was incorporated in the state of Florida on November 11, 1999. Originally formed as a developer of unique websites, the Company ceased operations in 2002. In 2005, the Company became a provider of Voice Over Internet Protocol (VOIP) services and an authorized re-seller of international pre-paid telecommunication services through Interactive Media Technologies, Inc. ("IMT"), a related party.

USE OF ESTIMATES

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and operations for the reporting period. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

CASH AND CASH EQUIVALENTS

For financial statement purposes, the Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company did not own any cash equivalents at September 30, 2006 or 2005.

ACCOUNTS RECEIVABLE

The Company provides an allowance for uncollectible accounts based upon a periodic review and analysis of outstanding accounts receivable balances. Uncollectible receivables are charged to the allowance when deemed uncollectible. Recoveries of accounts previously written off are used to credit the allowance account in the periods in which the recoveries are made. The Company provided an allowance for doubtful accounts of \$3,200

for the year ending September 30, 2006, and \$500 for the year ending September 30, 2005.

LONG-LIVED ASSETS

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of long-lived assets. If and when such factors, events or circumstances indicate possible impairment to long lived-assets the Company would make an estimate of undiscounted cash flows over the remaining lives of the respective assets in measuring recoverability from future operations.

F-18

CONCENTRATION OF CREDIT RISK

The Company currently maintains cash balances at one banking institution. Balances maintained are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. From time to time, the Company maintained cash balances in excess of federally insured limits. At September 30, 2006, cash balances did not exceed existing insured FDIC limits. At September 30, 2005, cash balances in excess of insured FDIC limits totaled \$13,185

MAJOR SUPPLIER

During the years ended September 30, 2006 and 2005, the Company had one major supplier (IMT, a related party). During the years ended September 30, 2006 and 2005 IMT represented approximately 95% and 100% respectively of total carrier costs for VOIP services.

RESEARCH AND DEVELOPMENT COSTS

The Company expenses research and development costs as incurred. For the years ended September 30, 2006 and 2005 the Company had \$113,464 and \$5,337 in R&D expenditures respectively.

COMPREHENSIVE INCOME

Statement of financial accounting standards No. 130, Reporting comprehensive income (SFAS No. 130), establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity, except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS No. 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in financial statements that are displayed with the same prominence as other financial statements. The Company had no comprehensive income during the years ended September 30, 2006 and 2005.

REVENUE RECOGNITION AND DEFERRED REVENUES

The Company's revenue recognition policies are in compliance with Staff accounting bulletin (SAB) 104. The Company recognizes sales from telecommunications services as services are provided. Payments are made at the customer's own discretion, primarily through a web-based payment system. Services consist primarily of VoIP telecommunication measured in units of time and therefore the primary criterion for the recognition of revenues is the usage of time by customers. Payments received in advance before the relevant criteria for revenue recognition are satisfied are recorded as deferred revenue. Cost of revenue includes the cost of capacity associated with the revenue recognized within the corresponding time period.

NOTE 1 - ORGANIZATION, CAPITALIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EARNINGS PER SHARE

Basic income (loss) per common share is calculated using the weighted average number of shares outstanding during the periods reported. Diluted earnings per share include the weighted average effect of all dilutive securities outstanding during the periods presented. Diluted per share loss is the same as basic per share loss when there is a loss from continuing operations. Accordingly, for purposes of dilutive earnings

per share, the Company excluded the effect of warrants and options as of September 30, 2006 and 2005 for 2,312,500 and 350,000 shares, respectively.

F-19

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash, accounts receivable, accounts payable and accrued expenses, deferred liabilities and due from related party. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. For financial statement purposes depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the asset.

Expenditures for replacements, maintenance and repairs that do not extend the lives of the respective assets are charged to expense as incurred. When assets are retired, sold or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are recognized.

INCOME TAXES

The Company recognizes income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a tax rate change on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date. The Company records valuation allowance to reduce net deferred tax assets to the amount considered more likely than not to be realized. Changes in estimates of future taxable income can materially change the amount of such valuation allowances.

STOCK-BASED COMPENSATION

Prior to January 1, 2006, the Company accounted for stock-based awards under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" using the intrinsic value method of accounting, under which compensation expense was only recognized if the exercise price of the Company's employee stock options was less than the market price of the underlying common stock on the date of grant. The Company also had adopted the disclosure-only alternative of SFAS No. 123, Accounting for Stock-Based Compensation ("SFAS 123") and SFAS No. 148, Accounting for Stock-Based Compensation -- Transition and Disclosure. In March 2005 the SEC issued SAB No. 107, Share-Based Payment ("SAB 107") which provides guidance regarding the interaction of SFAS 123R and certain SEC rules and regulations. The Company has applied the provisions of SAB 107 in its adoption of SFAS 123R.

F-20

Effective January 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123R "Share Based Payments" using the modified retrospective transition method. SFAS 123R requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods. The Company has estimated the fair value of each award as of the date of grant or assumption using the Black-Scholes option pricing model, which was developed for use in estimating the value of traded options that have no vesting restrictions and that are freely transferable. The Black-Scholes option pricing model considers, among other factors, the expected life of the award and the expected volatility of the Company's stock price.

COMPENSATED ABSENCES

The Company does not accrue for compensated absences and recognizes the costs of compensated absences when actually paid to employees. Accordingly, no liability for such absences has been recorded in the accompanying financial statements. Management believes the effect of this policy is not material to the accompanying financial statements.

ADVERTISING COSTS

Advertising costs are expensed as incurred. The Company had advertising costs of \$22,279 during the year ended September 30, 2006. No advertising costs were incurred during the year ended September 30, 2005.

NOTE 2 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

SFAS No. 153

SFAS No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB opinion No. 29," was issued in December 2004. This statement amends and clarifies financial accounting for nonmonetary exchanges. The amendments eliminate certain previous exceptions to the use of fair value and are intended to improve the comparability of cross-border financial reporting by narrowing the differences with existing International Accounting Standards Board standards. This statement is effective for the third quarter of 2005. The Company had no qualifying exchanges impacted by the adoption of this standard during the relevant period. Our adoption of SFAS 153 is not expected to have a material impact on our financial position, results of operations or cash flows.

SFAS No. 154

On June 1, 2005, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards, or SFAS, No. 154, "Accounting Changes and Error Corrections, a replacement of APB Opinion No. 20 and FASB Statement No. 3". SFAS 154 applies to all voluntary changes in accounting principle and to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. APB, Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. SFAS 154 requires retrospective application to prior periods' financial statements of changes in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

F-21

When it is impracticable to determine the period-specific effects of an accounting change on one or more individual prior periods presented, SFAS 154 requires that the new accounting principle be applied to the balances of assets and liabilities as of the beginning of the earliest period for which retrospective application is practicable and that a corresponding adjustment be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period rather than being reported in the statement of operations.

When it is impracticable to determine the cumulative effect of applying a change in accounting principle to all prior periods, SFAS 154 requires that the new accounting principle be applied as if it were adopted prospectively from the earliest date practicable. SFAS 154 redefines restatement as the revising of previously issued financial statements to reflect the correction of an error. SFAS 154 also requires that a change in depreciation, amortization, or depletion method for long-lived, non-financial assets be accounted for as a change in accounting estimate effected by a change in accounting principle. SFAS 154 applies to accounting changes and error corrections that are made in fiscal years beginning after December 15, 2005. The Company had no qualifying changes in its accounting policies, thus accordingly, SFAS 154 did not have a material impact on our financial position, results of operations or cash flows.

SFAS No. 155

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments". SFAS No. 155 amends SFAS No 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAF No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". SFAS No. 155, permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interest in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends SFAS No. 140 to eliminate the prohibition on the qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is effective for all financial instruments acquired or issued after the beginning of the Company's first fiscal year that begins after September 15, 2006.

SFAS No. 156

In March 2006 FASB issued SFAS 156 'Accounting for Servicing of Financial Assets' this Statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. Management believes that this statement will not have a significant impact on the financial statement for the fiscal year that ends September 30, 2007, the first period which corresponds to the Company's adoption of this Statement.

F-22

NOTE 3 - GOING CONCERN

During the years ended September 30, 2006 and 2005, and since inception, the Company has experienced cash flow problems. From time-to-time, the Company has experienced difficulties meeting its obligations as they became due. As reflected in the financial statements, the Company incurred net losses of approximately \$802,000 and \$371,000 for the years ended September 30, 2006 and 2005, respectively. These matters raise substantial doubt about the Company's ability to continue as a going concern.

In fiscal year 2005 the Company entered into a new business (VoIP) and during fiscal year 2006 made changes to its business plan to shift from retail customers to larger wholesale clients and to broaden its network of carriers. These changes and increases in research and development expenses required the Company to rely on equity and debt financing to supplement cash flow from operations. Management believes efforts to expand its services, recruitment of new agents and resellers and anticipated increases in revenue will enable it to alleviate some of the liquidity and profitability issues above.

However, the Company anticipates that it will have to continue to rely on periodic infusions of equity capital and/or substantial credit facilities to meet its financial obligations for the foreseeable future until such time as positive cash flows from operations can be generated.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classifications of liabilities that might be necessary should the Company be unable to continue its existence.

NOTE 4 - PROPERTY AND EQUIPMENT

The Company's property and equipment as of September 30, 2006 and 2005 consists of the following:

	2006	2005	ESTIMATED USEFUL LIFE (IN YEARS)
Software	\$73,473	\$52,000	4

Network equipment	93,059	25,500	5
VOIP equipment and software	163,864	24,463	5
Office equipment and furniture	<u>11,817</u>	<u>3,235</u>	5
	<u>342,213</u>	<u>105,198</u>	
<i>Less accumulated depreciation</i>	<u>(53,641)</u>	<u>(10,645)</u>	
Net property and equipment	<u>\$288,572</u>	<u>\$94,553</u>	

Depreciation expense totaled \$42,997 and \$10,645 for the years ended September 30, 2006 and 2005, respectively.

F-23

NOTE 5 - DEFERRED INCOME TAXES

For Federal income tax purposes, the Company's net operating losses available to offset future federal taxable income of approximately \$1,629,000, subject to limitations, expire at various times through 2025. Net deferred income tax asset as of September 30, 2006 and 2005 consists of the following:

	2006	2005
Deferred income tax asset arising from net operating loss carryforward	\$652,000	\$330,000
<i>Less valuation allowance</i>	<u>(652,000)</u>	<u>(330,000)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

NOTE 6 - EQUITY TRANSACTIONS

Common Stock

During the year ended September 30, 2006, the Company sold 3,625,000 shares of common stock for cash at share prices ranging from \$.10 to \$.20 per share. In addition, the Company issued 500,000 restricted shares to an officer of the Company for services rendered during its development stage valued at \$5,000 and issued 102,925 shares of common stock to IMT, a related party, as consideration for the purchase of equipment and software valued at \$20,585, the net book value at the time of purchase.

During the year ended September 30, 2005, the Company sold 3,260,000 for cash for a share price of \$.10 each. A total of 893,500 shares were issued for services to non-employees. Additionally, the Company issued 7,000,000 shares of common stock for assets related to initial development of its VOIP business valued at \$70,000 in accordance with the terms of an Asset Purchase Agreement dated February 25, 2005 between the Company and IMT.

Stock Options

During the year ended September 30, 2006 the Company adopted the GlobalTel IP, Inc. 2005 Incentive Equity Plan (the "Plan") allocating up to five million shares of the Company's common stock to offer incentives to key employees, contractors, directors and officers. On February 28, 2006, the Board of Directors, pursuant to the Plan, granted 1,850,000 options to eight individuals at an exercise price of \$.22. The options vest upon issuance and expire on March 1, 2010.

Under the provisions of FAS 123(R), the fair value of the stock option grant was estimated on the date of the grant using the Black Scholes Merton Option pricing model with the following assumptions: risk-free interest rate of 5.50%; expected dividend yield of 0%; expected life of 1 year; and expected volatility of 20%. The fair value of the options and resulting compensation expense for the reward was \$23,075.

No options were exercised or cancelled during the year ended September 30, 2006.

F-24

Warrants Issued to Consultants

During the year ended September 30, 2006 the Company issued warrants to non-employees to purchase 462,500 shares of common stock in exchange for services rendered as follows:

Date	# of Warrants	Value	Exercise Price	Expiring
11/30/05	125,000	\$ 1,250	\$ 0.12	12/31/08
11/30/05	25,000	\$ 250	\$ 0.20	12/31/08
12/15/06	200,000	\$ 2,000	\$ 0.20	12/31/08
06/16/06	112,500	\$ 1,125	\$ 0.22	12/31/08

During the year ended September 30, 2005 the Company issued warrants to non-employees to purchase 350,000 shares of common stock in exchange for services rendered as follows:

Date	# of Warrants	Value	Exercise Price	Expiring
07/12/05	50,000	\$ 500	\$ 0.12	12/31/08
07/12/05	50,000	\$ 500	\$ 0.20	12/31/08
07/26/05	150,000	\$ 1,500	\$ 0.20	12/31/08
09/06/05	100,000	\$ 1,000	\$ 0.22	12/31/08

No warrants were exercised or cancelled during the year ended September 30, 2006. In September 2006, the Company extended the expiration date on all outstanding warrants.

The Company accounted for these transactions pursuant to FASB 123(R) and EITF 96-18. Costs are measured at the estimated fair market value of the consideration received or equities issued which ever is more readily determinable. Accordingly, due to the lack of marketability of its equities at the time the warrants and shares were issued, the Company valued these transactions at the estimated value of the services received.

F-25

NOTE 7 - RELATED PARTY TRANSACTIONS

The Company purchased assets related to development of its VOIP business from IMT valued at \$70,000. The Company issued 7,000,000 shares of common stock for these assets and other consideration as defined under the terms of an Asset Purchase Agreement dated February 25, 2005 between the Company and IMT. The Company is also obligated under two property sub-lease agreements to IMT. (Note 8)

The Company has engaged two consultants who are also officers and shareholders. Non-employee cash compensation paid to these individuals totaled \$0 and \$48,000 for the years ended September 30, 2006 and 2005, respectively.

The Company's former Chairman and CEO, who holds like positions with IMT was issued 500,000 restricted shares of the Corporation's common stock on December 15, 2005 for services rendered to the Company during its development stage.

NOTE 8 - OBLIGATIONS UNDER OPERATING LEASES

The Company currently sub-leases all of its operating and office facilities from IMT (a related party) who also supplies the Company with certain administrative, billing, marketing and web site and software support under a separate agreement.

Under its Office Lease Agreement with IMT the Company is obligated to pay \$3,500 per month through the end of the lease term in March 2007. Additionally, under its current Co-Location Lease Agreement the Company is obligated to pay \$1,850 per month through the end of the lease term in February 2007.

Rental expense incurred during the years ended September 30, 2006 and 2005 was \$32,700 and \$11,700, respectively.

NOTE 9 - CONTINGENCIES

On June 1, 2006, the Company entered into an agreement with an international financial consulting firm which was scheduled to commence in the fourth quarter of its fiscal year ending September 30, 2006. The agreement provides compensation which includes the issuance of up to 96,000 shares of common stock of the Company over the one-year term of the agreement. The Company is attempting to renegotiate the terms of this agreement or to induce performance under its original terms. The Company will record the cost of any stock which may be paid in the future for these services in accordance with SFAS 123R and EITF No. 96-18. As of the September 30, 2006 no shares have been issued or demanded

pursuant to this agreement. Currently management can not estimate the outcome of this contingent obligation and has not recorded any liability related to its obligations under this consulting arrangement.

F-26

NOTE 10 - REGULATORY MATTERS

The telecommunications industry is subject to federal, state and local regulations. Additionally, the Company operates in several foreign countries. Any change in those regulations or enforcement of those regulations could impact the Company's future ability to continue its current operations.

NOTE 11- SUBSEQUENT EVENTS

Subsequent to year end, the Company issued three convertible debentures totaling \$225,000. The notes bear interest of 10% annually payable at the end of each quarter beginning on December 31, 2006. The notes mature on December 31, 2008, however the Holders of the debentures may, at any time prior to maturity, convert the outstanding principle and interest due, if any, on the notes to common stock of the Company at an exercise price of \$.75 per share.

In October 2006, 72,656 shares were issued to non-employees for services related to advertising and consulting. The services were valued at approximately \$14,500. Approximately \$5,550 of these fees were included in accounts payable at year-end.

F-27

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The registrant had agreed to indemnify its executive officers and directors the fullest extent permitted by the Florida Business Corporation Act. That Act permits the registrant to indemnify any person who is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the registrant or in its right) by reason of the fact that the person is or was an officer or director or is or was serving our request as an officer or director. The indemnity may include expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit or proceeding, provided that he acted in good faith and in a manner he reasonably believed to be in or not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The registrant may indemnify officers and directors in an action by the Registrant or in its right under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the registrant. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the registrant must indemnify him against the expenses which he actually and reasonably incurred. The foregoing indemnification provisions are not exclusive of any other rights to which an officer or director may be entitled under a our bylaws, by agreement, vote, or otherwise.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The expenses to be paid by the registrant in connection with this offering are as follows. All amounts other than the Securities and Exchange Commission registration fee are estimates.

Securities and Exchange Commission registration fee	\$336.83
Printing and engraving	\$1,250
Accounting and auditing fees and expenses	\$15,000
Legal fees and expenses	\$47,000
Blue sky fees and expenses	\$500
Transfer agent fees	\$250
Miscellaneous	\$663.17

Total.....	\$65,000
	=====

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

From June 2005 to September 2005, the registrant sold an aggregate of 3,260,000 shares of common stock to 15 private investors and warrants to purchase 50,000 shares to one private investor for an aggregate of \$326,000. The warrants are exercisable at \$.20 per share and expire on July 12, 2007.

In February 2005, pursuant to an Asset Purchase Agreement with Interactive Media Technologies, Inc. ("IMT"), the registrant issued 7,000,000 shares of its common stock to IMT. The assets purchased consisted primarily of hardware and software which the registrant valued at \$70,000.

In March 2006, in consideration for consulting services, the registrant issued options for the purchase of 250,000, 150,000 and 150,000 shares of its common stock each to Amar Behura, Sudhir Kumar and Mamata Tripathy at \$.22 per share. The options expire in February 2010.

In June 2005, the registrant issued 25,000 shares of its common stock to Dominic Albi for financial advisory services.

In September 2005, the registrant issued 668,500 shares of its common stock to Michael J. Gutowski for consulting services and 200,000 shares of its common stock to Jonathan B. Reisman for legal services.

From July 2005 to June 2006, the registrant issued warrants to Dominic Albi to purchase 425,000 shares of its common stock at \$.12 per share and 112,500 shares of its common stock at \$.22 per share as partial consideration for introducing certain private investors to the registrant. The warrants expire from on December 31, 2008.

In November 2005, the registrant sold an aggregate of 1,250,000 shares of its common stock and warrants to purchase 25,000 shares of its common stock to three private investors for \$125,000. The warrants are exercisable at \$.20 per share and expire on December 31, 2008.

In December 2005, the registrant issued 500,000 shares of its common stock to Steven M. Williams as payment for his salary of \$5,000.

In December 2005, the registrant issued warrants for the purchase of an aggregate of 200,000 shares of common stock to two financial advisors for services rendered. The warrants are exercisable at \$.20 per share and expire on December 31, 2008.

In January and February 2006, the registrant sold an aggregate of 875,000 shares of its common stock to five private investors for \$175,000.

In March 2006, pursuant to a second Asset Purchase Agreement with IMT, the registrant issued 102,925 shares of its common stock to IMT. The assets purchased consisted of hardware which the registrant valued at \$20,585.

In April and June 2006, the registrant sold an aggregate of 1,500,000 shares of its common stock to two private investors for \$300,000.

From October to December 2006, the registrant issued its convertible debentures in the aggregate amount of \$225,000 to three private investors for an aggregate of \$225,000. The debentures mature on December 31, 2008, bear interest at the annual rate of 10% and are convertible into the registrant's common stock at \$.75 per share, subject to adjustment as provided in the debentures.

During the three months ended December 31, 2006, the registrant issued an aggregate of 232,656 shares of its common stock to four individuals for consulting and professional services totaling \$22,531, the estimated value for the services received.

In February and March 2007, the registrant sold an aggregate of 1,050,000 shares of its common stock to five private investors for \$210,000.

In March 2007, the registrant issued warrants to its financial advisor and consultant to purchase 425,000 shares of its common stock at \$.22 per share. The warrants expire on December 31, 2009.

In April, May and June 2007, the registrant sold 3,062,500 shares of its common stock to 13 private investors for \$612,500.

In June 2007, the registrant issued 9,000 shares of common stock to the three members of its advisory board for attendance at meetings.

There were no principal underwriters.

The registrant claimed exemption from the registration provisions of the Securities Act of 1933 with respect to the securities pursuant to Section 4(2) thereof inasmuch as no public offering was involved. The shares were not offered or sold by means of: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium, or broadcast over television or radio, (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising, or (iii) any other form of general solicitation or advertising and the purchases were made for investment and not with a view to distribution. Each of the purchasers was, at the time of the purchaser's respective purchase, an accredited investor, as that term is defined in Regulation D under the Securities Act of 1933, and had access to sufficient information concerning the registrant and the offering.

ITEM 27. EXHIBITS.

- 3.01 Articles of Incorporation.(1)
- 3.02 Articles of Amendment to Articles of Incorporation filed March 12, 2001.(1)
- 3.03 Articles of Amendment to Articles of Incorporation filed October 4, 2004.(1)

- 3.04 Articles of Amendment to Articles of Incorporation filed March 31, 2005.(1)
- 3.05 Bylaws. (1)
- 4.01 Form of Specimen Stock Certificate for the registrant's Common Stock. (1)
- 4.02 GlobalTel IP, Inc. 2005 Incentive Equity Plan. (1)
- 4.03 Form of option issued pursuant to GlobalTel, Inc. 2005 Incentive Equity Plan.(1)
- 4.04 Convertible Debenture in the principal amount of \$100,000 issued to Judith Holding Ltd. (2)
- 4.05 Convertible Debenture in the principal amount of \$100,000 issued to Josephine and Santo Sciarrino. (2)
- 4.06 Convertible Debenture in the principal amount of \$25,000 issued to James Drew. (2)
- 5.01 Opinion of Reisman & Associates, P.A. regarding legality of securities being registered. (3)
- 10.01 Asset Purchase Agreement of February 25, 2005 by and between Interactive Media Technologies, Inc. and the registrant. (1)
- 10.02 Asset Purchase Agreement of March 8, 2006 by and between Interactive Media Technologies, Inc. and the registrant. (1)
- 10.03 Software Support Agreement of March 1, 2005 by and between Interactive Media Technologies, Inc. and the registrant and related Software Support Order. (1)
- 10.04 Software Support Agreement of March 1, 2006 by and between Interactive Media Technologies, Inc. and the registrant and related Software Support Order. (1)
- 10.05 Office Lease Agreement of April 1, 2005 by and between Interactive Media Technologies, Inc. and the registrant. (1)
- 10.06 Co-Location Lease Agreement of March 1, 2006 by and between Interactive Media Technologies, Inc. and the registrant. (1)
- 10.07 Co-Location Lease Agreement of April 15, 2005 by and between Interactive Media Technologies, Inc. and the registrant. (1)

- 10.08 Office Lease Agreement of April 1, 2006 by and between Interactive Media Technologies, Inc. and the registrant. (1)
- 10.09 Management Agreement as of June 16, 2006 by and between the registrant and Tremont Ventures, LLC. (1)
- 10.10 Consulting Agreement as of March 1, 2006 by and between the registrant and Cofrec, Inc. (2)
- 10.11 Consulting Agreement as of March 1, 2006 by and between the registrant and Mamata Tripathy. (2)
- 10.12 Consulting Agreement as of March 1, 2006 by and between the registrant and Amar Behura. (2)
- 10.13 Consulting Agreement as of March 1, 2006 by and between the registrant and Sudhir Kumar. (2)
- 10.14 Software End User License Agreement of January 5, 2006 by and between the registrant and PortaOne, Inc. (2)
- 10.15 Agreement of February 27, 2007 by and between Interactive Media Technologies, Inc. and the registrant. (2)
- 10.16 Agreement of June 6, 2007 between Tremont Ventures LLC and the registrant. (3)
- 10.17 Lease Agreement of July 1, 2007 between BGNP Associates, LLC and the Registrant. (3)
- 10.18 Warrants issued to Dominick Albi, Joseph Conti, Joseph Giuliano and Dino Natali. (3)
- 23.01 Consent of Reisman & Associates, P.A. The consent of Reisman & Associates, P.A. is set forth in Exhibit 5.01. (3)

- (1) Filed as an exhibit to the registrant's registration statement on Form SB-2 and hereby incorporated by reference.
- (2) Filed as an exhibit to Amendment No. 2 to the registrant's registration statement on Form SB-2 and hereby incorporated by reference.
- (3) Filed herewith.

ITEM 28. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement to:

- (i) include any prospectus required by Section 10(a)(3) of the Securities Act;
- (ii) except as otherwise permitted by Item 512 (a)(1)(ii) of Regulation S-B, reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement; and
- (iii) include any additional or changed material information on the plan of distribution.

(2) For determining liability under the Securities Act, each such post-effective amendment shall be treated as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial *bona fide* offering

(3) To file a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

For determining liability of the undersigned small business issuer under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned small business issuer undertakes that in a primary offering of securities of the undersigned small business issuer pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned small business issuer will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned small business issuer relating to the offering required to be filed pursuant to Rule 424 (§230.424 of this chapter);
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned small business issuer or used or referred to by the undersigned small business issuer;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned small business issuer or its securities provided by or on behalf of the undersigned small business issuer; and
- (iv) Any other communication that is an offer in the offering made by the undersigned small business issuer to the purchaser.

Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of

expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form SB-2 and has authorized this registration statement to be signed on its behalf by the undersigned, in the City of Boca Raton, State of Florida, on the third day of July, 2007.

GlobalTel IP, Inc.

/s/ Larry M. Reid

By: Larry M. Reid, Chief Executive Officer

In accordance with the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Larry M. Reid</u> Larry M. Reid	Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer and Director	July 3, 2007
<u>/s/ Michael J. Gutowski</u> Michael J. Gutowski	Director	July 3, 2007

LAW OFFICES
REISMAN & ASSOCIATES, P.A.
6975 NW 62nd Terrace
Parkland, Florida 33067

Writer's email: jbreisman@comcast.net

Telephone 954-344-0809

Facsimile 309-402-2342

July 3, 2007

Globaltel IP, Inc..
7999 Federal Highway
Boca Raton, FL 33487

Dear Sir or Madam:

We have acted as counsel to Globaltel IP, Inc., a Florida corporation (the "Company"), in connection with the preparation of a Registration Statement on Form SB-2, File No. 3333-135585 (as amended, the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933 (the "Act"), relating to the offer and sale or distribution by selling shareholders of up to 12,825,425 shares of common stock, par value \$.0001 per share of the Company (the "Selling Stockholders' Shares") and the offer and sale by the Company of up to 812,500 of such shares upon the exercise of outstanding common stock purchase warrants (the Warrant "Shares").

In connection with this opinion, we have reviewed originals or copies of the following documents: (a) the Registration Statement and the exhibits thereto, (b) the Articles of Incorporation of the Company, (c) the Bylaws of the Company, (d) certain records of the Company's corporate proceedings and (e) such statutes, records and other documents as we have deemed relevant or necessary for the purpose of this opinion.

In rendering our opinion herein, the documents we have examined were originals or copies, certified or otherwise identified to our satisfaction. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic originals of all documents submitted to us as copies. As to questions of fact material to our opinion, we have relied upon statements and certificates of the Company or of government or other officials.

Based on the foregoing, we are of the opinion that the Selling Stockholders' Shares have been legally issued and are fully paid and non-assessable and that the Warrant Shares, when issued and paid for in accordance with the provisions of the corresponding common stock purchase warrants will be legally issued and are fully paid and non-assessable.

REISMAN & ASSOCIATES, P.A.

July 3, 2007

Page 2

The opinions expressed herein are limited to the laws of the State of Florida and we express no opinion with respect to the laws of any other country, state or jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the caption "Legal Matters" therein. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Reisman & Associates, P.A.

GlobalTel IP, Inc.
7999 N Federal Highway Suite 401
Boca Raton, FL 33487

June 6, 2007

Tremont Ventures LLC
515 Madison Ave #3200
New York, NY 10022

Gentlemen:

Reference is made to the Management Agreement by and between us made as of June 1, 2006. This confirms our agreement to terminate the Management Agreement and to relieve and release both of us of any past, present or future obligation thereunder.

If the foregoing reflects your agreement, please sign and return this letter to GlobalTel IP, Inc.

Very truly yours,

/s/ Larry M. Reid

GlobalTel IP, Inc.
By: Larry M. Reid
President & CEO

Agreed and accepted this 6th day of June 2007

/s/ Robert Seaman

Tremont Ventures LLC
By: Robert Seaman
Co-Managing Member

LEASE AGREEMENT

between

BGNP Associates, LLC

and

GLOBALTEL IP, INC.

Dated: July 1, 2007

Suite 100

8000 Building
8000 North Federal Highway
Boca Raton, FL 33487

SUMMARY OF LEASE

THIS DOCUMENT IS MERELY A SUMMARY AND ANY PROVISIONS OF THE LEASE AND OTHER AGREEMENTS BETWEEN LANDLORD AND TENANT SHALL PREVAIL OVER CONFLICTING PROVISIONS CONTAINED HEREIN.

(A) LANDLORD'S MAILING ADDRESS: BGNP Associates, LLC
8000 N Federal Hwy, #200
Boca Raton, FL 33487

(B) TENANT'S NAME: GlobalTec IP, Inc.
MAILING ADDRESS: 8000 North Federal Highway,
Suite 100
Boca Raton, BB487

(C) DEMISED PREMISES: 8000 North Federal Highway,
Suite 100
Boca Raton, FL 33487

RENTABLE SQUARE FOOTAGE: 1840 square Feet

(D) TERM: 48 Months

(E) COMMENCEMENT DATE: July 1, 2007

OCCUPANCY DATE: July 1, 2007

EXPIRATION DATE: 48 Months from Commencement Date

(F) BASE RENT: \$27.00 per (R.S.F. x 1.2) = 2208 s.f. (including CAM), then adjusted after 12 months by 3% on the base rent.

<u>LEASE TERM</u>	<u>ANNUAL BASE RENT</u>	<u>MONTHLY INSTALLMENT</u>
1 through 12 Months	\$640.00	\$ 4970.00
13 through 24 Months	\$429.20	\$ 5119.10
25 through 36 Months	\$272.04	\$ 5272.67
37 through 48 Months	\$170.20	\$ 5430.85

(G) ADDITIONAL CHARGES: ADDENDUM D: To be determined at later date and added as part of the lease.

(H) INTERIM OPERATING EXPENSES: \$0.00 P.S.F. (estimated)

(I) SECURITY/LAST MO. DEPOSIT: \$4970.00/\$2500.00

(J) PERMITTED USE.: General Office

(K) EXHIBITS: A,B,C & D

Please make all checks payable to BGNP Associates, LLC
8000 N Federal Hwy #200
Boca Raton, Florida 33487

INSURANCE CERTIFICATES SHALL INCLUDE **BGNP Associates, LLC** AS AN ADDITIONAL INSURED ON ALL INSURANCE POLICIES.

LEASE AGREEMENT

THIS LEASE AGREEMENT (herein after referred to as the "Lease:") is made and entered into as of the 1st day of July, 2007 by and between BGNP Associates, LLC, a Florida limited partnership (hereinafter referred to as "Landlord") and GlobalTel IP, Inc, a Florida Corporation (herein referred to as "Tenant").

W I T N E S S E T H:

THAT LANDLORD, in consideration of the rents and agreements hereafter promised and agreed by Tenant to be paid and performed, does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the real property described herein, subject to the following terms.

ARTICLE I

DESCRIPTION OF PROPERTY; TERM

Section 1.1 Description of Property. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following space: approximately 1840 rentable square feet (hereinafter called the "Demised Premises" or "Premises") approximately as shown on **Exhibit "A"** attached hereto and made a part of this Lease, in the building known as 8000 Building, located at 8000 North Federal Highway, Suite 100, Boca Raton, Florida 33487, (hereinafter called the "Building"), together with the right to use in common with other tenants of the Building, their invitees, customers and employees, the lobby areas, stairways, elevators, hallways, lavatories and all other common facilities contained in the Building and the general parking area throughout. All of the land and real property underlying the Building or adjacent thereto, with all improvements thereto including the Building, and used in connection with the operation of the Building shall be referred to herein as the "Property".

Section 1.2 Term. Tenant shall have and hold the Premises for a term of forty-eight (48) months (hereinafter referred to as the "Term" or "Lease Term"), commencing upon completion of Tenant improvements (the "Commencement Date") on July 1, 2007 and expiring June 30, 2011, forty-eight (48) months thereafter (the "Expiration Date"). If the Term of this Lease commences on any day of the month other than the first day, rent from such date to the end of such month shall be prorated according to the number of days in such month and paid on a per diem basis, in advance, on or before the Commencement Date. Tenant agrees that it will execute prior to occupancy, an Estoppel Certificate in the form attached hereto as **Exhibit "B"**, as modified by Tenant to make the statements contained herein accurate. Tenant's failure or refusal to execute said Estoppel Certificate shall constitute a default hereunder.

3

ARTICLE II

BASE RENT

Section 2.1 Base Rent; Late Charge; NSF Fees; Sales Tax. Tenant agrees to pay Landlord an aggregate base rent for the first year of the Lease Term in the amount of \$59,640.00 (the "Base Rent"), payable in twelve (12) equal monthly installments (\$4970.00) in advance of the first day of each and every month during the first year of the Lease Term and \$61,429.20 (the "Base Rent") payable in twelve (12) equal monthly installments (\$5119.10) each month for the second year, and \$63,272.04 (the "Base Rent") payable in twelve equal monthly installments (\$5272.67) the third year, and \$65,170.20 (the "Base Rent") payable in twelve equal installments (\$5430.85) the fourth year. The first month's Base Rent, Additional Rent and sales tax security deposit thereon, shall be paid simultaneously with the execution of this Lease. In addition and through out the term of this lease, the Tenant shall be responsible for the payment of Additional Rent as provided in Article III below (the Base Rent and Additional Rent shall sometimes be collectively referred to as the "Rent"). In the event any monthly Rent payment is not paid within ten (10) days after it is due, after the second such occurrence in any calendar year, Tenant agrees to pay a late charge of five (5%) percent of the amount of the payment due.

In the event that a rent check is returned for any reason, whether it be Insufficient or Uncollected Funds there will be a late fee of \$50.00 for each returned check. If a check is returned unpaid to the Landlord, the Landlord may also request that all future rent checks be paid in the form of a money order or Cashier's check. A late fee will also be applied.

Tenant further agrees that the late charge imposed is fair and reasonable, complies with all the laws, regulations and statutes, and constitutes an agreement between Landlord and Tenant as to the estimated compensation for the costs and administrative expenses incurred by Landlord due to the late payment of Rent to Landlord by Tenant. Tenant further agrees that the late charges assessed pursuant to this Lease is not interest, and the late charge assessed does not constitute a lender or borrower/creditor relationship between Landlord and Tenant, and may be treated by Landlord as Additional Rent owed by Tenant. Tenant shall pay to Landlord all sales or use taxes pertaining to the Rent (currently 6.5%), which shall be remitted by Landlord to the Florida Department of Revenue.

Section 2.2 Base Rental Adjustment. Commencing on the first anniversary

of the Lease Term, and each anniversary thereafter (inclusive of any renewals), the Base Rent shall be adjusted by an increase of three (3%) percent over the previous year's base rent.

Section 2.3 Payment Without Notice or Demand. The Rent called for in this Lease shall be paid to Landlord without notice or demand, and without counterclaim, offset, deduction, abatement, suspension, deferment, diminution or reduction. Tenant hereby waives all rights now or hereafter conferred by statute or otherwise to quit, terminate or surrender this Lease or the Premises or any part hereof, or to any abatement, suspensions, deferment, diminution or reduction of the Rent on account of any such circumstances or occurrence.

4

Section 2.4 Place of Payment. All payments of Rent shall be made and paid by Tenant to BGNP Associates, LLC., 8000 N. Federal Highway, Suite 200, Boca Raton, Florida 33487, or at such other place as Landlord may, from time to time, designate in writing to Tenant. All Rent shall be payable in current legal tender of the United States, as the same is then by law constituted. Any extension, indulgence, or waiver granted or permitted by Landlord in the time, manner or mode of payment of Rent, upon any one (1) occasion, shall not be construed as a continuing extension, indulgence or waiver, and shall not preclude Landlord from demanding strict compliance herewith.

Section 2.5 Early Termination. Intentionally left blank.

Section 2.6 Option to Renew. Intentionally left blank.

Section 2.7 First Right of Offer. Tenant shall have a one time First Right of Offer on the space which is directly adjacent to the demised premises upon the current lease for said space expiring. The First Right of Offer shall be at the current lease rate that would be offered to a new tenant; however it will never be less than the current lease rate that the existing Tenant is paying at the termination of the lease. Tenant shall have five (5) business days from notice of space availability to accept or decline the additional space.

ARTICLE III

ADDITIONAL RENT

Section 3.1 Additional Rent Intentionally left blank.

ARTICLE IV

SECURITY/DAMAGE DEPOSIT

Section 4.1 Security/Damage Deposit. The parties acknowledge that the Landlord is holding the sum of \$4970.00 to be held by Landlord as a damage deposit and/or as security for the performance by Tenant of all of the terms, covenants and conditions hereof and the payment of Rent or any other sum due Landlord hereunder. Landlord shall have the right to apply all or any part of the security deposit against: (a) unreasonable wear and tear of the Premises; (b) loss or damage to the Premises or other property of the Landlord caused by the negligence of Tenant, Tenant's employees, agents invitee or licensees; (c) the cost of repairing the Premises, except for reasonable wear and tear, to the same condition it was in at the time Tenant began occupancy thereof; and (d) Rent payments which remain due and owing beyond any applicable grace period. Landlord shall not be limited in pursuing Landlord's remedies against Tenant for costs, losses or damages to the Premises or to any other property of Landlord for any such costs, losses or damages which are in excess of the above described security deposit amount. Subject to (a) through (d) above, Landlord shall return Tenant's Security Deposit within twenty (20) days after Lease Termination. Such security deposit shall bear no interest and may be commingled with other security deposits or funds of Landlord.

5

ARTICLE V

USE OF PREMISES

Section 5.1 Use of Premises. Landlord represents that the premises are located within the City Of Boca Raton and that the premises have a zoning designation of LIRP. Tenant represents that its intended use of the premises is consistent with the LIRP zoning designation and tenant represents that it will not use the premises for any propose that will be inconsistent with the LIRP zoning designation. Tenant shall have the responsibility to comply with all applicable zoning codes and regulations. Tenant shall use the premises for "voice over IP" and will not use the premises for any other use without first obtaining written consent of the landlord. Tenant will not use or permit the use of the Premises or any part

thereof for any unlawful purpose, or in violation of any and all applicable ordinances, laws, rules or regulations of any governmental body, or the Association, and will not do or permit any act which would constitute a public or private nuisance or waste or which would be a nuisance or annoyance or cause damage to Landlord or Landlord's other tenants which would invalidate any policies of insurance or increase the premiums thereof, now or hereafter written on the Building and/or the Property.

ARTICLE VI

PREPARATION OF THE PREMISES

Section 6.1 Leasehold Improvements. Facilities, materials and work to be furnished, installed and performed in the Premises by Landlord, at its expense, are hereinafter referred to as "Landlord's Work". Landlord's obligations under this paragraph shall be limited to those improvements referenced in that certain Building Plan that is attached hereto and incorporated herein as **Exhibit "C"**. Landlord shall utilize Building standard materials. In all other respects Tenant accepts the premises in their "as is" condition. Such other facilities, materials and work which may be undertaken by or for the account and at the expense of Tenant to equip, decorate and furnish the Premises for Tenant's occupancy are hereinafter referred to as "Tenant's Work". Landlord's approval of the plans, specification and working drawings for Tenant's work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities.

Section 6.2 Completion by Landlord. Premises shall be deemed ready for occupancy on the date Landlord's Work is substantially completed and a Certificate of Occupancy for the Premises is received. The same shall be deemed substantially completed notwithstanding the fact that minor or insubstantial details of construction, mechanical adjustment or decoration remain to be performed, the non-completion of which does not materially interfere with Tenant's use of the Premises. Landlord shall give Tenant at least ten (10) days notice of the date on which Landlord estimates Landlord's Work will be substantially completed and a certificate of occupancy issued, and Tenant shall occupy the Premises promptly thereafter.

Section 6.3 Delay by Tenant. If substantial completion of Landlord's Work is delayed due to: (a) any act or omission of Tenant or any of its employees, agents or contractors (including, but limited to, (i) any delays due to changes in or additions to Landlord's Work, or (ii) any delays by Tenant in the submission of plans, drawings, specifications, or other information or in approving any working drawings or estimates, or in giving any authorization or approvals); or (b) any additional time needed for the completion of Landlord's Work by the inclusion in Landlord's Work of any special or unusual work, then the Premises shall be deemed ready for occupancy on the date it would have been ready, but for such delay, and Rent shall commence as of such earlier date. Any changes to floor plans after execution of the Lease shall be subject to Landlord's approval, and furthermore, Tenant shall pay for any extra costs that may be incurred by Landlord which are caused by changes so requested by Tenant.

6

Section 6.4 Acceptance of Premises. Tenant acknowledges that Landlord has not made any representations or warranties with respect to the condition of the Premises. The taking of possession of the Premises by Tenant shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was taken, except for the minor insubstantial details of which Tenant gives Landlord notice within 30 days after the Commencement Date. If Landlord shall give Tenant permission to enter into possession of the Premises prior to the Commencement Date, such possession or occupancy shall be deemed to be upon all terms, covenants, conditions, and provisions of this Lease, including the execution of an Estoppel certificate.

ARTICLE VII

LANDLORD AND TENANT OBLIGATIONS

Section 7.1 Tenant's Repair and Maintenance. Tenant shall be responsible for all repairs, the need for which arises out of: (a) the performance or existence of Tenant's Work or alteration; (b) the installation, use or operation of Tenant's Property (defined below) in the Premises; (c) the moving of Tenant's Property in and out of the Building; or (d) the act, omission, misuse or neglect of Tenant or any of its subtenants, employees, agents, contractors or invitees, Tenant shall also be responsible for the replacement of all scratched, damaged or broken doors and glass in and about the Premises, the maintenance and replacement of wall and floor coverings in the Premises, and for the repair and maintenance of all sanitary and electrical fixtures therein. All such repairs shall be performed at such times and in such a manner as shall cause the least interference with Tenant's use of the Premises, the operation of the central systems of the Building and the use of the Building by other tenants.

Section 7.2 Landlord's Obligations. Landlord shall be obligated to keep and maintain the common areas of the Building, and the systems and facilities serving the Premises, in good working order and shall make all repairs as and when needed in or about the common areas and the Premises, except for those repairs for which Tenant is

responsible pursuant to any of the provisions of this Lease. Landlord shall be responsible for air conditioning, plumbing and electrical services in the Premises, as well as roof leaks, exterior maintenance and repair. Landlord shall not be liable for any damage to Tenant's Property caused by (a) water from bursting or leaking pipes, or waste water about the Property; (b) from an intentional or negligent act of any other tenant or occupant of the Building or the Property; (c) fire, hurricane or other acts of God; (d) riots or vandals; or (e) from any other cause not attributable to the negligent or wrongful act of Landlord, its agents or employees. Landlord shall not be required to furnish any services or facilities to, or to make any repairs to or replacements or alterations of, the Premises where necessitated due to the negligence of Tenant, its agents and employees, or other tenants, their agents or employees.

7

Section 7.3 Floor Loads; Noise and Vibration. Landlord shall not place a load upon any floor of the Premises which exceeds the load per square foot, which such floor was designed to carry or which is allowed by law. Business machines and mechanical equipment belonging to Tenant which cause noise, electrical interference or vibration that may be transmitted to the structure of the Building or to the Premises to such a degree as to be objectionable to Landlord or other tenants in the Building, shall, at Tenant's expense, be placed and maintained by Tenant in settings of cork, rubber, or spring-type vibration eliminators sufficient to eliminate such noise, electrical interference or vibration.

Section 7.4 Electricity and Telephone. (a) Landlord agrees to furnish to the Premises weekdays, exclusive of legal holidays, from 8:00 a.m. to 12:00 a.m., and Saturdays, from 8:00 a.m. to 6:00 p.m., heat and air conditioning required in Landlord's judgment for the comfortable use and occupation of the Premises and elevator service; water for lavatory and drinking at those points of supply provided for general use of tenants; and janitorial services during the times and in the manner that such services are, in Landlord's judgment customarily furnished in comparable office buildings in the immediate market area. Landlord shall be under no obligation to provide additional or after-hours heating or air conditioning, but if Landlord elects to provide such services at Tenant's request, Tenant shall pay Landlord a charge of \$22.00 per hour for such services to be billed monthly to Tenant. Landlord in its discretion has the right to reasonably adjust the above referenced charge. Tenant agrees to keep closed all window coverings, if any, when necessary because of the sun's position, and Tenant also agrees at all times to cooperate fully with Landlord and to abide by all the regulations and requirements which Landlord may prescribe for the proper functioning and protection of said heating, ventilating, and air conditioning system and to comply with all laws, ordinances and regulations respecting the conservation of energy. In the event Tenant utilizes heat-generating machines, heat-generating equipment or excess lighting in the Premises and same affects the ability of the air conditioning system to effectively cool the premises as intended, Landlord reserves the right to install supplementary air conditioning units for the Premises, and the cost thereof, including the cost of electricity and/or water therefore and the cost of all repairs, maintenance and replacements thereto shall be paid by Tenant to Landlord upon demand.

- (b) Tenant's use of electrical energy in the Premises shall not, at any time, exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Premises. In order to ensure that such capacity is not exceeded and to avert possible adverse effects upon the Building's electric service, Tenant shall not, without Landlord's prior written consent in each instance, connect major equipment to the Building, electric distribution system, telephone system or make any alteration or addition to the electric system of the Premises existing on the Commencement Date. Tenant's electrical usage under this Lease contemplates only the use of normal and customary office equipment. In the event Tenant installs any office equipment which uses substantial additional amounts of electricity, then Tenant agrees that Landlord's consent is required before the installation of such additional office equipment.

8

Section 7.5 Energy Conservation. Tenant shall undertake to use its best efforts to ensure that it will utilize energy-efficient equipment in the Premises.

Section 7.6 Janitorial Services. Landlord shall cause the Premises, including the exterior and interior of the windows thereof to be cleaned in a manner standard to the Building. Tenant shall pay to Landlord on demand, the cost incurred by Landlord for: (a) extra cleaning work in the Premises required because of (i) misuse or neglect on the part of Tenant or subtenants or its employees or visitors; (ii) the use of portions of the Premises for purposes requiring greater or more difficult cleaning work than normal office areas; (iii) interior glass partitions or unusual quantity of interior glass surfaces, and (iv) non-building standard materials or finishes installed by Tenant or at its request; (b) removal from the Premises and the Building of any refuse and rubbish of Tenant in excess of that ordinarily accumulated in business office occupancy or at times other than Landlord's standard cleaning times; and (c) the use of the Premises by Tenant other than during business hours

on business days.

ARTICLE VIII

LANDLORD'S AND TENANT'S PROPERTY

Section 8.1 Landlord's Property. All fixtures, equipment, improvements and appurtenances attached to or built into the Premises at the commencement of or during the Term of this Lease, whether or not by or at the expense of Tenant, shall be and remain a part of the Premises, and shall be deemed the property of Landlord ("Landlord's Property") and shall not be removed by Tenant except as otherwise specifically set forth herein. Further, any carpeting or other personal property in the Premises on the Commencement Date, shall not be removed by Tenant.

Section 8.2 Tenant's Property. All moveable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment, whether or not attached to or built into the Premises, which are installed in the Premises by or for the account of Tenant without expense to Landlord and which can be removed without structural damage to the Building, and all furniture, furnishings and other articles of moveable personal property owned by Tenant and located in the Premises (hereinafter collectively referred to as "Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term of this Lease, provided Tenant is not in default hereunder. In the event Tenant's Property is so removed, Tenant shall repair or pay the cost of repairing any damage to the Premises or to the Building resulting from the installation and/or removal thereof and repair the Premises to the same physical condition and layout as they existed at the time Tenant was given possession of the Premises. Any equipment or other property for which Landlord shall have granted any allowance or credit to Tenant shall not be deemed to have been installed by or for the account of Tenant without expense to Landlord, shall not be considered Tenant's property and shall be deemed the property of Landlord.

Section 8.3 Removal of Tenant's Property. Before the expiration date of this Lease, or within five (5) days after any earlier termination hereof, Tenant, at its expense, shall remove from the Premises all of Tenant's Property (except such items thereof as Landlord shall have expressly permitted to remain, which property shall become the property of Landlord), and Tenant shall repair any damage to the Premises or the Building resulting from any installation and/or removal of Tenant's Property, and shall repair the Premises to the same physical condition and layout as they existed at the time tenant was given possession of the Premises, reasonable wear and tear excepted. Any other items of Tenant's Property which shall remain in the Premises after the expiration date of this Lease, or after a period of five (5) days following an earlier termination date, may, at the option of Landlord, be deemed to have been abandoned, and in such case, such items may be retained by Landlord. Landlord may request Tenant to remove and pay to Landlord the cost of repairing any damage to the Premises or the Building resulting from any installation and/or removal of Tenant's Property and the cost of repair the Premises to the same physical condition and layout as they existed at the time Tenant was given possession of the Premises, reasonable wear and tear excepted.

9

ARTICLE IX

INSURANCE

Section 9.1 Tenant's Insurance. 1. Tenant shall, during the term of this Lease, maintain insurance against public liability, including that from personal injury or property damage in or about the Premises resulting from the occupation, use or operation of the Premises, insuring both Tenant and Landlord as an additional insured, in amount of not less than One Million (\$1,000,000) Dollars Combined Single Limit for both bodily injury and property damage.

2. Tenant shall maintain insurance upon all property in the Premises owned by Tenant, or for which Tenant is legally liable, and shall provide Landlord with evidence of same. The insurances specified herein shall provide protection against perils included within the standard Florida form of fire and extended coverage insurance policy, together with insurance against vandalism and malicious mischief.

3. All policies of insurance provided for in Section 9.1 shall be issued in a form acceptable to Landlord by insurance companies with general policyholder's rating of "A" as rated in the most current available "Best's Insurance Reports" and qualified to do business in Florida. Each and every such policy:

(a) shall be issued in the name of Tenant and shall include Landlord and any other parties in interest designated in writing by notice from landlord to Tenant as additional insured;

(b) shall be for the mutual and joint benefit and protection of Landlord and Tenant and any such other parties in interest as additional insured's;

(c) shall (or a certificate thereof shall) be delivered to Landlord and any such other parties in interest within ten (10) days before delivery of possession of the Premises to Tenant and thereafter, within thirty (30) days prior to the expiration of each policy, and as often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained in like manner and to like extent;

10

(d) shall contain a provision that the insurer will give to Landlord and such other parties in interest at least thirty (30) days notice in writing in advance of any cancellation, termination or lapse, or the effective date of any reduction in the amount of insurance;

(e) shall be written as a primary policy which does not contribute and is not in excess of coverage which Landlord may carry; and

(f) shall contain a provision that Landlord and any such other parties in interest, although named as an insured, shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of negligence of Tenant.

4. Any insurance provided for in Section 9.1 may be maintained by means of a policy or policies of blanket insurance, provided however, that: (i) Landlord and any other parties in interest from time to time designated by Landlord to Tenant shall be named as an additional insured there under as their interests may appear; (ii) the coverage afforded Landlord and any such other parties in interest will not be reduced or diminished by reason of the use of such blanket policy of insurance; and (iii) the requirements set forth in this Article are otherwise satisfied.

5. These insurance requirements are subject to modification in the event any Superior Mortgagee (hereafter defined) of Landlord requires different insurance. In such event, the reasonable requirements of such Superior Mortgagee shall control.

Section 9.2 Destruction of the Premises or Building. The Term hereof, the Premises and/or the Building are damaged by reason of fire or other casualty, Tenant shall give immediate notice thereof to Landlord. Subject to the prior rights of any Superior Mortgagee, Landlord shall restore the Premises and/or the Building to substantially the same condition they were in immediately before said destruction. If the restoration can be accomplished within 120 working days after the date Landlord receives notice of the destruction, such destruction shall not serve to terminate this Lease. If the restoration cannot be performed within the time stated in this section, then within ninety (90) days after the parties determine that the restoration cannot be completed within said time, either party may terminate this Lease upon thirty (30) days notice to the other party. If Tenant fails to terminate this Lease and restoration is permitted under existing laws, Landlord, at its election, may restore the Premises and/or the Building within a reasonable period of time, and this Lease shall continue in full force and effect. Landlord shall use diligent effort in restoring the Premises and/or Building. Rent shall be abated during the period in which the Premises (or portion thereof on a prorated basis) are rendered untenable as a result of such damage, unless said damage was caused by the intentional wrongful act of Tenant or its employees, agents or invitees. Should Landlord elect to terminate this Lease, the entire amount of Landlord's insurance proceeds shall be and remain the outright property of Landlord, subject to the prior rights of any mortgagee and except any proceeds received for Tenant's Property that are covered under Tenant's insurance.

Section 9.3 Landlord's Insurance. Landlord represents and warrants that Landlord shall provide and maintain insurance against the property, including personal injury and property damage for the building.

11

ARTICLE X

ALTERATIONS AND MECHANIC'S LIENS

Section 10.1 Alterations by Tenant. No alterations shall be made by Tenant unless the following conditions are met:

(a) Tenant shall have received the prior written consent of Landlord, which consent shall not be unreasonably withheld.

(b) All such alterations or improvements shall be performed by Landlord at Tenant's expense, or by a contractor approved by Landlord. Landlord's approval of the plans, specifications and working drawings for Tenant's Work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. Any work by Landlord shall be performed at a fee competitive with local contractors.

(c) Tenant shall have procured all permits, licenses and other authorizations required for the lawful and proper undertaking thereof;

(d) all alterations when completed shall be of such a nature as not to (i) reduce or otherwise adversely affect the value of the Premises; (ii) diminish the general utility or change the general character thereof; (iii) result in an increase of the Operating Expenses, or (iv) adversely affect the mechanical, electrical, plumbing, security or other such systems of the Building or the Premises;

(e) all alterations made by Tenant shall remain on and be surrendered with the Premises on expiration or earlier termination of this Lease, except that Landlord can elect, within thirty (30) days before expiration or earlier termination of the Lease, to require Tenant to remove any and all alterations Tenant had made to the Premises;

Section 10.2 Construction Liens. Tenant agrees that it will make full and prompt payment of all sums necessary to pay for the cost of repairs, alterations, improvements, changes or other work done by Tenant to the Premises and further agrees to indemnify and hold harmless Landlord from and against any and all such costs and liabilities incurred by Tenant, and against any and all construction liens arising out of or from such work or the cost thereof which may be asserted, claimed or charged against the Premises or the Building or site on which it is located. Notwithstanding anything to the contrary in this Lease, the interest of Landlord in the Premises shall not be subject to liens for improvements made by or for the Tenant, whether or not the same shall be made or done in accordance with any agreement between Landlord and Tenant, and it is specifically understood and agreed that in no event shall Landlord or the interest of Landlord in the Premises be liable for or subjected to any construction liens for improvements or work made by or for Tenant; and this Lease specifically prohibits the subjecting of Landlord's interest in the Premises to any construction liens for improvements made by Tenant or for which Tenant is responsible for payment under the terms of this Lease. All persons dealing with Tenant are hereby placed upon notice of this provision. In the event any notice or claim of lien shall be asserted of record against the interest of Landlord in the

12

Premises or Building or the site on which it is located on account of or growing out of any improvement or work done by or for Tenant, or any person claiming by, through or under Tenant, for improvements or work the cost of which is the responsibility of Tenant, Tenant agrees to have such notice of claim of lien canceled and discharged of record as a claim against the interest of Landlord in the Premises, the Building or the Property (either by payment or bond as permitted by law) within ten (10) days after notice to Tenant by Landlord, and in the event Tenant shall fail to do so, Tenant shall be considered in default under this Lease.

ARTICLE XI

ASSIGNMENT AND SUBLETTING

Section 11.1 Tenant's Transfer.

(a) Tenant shall not voluntarily assign or encumber its interest in this Lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except Tenant's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. Any assignment, encumbrance or sublease without the Landlord's written consent shall be void ab initio and at Landlord's election, shall constitute a default hereunder. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this Section.

(b) If Tenant is a partnership, a withdrawal or change, voluntary, involuntary, or by operation of law, of any partner/or partners owning 50% or more of the partnership, or the dissolution of the partnership, shall be deemed a voluntary assignment.

(c) If Tenant is a corporation, any dissolution, merger, consolidation or other reorganization of Tenant, or the sale or transfer of a controlling percentage of the capital stock of Tenant, or the sale of 51% of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors, shall be deemed a voluntary assignment.

(d) Landlord may consent to the sublease of all or any part of the Premises provided Tenant and the sub lessee enter into a sublease incorporating the same terms and conditions as contained herein (exclusive of rent), and Landlord shall be entitled to receive the total amount of any increased Rent, including sales tax, paid by a sub lessee or assignee.

(e) Any assignment agreed to by Landlord shall be evidenced by a validly executed Assignment and Assumption of Lease Agreement. Any attempted transfer, assignment, subletting, mortgaging or encumbering of this Lease in violation of this Section shall be void and confer no rights upon any third person. Such attempt shall constitute a material breach of this Lease and entitle Landlord to the remedies provided for default.

(f) If, without such prior written consent, this Lease is transferred or assigned by Tenant, or if the Premises, or any part thereof, are sublet or occupied by anybody other than the Tenant, whether as a result of any act or omission by Tenant, or by operation of law or otherwise, Landlord may, in addition to and not in diminution of, or substitution for, any other rights and remedies under this Lease, or pursuant to law to which Landlord may be entitled as a result thereof, collect Rent directly from the transferee, assignee, subtenant or occupant and apply the net amount collected to the Rent herein reserved.

13

Section 11.2 Tenant's Liability. Notwithstanding any assignment or sublease, and notwithstanding the acceptance of Rent by Landlord from any such assignee or sub lessee, Tenant shall continue to remain liable for the payment of Rent hereunder and for the performance of all agreements, conditions, covenants and terms herein contained,

Section 11.3 Landlord's Right of Cancellation. Notwithstanding anything contained herein to the contrary, should Tenant desire to assign the Lease or sublease the Premises, Landlord shall have the right, but not the obligation, to cancel or terminate the Lease and deal with Tenant's prospective assignee or sublessee directly and without any obligation to Tenant. In this event, Tenant's obligations to Landlord under this Lease shall terminate.

Section 11.4 Landlord's Transfer. Landlord shall have the right to sell, mortgage, or otherwise encumber or dispose of Landlord's interest in the Premises, the Building, the Property and this Lease.

Section 11.5 Minimum Rental Requirements. Notwithstanding anything to the contrary contained in this ARTICLE XI or in this Lease, Tenant may assign this Lease or sublet the Premises provided said rental rate is not less than that rental amount that is being paid for other space within the Building. Otherwise, Tenant shall not, under any circumstances, assign this Lease or sublet the Premises or any part thereof until at least ninety (90%) percent of the rentable space in the Building has been leased by Landlord.

ARTICLE XII

OBLIGATIONS

Section 12.1 Obligations of Tenant. Tenant shall, during the Term of this Lease, at its sole cost and expense, comply with all valid laws, ordinances, regulations, orders and requirements of any governmental authority which may now or hereafter be applicable to the Premises or to its use, whether or not the same shall interfere with the use or occupancy of the Premises, arising from (a) Tenant's use of the Premises; (b) the manner or conduct of Tenant's business or operation of its installations, equipment or other property therein; (c) any cause or condition created by or at the instance of Tenant; or (d) breach of any of Tenant's obligations hereunder, whether or not such compliance requires work which is structural or non-structural, ordinary or extraordinary, foreseen or unforeseen; and Tenant shall pay all of the costs, expenses, fines, penalties and damages which may be imposed upon Landlord by reason or arising out of Tenant's failure to fully and promptly comply with and observe the provisions of this Section. Tenant shall give prompt notice to Landlord of any notice it received of the violation of any law or requirement of any public authority with respect to the Premises or the use or occupation thereof.

Section 12.2 Rules and Regulations. Tenant shall also comply with all rules and regulations now existing (See **Exhibit "C"**), or as may be subsequently applied by Landlord to all tenants of the Building. Landlord agrees to consistently apply the rules and regulations to all Tenants within the Building.

14

ARTICLE XIII

RIGHT OF LANDLORD TO PERFORM TENANT'S COVENANTS

Section 13.1 Payment or Performance. Landlord shall have the right, upon ten (10) days prior written notice to Tenant (or without notice in case of emergency or in order to avoid any fine, penalty, or cost which may otherwise be imposed or incurred), following the expiration of any applicable cure period, to make any payment or perform any act required of Tenant under any provision in this Lease, and in exercising such right, to incur necessary and incidental costs and expenses, including reasonable attorney's fees. Nothing herein shall imply any obligation on the part of Landlord to make any payment or perform any act required of Tenant, and the exercise of the right to do so shall not constitute a release of any obligation.

Section 13.2 Reimbursement. Payments made and all reasonable costs and expenses incurred in connection with Landlord's exercise of the right set forth in Section 13.1, shall be reimbursed by Tenant within ten (10) days after receipt of a bill setting forth the amounts so expended, together with interest at the annual rate of 18% from the respective dates of the making of such payments or the incurring of such costs and expenses. Any such payments, costs and expenses made or incurred by Landlord may be

treated as Additional Rent owed by Tenant.

ARTICLE XIV

NON-LIABILITY AND INDEMNIFICATION

Section 14.1 Non-Liability of Landlord. Landlord, nor any beneficiary, joint venture partner, agent, servant, or employee of Landlord, nor any Superior Mortgagee (as defined in Article XIX below), shall be liable to Tenant for any loss, injury, or damage to Tenant or to any other person, or to its property, unless caused by or resulting from the negligence or intentional wrongful act of Landlord, its agents, servants or employees, in the operation or maintenance of the Premises or the Building, subject to the doctrine of comparative negligence in the event of contributory negligence on the part of Tenant or any of its subtenants, licensees, employees, agents or contractors. Tenant recognizes that any Superior Mortgagee will not be liable to Tenant for injury, damage or loss caused by or resulting from the negligence of Landlord. Further, neither Landlord, or any Superior Mortgagee, nor any joint venture partner, director, officer, agent, servant or employee of Landlord shall be liable (a) for any such damage caused by other tenants or persons in, upon or about the Building, or caused by operations in construction of any private, public or quasi-public work; or (b) for incidental or consequential damages or lost profits arising out of any loss of use of the Premises, or any equipment or facilities therein, by Tenant or any person claiming through or under Tenant.

Section 14.2 Indemnification by Tenant. Tenant hereby agrees to indemnify Landlord and hold it harmless from and against all claims, actions, damages, liability, and expenses which may arise in connection with bodily, loss of life, and/or damage to property arising from or out of any occurrence in, upon, or at the Demised Premises, or the occupancy or use by Tenant of the Demised Premises or any part thereof, or occasioned totally or in part by any negligent act or omission of Tenant, its agents, contractors, employees, servants, or subtenants unless such damages due to the negligent act or omission of Landlord, its agents or employees. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant in connection with the Demised Premises, Tenant hereby agrees to hold Landlord harmless and pay all costs, expenses, and reasonable attorney's fees and costs incurred by Landlord in connection with such litigation. Tenant also agrees to pay all costs, expenses, and reasonable attorney's fees which may be incurred by Landlord in enforcing the obligations of Tenant under this Lease. To the maximum effect permitted by law, Tenant agrees to use and occupy the Demised Premises at Tenant's own risk.

15

Section 14.3 Independent Obligations; Force Majeure. The obligations of Tenant hereunder shall not be affected, impaired or excused, nor shall Landlord have any liability whatsoever to Tenant, because (a) Landlord is unable to fulfill, or is delayed in fulfilling, any of its obligations under this Lease by reason of strike, other labor trouble, governmental pre-emption of priorities or other controls in connection with a national or other public emergency or shortages of fuel, supplies, labor or materials, acts of God or any other cause, whether similar or dissimilar, beyond Landlord's reasonable control; or (b) of any failure or defect in the supply, quantity or character of electricity or water furnished to the Premises, by reason of any requirement, act or omission of the public utility or others serving the Building with electric energy, steam, oil, gas or water, or for any other reason whether similar or dissimilar, beyond Landlord's reasonable control. Tenant shall not hold Landlord liable for any injury or damage to person or property caused by fire, theft, or resulting from the operation of elevators, heating or air conditioning or lighting apparatus, or from falling plaster, or from steam, gas, electricity, water, rain, or dampness, which may leak or flow from any part of the Building, or from the pipes, appliances or plumbing work of the same, unless same is the result of Landlord's gross negligence.

ARTICLE XV

DEFAULT

Section 15.1 Events of Default. Tenant shall be in default under this Lease if any one or more of the following events shall occur:

(a) Tenant shall fail to pay any installment of the Rent and/or any expenses called for hereunder as and when the same shall become due and payable, and such default shall continue for a period of ten (10) days after the same is due; or

(b) Tenant shall default in the performance of or compliance with any of the other terms or provisions of this Lease, and such default shall continue for a period of thirty (30) days after the giving of written notice thereof from Landlord to Tenant, or, in the case of any such default which cannot, with bona fide due diligence, be cured within said thirty (30) days, Tenant shall fail to proceed within said thirty (30) day period to cure such default and thereafter to prosecute the curing of same with all due diligence (it being intended that as to a default not susceptible of being cured with due diligence within such period of thirty (30) days, the time within which such default may be cured shall be extended for such period as may be necessary to permit the same to be cured with due diligence); or (c) Tenant shall assign,

transfer, mortgage or encumber this Lease or sublet the Premises in a manner not permitted by ARTICLE XI; or

16

(d) Tenant shall file a voluntary petition in bankruptcy or any Order for Relief be entered against it, or shall file any petition or answer seeking any arrangement, reorganization, composition, re-adjustment or similar relief under any present or future bankruptcy or other applicable law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Tenant of all or any substantial part of Tenant's properties; or

(e) If any creditor of Tenant shall file a petition in bankruptcy against Tenant or for reorganization of Tenant, under state or federal law, and if such petition is not discharged within ninety (90) days after the date on which it is filed; or

(f) Tenant shall vacate or abandon the Premises,

then, and in any such event, or during the continuance thereof (subject to the time period described in subparagraph (e) above), Landlord may, at its option, by written notice to Tenant, designate a date not less than five (5) days from the giving of such notice on which this Lease shall end, and thereupon, on such date, this Lease and all rights of Tenant hereunder shall terminate.

Section 15.2 Surrender of Premises. any such termination of this Lease, Tenant shall surrender the Premises to Landlord, and Landlord, at any time after such termination, may, without further notice, re-enter and repossess the Premises without being liable to any prosecution or damages therefore, and no person claiming through or under Tenant or by virtue of any statute or of any order of any court shall be entitled to possession of the Premises.

Section 15.3 Reletting. any time or from time to time after any such termination of this Lease, Landlord may relet the Premises or any part thereof, in the name of Landlord or otherwise, for such term or terms and on such conditions as Landlord, in its sole discretion, may determine, and may collect and receive the rents therefore. Landlord shall in no way be responsible or liable for any failure to relet the Premises or any part thereof or for any failure to collect any rent due upon such reletting.

Section 15.4 Survival of Obligations. termination, pursuant to this ARTICLE XV, shall relieve Tenant of its liability and obligations under this Lease, and such liability and obligations shall survive any such termination.

Section 15.5 Holdover. Should Tenant hold over and remain in possession of the Premises at the expiration of any Term hereby created, Tenant shall, by virtue of this Section, become a Tenant at sufferance and shall pay Landlord 200% of the Rent per month of the last monthly installment of Rent above provided to be paid. Said monthly tenancy shall be subject to all the conditions and covenants of this Lease as though the same had been a tenancy at sufferance instead of a tenancy as provided herein, and Tenant shall give to Landlord at least thirty (30) days prior written notice of any intention to vacate the Premises, and shall be entitled to ten business (10) days prior notice of any intention of Landlord to evict Tenant from the Premises in the event Landlord desires possession of the Premises; however, that said Tenant at sufferance shall not be entitled to ten business (10) days notice in the event the said Rent is not paid in advance without demand, the ten business (10) days written notice otherwise required being hereby expressly waived.

17

ARTICLE XVI

DAMAGES/REMEDIES

Section 16.1 Damages. event this Lease is terminated under the provisions or any provisions of law by reason of default hereunder on the part of Tenant, Tenant shall pay to Landlord, as damages, at the election of Landlord either:

(a) The present value of the entire amount of the Rent which would have become due and payable during the remainder of the Term of this Lease, in which event Tenant agrees to pay the same at once, together with all Rent theretofore due, at Landlord's address as provided herein; provided however, that such payment shall not constitute a penalty or forfeiture or liquidated damages, but shall merely constitute payment in advance of the Rent for the remainder of said Term. Such present value shall be determined utilizing a discount rate of six (6%). The acceptance of such payment by Landlord shall not constitute a waiver of any failure of Tenant thereafter occurring to comply with any term, provision, condition or covenant of this Lease. IF Landlord elects the remedy given in this Section 16.1 (a), then same shall be Landlord's sole remedy for such default; or

(b) Sums equal to the Rent which would have been payable by Tenant had this Lease not been so terminated, payable upon the due dates therefore following such termination through the expiration of this Lease.

If Landlord at its option shall relet the Premises during said period, Landlord shall credit Tenant with the net rents received by Landlord from such reletting, such net rents to be determined by first deducting from the gross rents, as and when received by Landlord, the expenses incurred or paid by Landlord in terminating this Lease and in securing possession thereof, as well as the expenses of reletting, including, without limitation, the alteration and preparation of the Premises for new tenants, brokers' commissions, reasonable attorneys' fees and all other expenses properly chargeable against the Premises and the rental therefrom. It is hereby understood that any such reletting may be for a period shorter or longer than the remaining Term of this Lease but in no event shall Tenant be entitled to receive any excess of such net rents over the sum payable by Tenant to Landlord hereunder, nor shall Tenant be entitled in any suit for the collection of damages pursuant hereto to a credit in respect of any net rents from a reletting, except to the extent that such rents are actually received by Landlord.

Section 16.2 Remedies. Lawsuits for the recovery of such damages, or any installments thereof, may be brought by Landlord from time to time at its election, and nothing contained herein shall be deemed to require Landlord to postpone suit until the date when the Term of this Lease would have expired, nor limit or preclude recovery by Landlord against Tenant of any sums or damages which, in addition to the damages particularly provided above, Landlord may lawfully be entitled by reason of any default hereunder on the part of Tenant. All remedies of Landlord provided for herein, or otherwise at law or in equity, shall be cumulative and concurrent.

18

ARTICLE XVII

EMINENT DOMAIN

Section 17.1 Taking. The whole of the building or the Premises, or, if more than 20% of the Building or the Property, shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose, which materially affects Tenant's use and occupancy of the Premises, this Lease shall terminate as of the date of vesting of title as a result of such taking, and the Base Rent and Additional Rent shall be prorated and adjusted as of such date.

Section 17.2 Award. Landlord shall be entitled to receive the entire award or payment in connection with any taking without deduction there from, except to the extent that Tenant shall be entitled to compensation based upon damages sustained to Tenant's Property. Tenant shall not be precluded from taking its own action against the condemning authority.

Section 17.3 Temporary Taking. If the temporary use or occupancy of all or any part of the Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose during the Term of this Lease, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment for such taking which represents compensation for the use and occupancy of the Premises, for the taking of Tenant's Property and for moving expenses, and Landlord shall be entitled to receive that portion which represents reimbursement for the cost of restoration of the Premises. This Lease shall be and remain unaffected by such taking and Tenant shall continue to pay the Rent in full when due. If the period of temporary use or occupancy shall extend beyond the expiration date of this Lease, that part of the award which represents compensation for the use and occupancy of the Premises (or a part thereof) shall be divided between Landlord and Tenant so that Tenant shall receive so much thereof as represents the period up to and including such expiration date and Landlord shall receive so much as represents the period after such expiration date. All monies received by Landlord as, or as part of, an award for temporary use and occupancy for a period beyond the date through which the Rent has been paid by Tenant, shall be held and applied by Landlord as a credit against the Rent becoming due hereunder.

Section 17.4 Partial Taking. In the event of any taking of less than the whole of the Premises, the Building and/or the Property, which does not result in termination of this Lease: (a) subject to the prior rights of a Superior Mortgagee, Landlord, at its expense, shall proceed with reasonable diligence to repair the remaining parts of the Building and the Premises (other than those parts of the Premises which are Tenant's Property) to substantially their former condition to the extent that the same is feasible (subject to reasonable changes which Landlord shall deem desirable), so as to constitute a complete and tenable Building and Premises; and (b) Tenant, at its expense, shall proceed with reasonable diligence to repair the remaining parts of the Premises which are deemed Tenant's property pursuant hereto, to substantially their former condition to the extent feasible, subject to reasonable changes which Tenant shall deem desirable. Such work by Tenant shall be deemed alterations as described in Section 11.1 hereinabove. In the event of any partial taking, Tenant shall be entitled to a reduction in Rent for the remainder of the Lease Term following such partial taking based upon the percentage of space taken relative to the original Premises leased.

ARTICLE XVIII

QUIET ENJOYMENT

Section 18.1 Quiet Enjoyment. Landlord agrees that Tenant, upon paying all Rent and other charges herein provided for and observing and keeping the covenants, agreements, terms and conditions of this Lease and the rules and regulations of Landlord affecting the Premises on its part to be performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease.

ARTICLE XIX

SUBORDINATION AND ATTORNMENT

Section 19.1 Subordination. Lease, and all rights of Tenant hereunder, are and shall be subordinate to any mortgage or other encumbrance, whether now of record or recorded after the date of this Lease, affecting the Premises, the Building or the Property. Notwithstanding that such subordination is self-operative without any further act of Tenant, Tenant shall, from time to time, within ten (10) days of request from Landlord, execute and deliver any reasonable documents or instruments that may be required by a Superior Mortgagee to confirm such subordination. Tenant's obligation to subordinate this Lease to any mortgage or other interest shall be conditioned upon Tenant's receipt from such party requesting subordination a Non-Disturbance agreement substantially to the effect that no steps or proceedings taken by reason of Landlord's default under such mortgage or encumbrance shall terminate this Lease nor shall Tenant be named a Defendant in any proceeding for foreclosure of such mortgage or be disturbed by virtue of such steps or proceedings as long as there shall be no default by Tenant under the provisions of the Lease. Any mortgage to which this Lease is subject and subordinate is hereinafter referred to as a "Superior Mortgage", and the holder of a Superior Mortgage is hereinafter referred to as a "Superior Mortgagee".

Section 19.2 Notice to Landlord and Superior Mortgagee. If any act or omission of Landlord would give Tenant the right, immediately or after the lapse of a period of time, to cancel this Lease or to claim a partial or total eviction, Tenant shall not exercise such right (a) until it has given written notice of such act or omission to Landlord and any Superior Mortgagee whose name and address shall previously have been furnished to Tenant; and (b) until a reasonable period of time for remedying such act or omission shall have elapsed following the giving of such notice and following the time when such Superior Mortgagee shall have become entitled under such Superior Mortgage to remedy the same.

Section 19.3 Attornment. Any Superior Mortgagee shall succeed to the rights of Landlord hereunder, whether through possession or foreclosure action or delivery of a new lease or deed, then, at the request of such Superior Mortgagee, Tenant shall attorn to and recognize such Superior Mortgagee as Tenant's Landlord under this Lease, and shall promptly execute and deliver any instrument such Superior Mortgagee may reasonable request to evidence such attornment. Upon such attornment, this Lease shall continue in full force and effect as a direct Lease between such Superior Mortgagee and Tenant, upon all terms, conditions, and covenants as set forth in this Lease, except that the Superior Mortgagee shall not: (a) be liable for any previous act or omission of Landlord under this Lease; (b) be subject to any offset, not expressly provided for in this Lease; or (c) be bound by any previous modification of this Lease or by any previous prepayment, unless such modification or prepayment shall have been previously approved in writing by such Superior Mortgagee. Further, upon such attornment, Landlord shall be released from any further obligations hereunder.

ARTICLE XX

LANDLORD'S RIGHT OF ACCESS

Section 20.1 Access for Maintenance and Repair. Except for the space within the inside surfaces of all walls, hung ceilings, floors, windows, and doors bounding the Premises, all of the Building including, without limitation, exterior walls, core interior walls and doors and any core corridor entrance, any terraces or roofs adjacent to the Premises, and any space in or adjacent to the Premises used for shafts, stacks, pipes, conduits, fan rooms, ducts, electric or other utilities, sinks, or other facilities of the Building, and the use thereof, as well as access thereto throughout the Premises for the purposes of operation, maintenance, decoration and repair, are reserved to Landlord. Landlord reserves the right, and Tenant shall permit Landlord, to install, erect, use and maintain pipes ducts and conduits in and through the Premises. Landlord shall be allowed to take all materials into and upon the Premises that may be required in connection therewith, without any liability to Tenant and without any reduction of Tenant's covenants and obligations hereunder.

Landlord and its agents shall have the right to enter upon the Premises upon reasonable notice to Tenant and during normal business hours except in emergencies when no notice is required, for the purpose of making any repairs therein or thereto which shall be considered necessary or desirable by Landlord, in such a manner as not to unreasonably interfere with Tenant in the conduct of Tenant's business on the Premises; and in addition, Landlord and its agents shall have the right to enter the premises at any time in cases of emergency.

Section 20.2 Access for Inspection and Showings Landlord shall have the right to enter and/or pass through the Premises to examine the Premises and to show them to actual and prospective purchasers, mortgagees or lessors of the Building. During the period of six (6) months prior to the expiration date of this Lease, Landlord and its agents may exhibit the Premises to prospective tenants.

Section 20.3 Landlord's Alterations and Improvements At any time, any windows of the Premises are temporarily darkened or obstructed by reason of any repairs, improvements, maintenance and/or cleaning in or about the Building, or if any part of the Building, other than the Premises, is temporarily or permanently closed or inoperable, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease. Landlord reserves the right to make such changes, alterations, additions, and improvements in or to the Building and the fixtures and equipment thereof, as well as in or to the street entrances, doors, halls, passages, elevators, escalators and stairways thereof, and other public portions of the Building, as Landlord shall deem necessary or desirable, and no such alterations or changes shall be deemed a breach of Landlord's covenant of quiet enjoyment or a constructive eviction.

ARTICLE XXI

SIGNS AND OBSTRUCTION

Section 21.1 Signs Landlord shall supply Tenant with building standard signage. Tenant shall not place or suffer to be placed or maintained upon any exterior, door, roof, wall or window of the Premises or the Building, any sign, awning, canopy or advertising matter of any kind, and will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Premises except as approved by Landlord, and will not place or maintain any freestanding standard within or upon the Common Area of the Building or immediately adjacent thereto, without first obtaining Landlord's express prior written consent. No exterior or interior sign visible from the exterior of the Building shall be permitted. Tenant further agrees to maintain any such signage approved by Landlord in good condition and repair at all times and to remove the same at the end of the Term of this Lease if requested by Landlord. Upon removal thereof, Tenant agrees to repair any damage to the Premises caused by such installation and/or removal.

Section 21.2 Obstruction. Tenant shall not obstruct the sidewalks, parking lots or other public portions of the Building or the Property in any manner whatsoever.

ARTICLE XXII

NOTICES

Section 22.1 Notices Any notice or other information required or authorized by this Lease to be given by either party to the other may be given by hand or sent (by first class pre-paid mail, telex, cable, facsimile transmission or comparable means of communication) to the other party at the address stated below. Any notice or other information given by mail pursuant to this Section which is not returned to the sender as undelivered shall be deemed to have been given on the fifth (5th) day after the envelope containing any such notice or information was properly addressed, pre-paid, registered and mailed. The fact that the envelope has not been so returned to the sender shall be sufficient evidence that such notice or information has been duly given. Any notice or other information sent by telex, cable, facsimile transmission or comparable means of communication shall be deemed to have been duly sent on the date of transmission, provided that a confirming copy thereof is sent by first class pre-paid mail to the other party, at the address stated below, within twenty-four (24) hours after transmission.

AS TO LANDLORD: BGNP Associates, LLC
8000 N Federal Highway
Boca Raton, Florida, 33487

AS TO TENANT: GlobalTel IP, Inc.
8000 N. Federal Highway
Suite 100
Boca Raton, FL 33487

The above address may be changed at any time by giving thirty (30) days written notice as above provided. In addition to the foregoing, any notices of a legal nature shall be copied to:

BGNP Associates, LLC
8000 N Federal Highway
Boca Raton, Florida, 33487

ARTICLE XXIII

MISCELLANEOUS

Section 23.1 ADA Compliance. To the best of Landlord's knowledge, the Premises are ADA compliant.

Section 23.2 Environmental Indemnity. Tenant agrees to indemnify and hold Landlord harmless from and against any and all loss, claim, liability, damages, injuries to person, property, or natural resources, cost, expense, action or cause of action, arising in connection with the release or presence of any "Hazardous Substances" at the Premises, through the acts of Tenant, its employees, agents or invitees acting with Tenant's authority, whether foreseeable or unforeseeable, during the term and occupancy of the premises by Tenant. The foregoing indemnity includes, without limitation, all costs in law or in equity of removal, remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Premises is in compliance and to cause the Premises to be in compliance with all with all applicable environmental laws, all costs associated with claims for damages to persons, property, or natural resources, and Landlord's reasonable attorneys' and consultants' fees and court costs. For the purposes of definition, Hazardous Substances means any toxic or hazardous wastes, pollutants or substances, including, without limitation, asbestos, PBCs, petroleum products and by-products, substances defined or listed as "hazardous substances" or "toxic substances" or similarly identified in or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9061 *et. seq.*, hazardous materials identified in or pursuant to the Hazardous Materials Transportation Act 49 U.S.C. Section 1802 *et. seq.*

Section 23.3 Radon Gas. Pursuant to Florida Statutes, Section 404.056 [8], the following disclosure is required by law. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time.

23

Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Section 23.4 Broker Commission. Landlord and Tenant covenant, warrant and represent that no Broker was used in this transaction and no commissions are due anyone. Further, neither Landlord nor Tenant has had any conversations or negotiations with any other Brokers concerning the leasing of the Premises. Both parties agree to indemnify the other against and from any claims for any brokerage commissions and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, for any breach of the foregoing.

Section 23.5 Financial Statements. Throughout the term of this Lease, Tenant shall provide Landlord, at the request of Landlord, its most current and complete financial statement including, but not limited to, its balance sheet and profit and loss statement.

Section 23.6 Estoppel Certificate. Each party agrees, at any time and from time to time as requested by the other party, to execute and deliver to the other a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), certifying the dates to which the Base Rent have been paid, stating whether or not the other party is in default in performance of any of its obligations under this Lease, and, if so, specifying each such default, and stating whether or not any event has occurred which, with the giving of notice or passage of time, or both, would constitute such a default, and, if so, specifying each such event. Each party shall also include in any such statements such other information concerning this Lease as the other party may reasonably request. In the event either party fails to comply with this Section, such failure shall constitute a material breach of the Lease. If Tenant fails to execute the initial Estoppel Certificate, Rent shall continue to accrue, but Landlord shall be under no obligation to deliver possession of the Premises.

Section 23.7 Approval by Superior Mortgagee. If approved by a Superior Mortgagee, this Lease shall become binding upon Landlord's execution and approval of Lease by Landlord's Superior Mortgagee for the building.

Section 23.8 No Recordation. This Lease shall not be recorded by Tenant in the Public Records of Palm Beach County, Florida, or in any other place. Any attempted recordation by Tenant shall render this Lease null and void and entitles Landlord to the

remedies provided for Tenant's default. However, at the request of Landlord, Tenant shall promptly execute, acknowledge and deliver to Landlord a Memorandum of Lease with respect to this Lease, and a Memorandum of Modification of Lease with respect to any modification of this Lease, sufficient for recording. Such Memorandum shall not be deemed to change or otherwise affect any of the obligations or provisions of this Lease.

Section 23.9 Governing Law Lease shall be governed by and construed in accordance with the laws of the State of Florida. If any provision of this Lease or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Lease shall remain in full force and effect. The table of contents, captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. Each covenant, agreement, obligation, or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender, as the context may require.

24

Section 23.10 Relationship of Parties contained in this Lease will be deemed or construed to create a partnership or joint venture between Landlord and Tenant, or to create any other relationship between the parties other than that of Landlord and Tenant.

Section 23.11 Capacity to Execute Lease. If Tenant is other than a natural person, Tenant represents that it is legally constituted, in good standing and authorized to conduct business in the State of Florida. Tenant further represents that the person who is executing this Lease on its behalf has the full power and authority to perform such execution and deliver the Lease to Landlord, and that upon such execution and delivery, the Lease shall be valid and binding upon Tenant in accordance with its respective terms and conditions. To further evidence the foregoing, upon request by Landlord, Tenant shall deliver to Landlord an appropriate corporate or partnership resolution specifying that the signatory to the Lease has been duly authorized to execute same on behalf of Tenant.

Section 23.12 Exculpation of Landlord Landlord's obligations and liability to Tenant with respect to this Lease shall be limited solely to Landlord's interest in the Property or the proceeds of any insurance policies maintained or required to be maintained by Landlord hereunder, and neither Landlord nor any of the partners of Landlord, nor any officer, director, or shareholder of Landlord, shall have any personal liability whatsoever with respect to this Lease.

Section 23.13 Waiver of Trial by Jury mutually agreed by and between Landlord and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other on any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant or Tenant's use or occupancy of the Premises.

Section 23.14 Attorney's Fees In the event of any litigation in enforcing any of the terms, covenants or conditions of this Lease, or any of its rights and remedies under Chapter 83, Florida Statutes, as may hereinafter be amended, the prevailing party shall be entitled to the recovery of reasonable attorneys' fees and court costs incurred.

Section 23.15 Compliance with Laws at Tenant's expense shall comply with all laws, rules, orders, ordinances, directions, regulations, and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which shall impose any duty upon Landlord or Tenant with respect to the use, occupation or alteration of the Premises.

25

Section 23.16 Entire Agreement. This Lease constitutes the entire understanding between the parties and shall bind the parties hereto, their successors and assigns. No representation, except as herein expressly set forth, have been made by either party to the other, and this Lease cannot be amended or modified except by a writing signed by Landlord and Tenant.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

"TENANT"

WITNESSES:
(2 witnesses required)

By: /s/ Larry M. Reid

Printed Name

Larry M. Reid, President & CEO

Printed Name

Witnessed By:

Signature

Date

Signature

Date

Printed Name

Printed Name

"LANDLORD"
BGNP Associates, LLC

By: /s/ Eric P. Platero
Eric P. Platero
Managing Member

Printed Name

Printed Name

Exhibit 10.18

THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on June 30, 2008

**WARRANT TO PURCHASE 112,500 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dominic and Sarina Albi JTEN (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 112,500 (one hundred twelve thousand five hundred) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.22 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on June 30, 2008 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution,

split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

3

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of

the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: June 13, 2006

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on November 30, 2007

**WARRANT TO PURCHASE 150,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dominic and Sarina Albi JTEN (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 150,000 (one hundred fifty thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.12 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on November 30, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that

the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

3

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: July 26, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

=====
THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on November 30, 2007

**WARRANT TO PURCHASE 125,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dominic and Sarina Albi JTEN (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 125,000 (one hundred twenty five thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.12 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on November 30, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed

to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall

be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

3

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: November 30, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

=====
THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on December 31, 2007

**WARRANT TO PURCHASE 100,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Joseph Giuliano (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 100,000 (one hundred thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.20 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on December 31, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such

shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

3

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall

thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report or other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: December 31, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

=====
THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on November 30, 2007

**WARRANT TO PURCHASE 25,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dino Natali (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 25,000 (twenty five thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.20 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on November 30, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the

outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

3

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price

pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this

Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

[Signature Page Follows]

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: November 30, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on December 31, 2009

**WARRANT TO PURCHASE 425,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dominic and Sarina Albi JTEN (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 425,000 (four hundred twenty five thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.22 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on December 31, 2009 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day. This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such

shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a

smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

3

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred

thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

5

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

[Signature Page Follows]

GLOBALTEL IP, INC.

By: /s/ Larry M. Reid

Dated: April 12, 2007

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on November 30, 2007

**WARRANT TO PURCHASE 50,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dominic and Sarina Albi JTEN (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 50,000 (fifty thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.12 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on November 30, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by

the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the

outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

3

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price

pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

5

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10.GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

[Signature Page Follows]

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: July 12, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

=====
THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on November 30, 2007

**WARRANT TO PURCHASE 100,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Dominic and Sarina Albi JTEN (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 100,000 (one hundred thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.12 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on November 30, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or

reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

3

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock

purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

5

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10.GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the

exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

[Signature Page Follows]

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: September 6, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on September 30, 2007

**WARRANT TO PURCHASE 100,000 SHARES OF THE COMMON STOCK OF
GLOBALTEL IP, INC.**

This is to certify that, FOR VALUE RECEIVED, Joseph E. Conti (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 100,000 (one hundred thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.20 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on December 31, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such

shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record

date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

3

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred

thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report or other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

5

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws

of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

[Signature Page Follows]

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: December 31, 2005

Attest:

/s/ Larry M. Reid

Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

THIS WARRANT AS WELL AS THE COMMON STOCK ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED OR SOLD UNLESS REGISTERED UNDER THE ACT OR AN EXEMPTION FROM REGISTRATION UNDER THE ACT IS AVAILABLE.

Void after 5:00 P.M., Boca Raton, Florida Time, on September 30, 2007

WARRANT TO PURCHASE 50,000 SHARES OF THE COMMON STOCK OF

GLOBALTEL IP, INC.

This is to certify that, FOR VALUE RECEIVED, Dino Natali (the "Holder") is entitled to purchase, subject to the provisions of this Warrant, from **GLOBALTEL IP, INC.**, a Florida corporation (the "Company"), 50,000 (fifty thousand) shares of the common stock of the Company, \$0.001 par value (the "Common Stock"), at an exercise price of \$.20 per share at any time or from time to time from the date hereof until 5:00 P.M., Boca Raton, Florida Time on September 30, 2007 ("the Termination Date"). The number of shares to be received upon the exercise of this Warrant and the price to be paid for each such share shall be adjusted from time to time as hereinafter set forth. The shares deliverable upon such exercise, and as adjusted from time to time, are hereinafter as well as any other securities that may be deliverable upon such exercise are sometimes referred to as "Warrant Shares" and the exercise price of this Warrant as in effect at any time as adjusted from time to time is hereinafter sometimes referred to as the "Exercise Price."

SECTION 1. EXERCISE OF WARRANT.

This Warrant may be exercised by the Holder of this Warrant in whole or in part at any time or from time to time during the period commencing on the date hereof and terminating at 5:00 P.M., Boca Raton, Florida Time, on the Termination Date (the "Exercise Period") provided, however, that if the Termination Date is a day on which banking institutions in the State of Florida are authorized by law to close, then on the next succeeding day which shall not be such a day.

This Warrant may be exercised by presentation and surrender hereof to the Company at its principal office, or at the office of its stock transfer agent, if any, with the Purchase Form annexed hereto duly executed and accompanied by payment of the Exercise Price for the number of Warrant Shares specified in such form. Such payment may be made, at the option of the Holder by check or wire transfer. As soon as practicable after each such exercise of the Warrant, but not later than two business days from the date of such exercise, the Company shall issue and deliver to the Holder a certificate or certificates representing the Warrant Shares issuable upon such exercise, registered in the name of the Holder. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant for cancellation, execute and deliver a new Warrant evidencing the rights of the Holder thereof to purchase the balance of the Warrant Shares purchasable thereunder. Upon receipt by the Company of this Warrant at its office, or by the stock transfer agent of the Company at its office, in proper form for exercise, the Holder shall be deemed to be the holder of record of the Warrant Shares issuable upon such exercise, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such shares shall not then be physically delivered to the Holder.

SECTION 2. RESERVATION OF SHARES.

The Company shall at all times reserve for issuance and/or delivery upon exercise of this Warrant such number of Warrant Shares as shall be required for issuance and delivery upon exercise of this Warrant.

SECTION 3. FRACTIONAL SHARES.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. With respect to any fraction of a share called for upon any exercise hereof, the Company shall pay to the Holder an amount in cash equal to such fraction multiplied by the value of a full share determined as follows (the "Current Market Value"):

(a) If the Common Stock is listed on a national securities exchange or admitted to unlisted trading privileges on such exchange or listed for trading on NASDAQ, the Current Market Value shall be the last reported sale price of the Common Stock on such exchange or system on the last business day prior to the date of exercise of this Warrant or if no such sale is made on such day, the average of the closing high bid and low asked prices for such day on such exchange or system; or

(b) If the Common Stock is not so listed or admitted to unlisted trading privileges but bid and asked prices are reported by the OTC Bulletin Board or the National Quotation Bureau, Inc. or any successor thereto, the Current Market Value shall be the average of last reported high bid and low asked prices reported by the OTC Bulletin Board or, if not so reported, then by the National Quotation Bureau, Inc. on the last business day prior to the date of the exercise of this Warrant; or

(c) If the Common Stock is not so listed or admitted to unlisted trading privileges and bid and asked prices are not so reported, the Current Market Value shall be the book value of a share thereof as at the end of the fiscal quarter of the Company ending immediately prior to the date of the exercise of the Warrant for which financial statements of the Company are then available, determined in accordance with generally accepted accounting principles consistently applied.

SECTION 4. EXCHANGE, TRANSFER, ASSIGNMENT OR LOSS OF WARRANT.

This Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the Holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. The term "Warrant" as used herein includes any Warrants into which this Warrant may be divided or exchanged. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of reasonably satisfactory indemnification, and upon surrender and cancellation of this Warrant, if mutilated, the Company will execute and deliver a new Warrant of like tenor and date.

2

SECTION 5. RIGHTS AND LIABILITIES OF THE HOLDER.

The Holder shall not, by virtue hereof, be entitled to any rights of a shareholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in the Warrant and are not enforceable against the Company except to the extent set forth herein. No provision of this Warrant, in the absence of affirmative action by the Holder to purchase the Warrant Shares, and no mere enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

SECTION 6. ADJUSTMENTS, NOTICE PROVISIONS AND RESTRICTIONS ON ISSUANCE OF ADDITIONAL SECURITIES.

SECTION 6.1 Adjustment of Exercise Price. The Exercise Price in effect from time to time shall be subject to adjustment, as follows:

(a) In case the Company shall (i) declare a dividend or make a distribution on the outstanding shares of its capital stock that is payable in shares of its Common Stock, (ii) subdivide, split or reclassify the outstanding shares of its Common Stock into a greater number of shares of the same class, or (iii) combine or reclassify the outstanding shares of its Common Stock into a smaller number of shares of the same class, the Exercise Price in effect immediately after the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted so that it shall equal the price determined by multiplying the

Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately before such dividend, distribution, split, subdivision, combination or reclassification, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such dividend, distribution, split, subdivision, combination or reclassification. Any shares of Common Stock issuable in payment of a dividend shall be deemed to have been issued immediately prior to the record date for such dividend for purposes of calculating the number of outstanding shares of Common Stock of the Company under this Section 6. Such adjustment shall be made successively upon the occurrence of each event specified above, but any such adjustment shall be effective only upon the effective date of such dividend, distribution, split, subdivision, combination or reclassification.

(b) In case the Company fixes a record date for the issuance to holders of its Common Stock of rights, options, warrants or convertible or exchangeable securities generally entitling such holders to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share of Common Stock on such record date, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding on such record date plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered would purchase at the Current Market Price per share, and of which the denominator shall be the number of shares of Common Stock outstanding on such Record Date plus the number of additional shares of Common Stock offered for subscription or purchase. Such adjustment shall be effective on the effective date of such issue and shall be made successively on each date whenever a record date is fixed.

3

(c) In case the Company fixes a record date for the making of a distribution to all holders of shares of its Common Stock of (i) of shares of any class of capital stock other than its Common Stock or (ii) of evidences of its indebtedness or (iii) of assets (other than dividends or distributions referred to in Subsection 6.1(a) hereof) or (iv) of rights, options, warrants or convertible or exchangeable securities (excluding those rights, options, warrants or convertible or exchangeable securities referred to in Subsection 6.1(b) hereof), then in each such case the Exercise Price in effect immediately thereafter shall be determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding on such record date multiplied by the Current Market Price (as such term is defined in Subsection 6.1(e) hereof) per share on such record date, less the aggregate fair value as determined in good faith by the Board of Directors of the Company of said shares or evidences of indebtedness or assets or rights, options, warrants or convertible or exchangeable securities so distributed, and of which the denominator shall be the total number of shares of Common Stock outstanding on such record date multiplied by such Current Market Price per share. Such adjustment shall be effective on the date of such distribution and shall be made successively each time such a record date is fixed. In the event that such distribution is not so made, the Exercise Price then in effect shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d) In the event of any merger, consolidation or sale of substantially all the assets of the Company resulting in any distribution to the Company's stockholders on or before the Termination Date, shall have the right to exercise this Warrant commencing at such time through the Termination Date which shall entitle the Holder to receive, in lieu of Warrant Shares, the kind and amount of securities and property (including cash) receivable by a holder of the number of shares of Warrant Shares into which this Warrant might have been exercisable immediately prior thereto.

(e) For the purpose of any computation under Subsection 6.1(b) or 6.1(c) hereof, the "Current Market Price" per share at any date (the "Computation Date") shall be deemed to be the average of the daily Current Market Value over 20 consecutive trading days ending the trading day before such date.

(f) All calculations under this Section 6.1 shall be made to the nearest cent.

4

SECTION 6.2 Adjustment of Number of Shares. Upon each adjustment of the Exercise Price pursuant to Section 6.1 other than pursuant to Subsection 6.1(d) hereof, this Warrant shall thereupon evidence the right to purchase, in addition to any other securities to which the Holder is entitled to purchase, that number of Warrant Shares (calculated to the nearest one-hundred thousandth of a share) obtained by multiplying the number of shares of Common Stock purchasable upon exercise of the Warrant immediately prior to such adjustment by the Exercise Price in effect immediately prior to such adjustment and dividing the product so obtained by the

Exercise Price in effect immediately after such adjustment.

SECTION 6.3 Verification of Computations. The Company may select a firm of independent public accountants, which may be the Company's independent auditors, and which selection may be changed from time to time, to verify the computations made in accordance with this Section 6. The certificate, report of other written statement of any such firm shall be conclusive evidence of the correctness of any computation made under this Section 6. Promptly upon its receipt of such certificate, report or statement from such firm of independent public accountants, the Company shall deliver a copy thereof to the Holder.

SECTION 6.4 Warrant Certificate Amendments. Irrespective of any adjustments pursuant to this Section 6, Warrant Certificates theretofore or thereafter issued need not be amended or replaced, but Warrant Certificates thereafter issued shall bear an appropriate legend or other notice of any adjustments and which legend and/or notice has been provided by the Company to the Holder.

SECTION 7. NOTICES TO THE HOLDER

So long as this Warrant shall be outstanding, (i) if the Company proposes to pay any dividend or make any distribution upon the Common Stock, (ii) if the Company shall offer to holders of its Common Stock rights to subscribe for, purchase, or exchange property for any shares of any class of stock, or any other rights or Warrants or (iii) if any capital reorganization of the Company, reclassification of the capital stock of the Company, consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant), sale, lease or transfer of all or substantially all of the property and assets of the Company to another corporation, or voluntary or involuntary dissolution, liquidation or winding up of the Company shall be effected, then in any such case, the Company shall cause to be sent by overnight mail or courier service to the Holder, at least five days prior to the date specified in (x) or (y) below, as the case may be, a notice containing a brief description of the proposed action and stating the date on which (x) a record is to be taken for the purpose of such dividend, distribution or subscription rights, or (y) such reclassification, reorganization, consolidation, merger, conveyance, lease, dissolution, liquidation or winding up is to take place and the date, if any is to be fixed, as of which holders of Common Stock or other securities shall receive cash or other property deliverable upon such reclassification, reorganization, consolidation, merger, conveyance, dissolution, liquidation or winding up.

SECTION 8. RECLASSIFICATION, REORGANIZATION OR MERGER.

In case of any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the Company, or in case of any consolidation or merger of the Company with or into another corporation (other than a merger with a subsidiary in which merger the Company is the continuing corporation and which does not result in any reclassification, capital reorganization or other change of outstanding shares of Common Stock of the class issuable upon exercise of this Warrant) or in case of any sale, lease or conveyance to another corporation of the property of the Company as an entirety (collectively such actions being hereinafter referred to as "Reorganizations"), the Company shall, as a condition precedent to such Reorganization transaction, cause effective provisions to be made so that the Holder shall have the right thereafter by exercising this Warrant at any time prior to the expiration of the Warrant, to receive in lieu of the amount of securities otherwise deliverable, the kind and amount of shares of stock and other securities and property receivable upon such Reorganization by a holder of the number of shares of Common Stock which might have been purchased upon exercise of this Warrant and the Warrants included in the Shares immediately prior to such Reorganization. Any such provision shall include provision for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Warrant. The foregoing provisions of this Section 9 shall similarly apply to successive Reorganizations.

SECTION 9. ISSUE TAX.

The issuance of certificates representing the Warrant Shares upon the exercise of this Warrant as well as securities underlying the Share Warrants shall be made without charge to the Holder for any original issuance tax in respect thereof.

SECTION 10. GOVERNING LAW, JURISDICTION AND VENUE.

This Warrant shall be governed by and construed and enforced in accordance with the laws of the State of Florida. The Company and by acceptance hereof, the Holder, hereby consent to the

exclusive jurisdiction and venue of the courts of the State of Florida located in Palm Beach County, Florida or the United States Federal District Court for the Southern District of Florida with respect to any matter relating to this Warrant and the performance of the Company's or the Holder's obligations hereunder and the Company and the Holder hereby further consent to the personal jurisdiction of such courts. Any action suit or proceeding brought by or on behalf of the Company or the Holder relating to such matters shall be commenced, pursued, defended and resolved only in such courts and any appropriate appellate court having jurisdiction to hear an appeal from any judgment entered in such courts.

[Signature Page Follows]

GLOBALTEL IP, INC.

By: /s/ Steve Williams

Dated: November 12, 2005

Attest:

/s/ Larry M. Reid
Secretary

PURCHASE FORM

Dated _____, _____

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ Warrant Shares and hereby makes payment of _____ in payment of the actual exercise price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

(Please typewrite or print in block letters)

Name

Address

Signature

Exhibit 23.2

We hereby consent to the use of our report dated December 22, 2006 with respect to our audit of the balance sheets as of September 30, 2006 and 2005, and the related statements of operations, changes in stockholders' equity (deficit) and cash flows for each of the years in the two year period ended September 30, 2006 of GlobalTel IP, Inc., and which appear in this Form SB-2 Registration Statement.

We also consent to the reference to our Firm under the headings "Summary Financial Information" and "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ RIBOTSKY, LEVINE & COMPANY

RIBOTSKY, LEVINE & COMPANY, CPAs
Miami, Florida
July 2, 2007