

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-KSB

/x/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

or

/ / TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission File Number 333-28861

NETSOL INTERNATIONAL, INC.

(Name of small business issuer as specified in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

95-4627685

(I.R.S. Employer
Identification Number)

233 WILSHIRE BLVD., SUITE 510,
SANTA MONICA, CA

(Address of principal executive offices)

90401

(Zip code)

(310) 395-4073 / (310) 395-0891

(Issuer's telephone/facsimile numbers, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
(None)

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
(None)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No []

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B, is not contained in this form and no disclosure will be continued, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to the Form 10-KSB. []

As of September 17, 1999, Registrant had 7,632,065 shares of its \$.001 par value Common Stock issued and outstanding with an aggregate market value of the common stock held by non-affiliates of \$17,530,335. This calculation is based upon the closing sales price of \$5 per share on September 17, 1998.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated herein by reference: (1) Form 10-KSB for the fiscal year ended June 30, 1998, filed with the SEC on October 13, 1998 (File No. 000-28861), is incorporated in Part III, Item 13(A); and (2) Registration Statement on Form SB-2, effective with the SEC on April 27, 1998, (Registration No. 333-28861), is incorporated in Part III, Item 13(A).

TABLE OF CONTENTS AND CROSS REFERENCE SHEET

<TABLE>
<CAPTION>

PART I		PAGE
<S>	<C>	<C>
Item 1	Description of Business	1
Item 2	Description of Property	2
Item 3	Legal Proceedings	2
Item 4	Submission of Matters to a Vote of Security Holders	2
PART II		
Item 5	Market for Common Equity and Related Stockholder Matters	3
Item 6	Management's Discussion and Analysis	3
Item 7	Financial Statements	6
Item 8	Changes in and Disagreements with Accountants on	

PART III

Item 9	Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act	7
Item 10	Executive Compensation	8
Item 11	Security Ownership of Certain Beneficial Owners and Management	10
Item 12	Certain Relationships and Related Transactions	11
PART IV		

Item 13	Exhibits and Reports on Form 8-K	12

</TABLE>

PART I

ITEM 1 - BUSINESS

GENERAL

Mirage Holdings, Inc. ("Company") was incorporated under the laws of the state of Nevada on March 18, 1997.

Effective September 15, 1998, the Company acquired 51% of Network PVT Solutions Limited ("NetSol PVT"), a software development company in Lahore, Pakistan, outstanding capital stock. In addition, the Company also purchased 43% of the outstanding capital stock of NetSol (U.K.) Limited, a corporation organized under the laws of the United Kingdom ("NetSol UK"), which is a sister company to NetSol PVT. The Company paid a purchase price for the increased interest in NetSol and the interest in NetSol UK of \$500,000 plus 490,000 shares of common stock of the Company.

On April 17, 1999, the Company entered into an agreement with NetSol PVT and NetSol UK to acquire the remaining 49% of NetSol PVT and 57% of NetSol UK in exchange for 4.2 million shares of restricted common stock of the Company. Mirage Holdings, Inc., changed its name to NetSol International, Inc., ("NetSol" or the "Company"), after completing this acquisition. Unless the context requires otherwise, references to NetSol are intended to include NetSol International, Inc., and all of its consolidated subsidiaries.

The Company's principal executive and administrative facility is currently located at 233 Wilshire Blvd., Suite 510, Santa Monica, California 90401 and its telephone number is (310) 395-4073.

NetSol PVT was incorporated in Pakistan on August 22, 1996, under the companies ordinance of 1984, as a private company limited by shares. NetSol PVT's principle business is the design and development of software. NetSol PVT also conducts research and development on new software applications and designs.

NetSol PVT has developed several leasing and finance products creating a market within the finance industry. Currently, NetSol PVT has developed a fully integrated leasing and finance package which is a series of seven products that can be marketed in an integrated system. Mercedes Benz Finance - Singapore, Mercedes Benz Leasing - Thailand, Mercedes Benz Finance Ltd. - United Kingdom and Mercedes Benz Finance - Australia are some of NetSol PVT's customers which account for a majority of its revenues. In addition, NetSol provides off shore development and customized Information Technology ("IT") solutions and has blue chip customers like ICI of UK, Fuzzy Informatik of Germany and 1st net Technologies, Inc., USA. NetSol PVT has 85 employees, 75 of which specialize in IT.

NetSol PVT is the first company in Pakistan to achieve the ISO9001 accreditation.

NetSol UK was incorporated in December 1997 under the laws of the United Kingdom. NetSol UK was established for service and support of customers in the European markets. In addition, NetSol UK was established to function as a marketing arm of the Company in Europe.

The Internet

The Company is committed to regaining and extending the advantages of its direct model approach by moving even greater volumes of product sales, service and support to the Internet. The Internet, perhaps the purest and most efficient form of direct model, provides greater convenience and efficiency to customers

excess of 10,000 visits per month to www.netsol-intl.com.

Through its Web site, customers, potential customers and investors can access a wide range of information about the Company's product offerings, can configure and purchase systems on-line and can access volumes of support and technical information about the Company.

OPERATIONS

The Company's headquarters are in Santa Monica, California. Nearly all of the production and manufacturing is conducted at NetSol PVT in Lahore, Pakistan. The majority of the marketing is conducted through NetSol UK. NetSol UK services and supports the clients in Europe, while NetSol PVT services and supports the customers in the Asia Pacific and North American regions.

ADMINISTRATION

OFFICE FACILITIES - The Company currently leases approximately 1,200 square feet office facility in Santa Monica, California.

EMPLOYEES - The Company currently employs four full time employees and one consultant on an "as needed" basis. In the near future, the Company plans on hiring additional employees as needed based on the Company's growth rate. The Company's subsidiaries have the following number of employees: NetSol PVT - 85; NetSol UK - 25; and NetSol USA - 2.

COMPETITION

The computer software industry is highly competitive. Some of the competitors of the Company are Research Machines, Ltd.; Viglen Computers, Ltd.; and Akhtar, Ltd.; all based in the United Kingdom. The Company does not believe it has any competition in Pakistan as it only caters and bids for the offshore or overseas customers.

ITEM 2 - PROPERTIES

The Company currently leases approximately 1,200 square feet office facility in Santa Monica, California. The month-to-month lease requires monthly payments of approximately \$1,500.

ITEM 3 - LEGAL PROCEEDINGS

To the knowledge of management, there is no material litigation pending or threatened against the Company.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On April 17, 1999 the Company's securityholders via proxy elected additional members to the Board of Directors and approved the acquisition of NetSol UK Ltd. and Network Solutions Pvt. Ltd. by the Company. Naeem Ghauri, Shahab Ghauri and Salim Ghauri were elected to the Board of Directors until the next annual meeting of the Shareholders. The acquisition and the additional Board of Directors members were elected with the approval of over 51% of the shareholders. The Company's securityholders approved a change in the name of the Company from Mirage Holdings, Inc. to NetSol International, Inc. Accordingly, the Company changed its symbol from MGHI for its common shares to NTWK and MGHIW for its warrants to NTWKW.

2

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) **MARKET INFORMATION** - The Company's Common Stock has been quoted on the over-the-counter bulletin board ("OTC/BB"), under the symbol NTWK, with prices ranging from \$5 to \$5 1/2 in September 1, 1999 to September 17, 1999. The Company's Warrants have been quoted on the OTC/BB under the symbol NTWKW, since September 24, 1999 at prices ranging from \$1 to \$1 1/8. Prior to May 15, 1999, the Company's common stock traded under the symbol "MGHI" and the Company's warrants traded under the symbol "MGHIW."

(b) **STOCKHOLDERS** - As of September 22, 1999, the Company had 91 holders of record of the Company's Common Stock and two holders of record of the Company's Warrants. This does not include the holders that have their shares held in a depository trust in "street" name. As of September 22, 1999, 7,632,065 shares have been issued and outstanding.

(c) **DIVIDENDS** - The Company has not paid cash dividends on its Common Stock in the past and does not anticipate doing so in the foreseeable future. The Company currently intends to retain future earnings, if any, to fund the development and growth of its business.

ITEM 6 - MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's objective is to maximize stockholder value by executing a strategy that focuses on a balance of three priorities: growth, profitability

and liquidity. The following discussion highlights the Company's performance in the context of these priorities. This discussion should be read in conjunction with the Consolidated Financial Statements, including the related notes.

RESULTS OF OPERATIONS

The following table summarizes the results of the Company's operations for each of the past two fiscal years.

OVERVIEW

<TABLE>
<CAPTION>

	Year Ended June 30, 1999	Year Ended June 30, 1998
<S>	<C>	<C>
Net sales	\$ 3,002,107	\$ 168,835
Cost of goods sold	1,662,259	133,860
Gross profit	1,339,848	34,975
Selling, general & administrative expenses	2,872,953	620,454
Other Income/(expense)	82,487	-0-
Net Loss	\$ (1,626,734)	\$ (585,479)

</TABLE>

3

YEAR ENDED JUNE 30, 1999 COMPARED TO YEAR ENDED JUNE 30, 1998

Net Sales. Net sales include service and maintenance revenues. Net sales increased by \$2,833,272 (1678%) in fiscal year end June 30, 1999 ("fiscal 1999") compared to fiscal year end June 30, 1998 ("fiscal 1998"). This increase is due to the 100% acquisition of NetSol UK and NetSol Pvt. The sales from NetSol UK for fiscal 1999 were \$2,899,688. Similarly, sales from NetSol Pvt. were at \$765,988 in fiscal 1999. The international operating revenues are the sole factor in the increase in sales for fiscal 1999.

Cost of Goods Sold. Costs of goods consists primarily of research and development, consultants and network operating costs. In fiscal 1999, cost of goods increased by \$1,528,399 (1142%) as sales and revenues increased.

Selling, General and Administrative Expenses. The increase in selling, general and administrative expenses for fiscal 1999 over fiscal 1998 consisted of increase in staffing and infrastructure expenses, including information systems, to support the Company's continued growth. In fiscal 1999, the selling, general and administration expenses increased by \$2,252,499 (363%) from fiscal 1998. Although majority of the cost of goods is controlled in the cheaper overseas production facilities in Pakistan, the increase in fiscal year 1999 encompasses increases in sales, marketing, cost of production, as well as research and development and costs of acquisition and related expenses. The Company had a one time, non-cash event of over \$450,000 upon the termination of one of its Directors and Chief Financial Officer in the second quarter. This is a non-recurring expense. Additionally, there was an increase in administrative expenses at each subsidiary and parent company relating to due-diligence.

The Company continues to invest in research, development and software engineering activities to support its continued goal of improving and developing efficient procurement, production and distribution processes, and to develop and introduce new products and services. As a result, the Company's acquisition of NetSol Pvt., as the center for research, development and engineering, expenses increased the staffing levels and product development costs. The Company expects to continue to increase its research, development and software engineering spending to support its growth, profitability and liquidity. The Company has invested in training developers and programmers that are certified as Microsoft Certified Service Providers (MCSP). These MCSP certified developers and programmers assist the Company in its growth and development into new markets.

Other Income. The Company has no other material income in fiscal 1999 similar to fiscal 1998.

NET LOSS PER COMMON SHARE

Net loss per common share is computed by dividing the net loss applicable to common stockholders by the weighted average number of common shares outstanding during the year. In fiscal 1999 net loss per share was at \$0.44 per share.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL EXPENDITURES

LIQUIDITY AND CAPITAL RESOURCES

The Company had a net increase in cash of \$37,231 for fiscal 1999 as opposed to a loss of \$38,597 for fiscal 1998. The Company does not believe that inflation has had a significant impact on its operations since inception of the Company.

FACTORS AFFECTING THE COMPANY'S BUSINESS AND PROSPECTS

There are numerous factors that affect the Company's business and the results of its operations. These factors include general economic and business conditions; the level of demand for personal computers and software; lease and finance industry; schools' software program interests; the level and intensity of competition in the computer software industry and the pricing pressures that may result; the ability of the Company to timely and effectively manage periodic product transitions as well as component availability; the availability of the Company to develop upgrades to its current products; the ability of the Company to develop new products; the ability of the Company to continue to improve its infrastructure (including personnel and systems) to keep pace with the growth in its overall business facilities; and the Company's ability to ensure its products and internal systems and devices will be Year 2000 ready and to assess the Year 2000 readiness and risk to Company of its third party providers, and implement effective contingency plans where needed. Finally, the Company is cognizant that it needs to continually and systematically provide well trained, qualified consultants and developers to manage and service projects at all of its customers' sites.

YEAR 2000

As is the case with most other businesses using computers in their operations, NetSol is in the final process of evaluating and addressing Year 2000 readiness of its own computer systems as well as those of the companies it has acquired. The year 2000 problem is the result of computer programs being written using two digits rather than four to define the applicable year. Any programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a major system failure or miscalculations. Such Year 2000 readiness efforts are designed to identify, address and resolve issues that may be created by computer programs begin written using two digits rather than four to define the applicable year.

1. **STATE OF READINESS.** NetSol has had a program in place since August 1, 1998 to address Year 2000 readiness issues in its critical business areas related to products, networks, information management systems, non-information systems with embedded technology, suppliers and customers. NetSol has taken and will continue to take actions designed to advance its progress toward becoming Year 2000 ready by the end of November 30, 1999. NetSol's Year 2000 readiness goal focuses on the ability of NetSol to perform its business functions and to process information in an unambiguous manner under various date conditions.

2. **THE COSTS TO ADDRESS NETSOL'S YEAR 2000 READINESS CHALLENGES.** Based on information developed to date, as result of NetSol's assessment efforts, NetSol believes that the costs of modifying, upgrading or replacing its systems and equipment will not have material effect on NetSol's liquidity, its financial condition or results of operations. To date NetSol has expended approximately \$100,000 relating to year 2000 readiness.

3. **THE RISKS OF NETSOL'S YEAR 2000 READINESS CHALLENGES.** In light of the progress made to date, NetSol does not anticipate delays or postponements in finalizing and implementing Year 2000 readiness solutions by the end of the first quarter September 30, 1999. Until NetSol's renovations and validation phases are substantially complete, however, NetSol cannot fully and accurately estimate any uncertainty in timely resolving its Year 2000 readiness challenges or in finalizing and implementing related Year 2000 readiness resolutions. Additionally, any failure by third parties which have a material relationship with NetSol to achieve full Year 2000 readiness may be a potential risk if such failure were to adversely impact the ability of such third parties to provide any products or services that are critical to NetSol's operations. Finally, where NetSol cannot validate or certify that technology provided by material third parties is fully Year 2000 ready, NetSol is seeking to obtain assurances from these material third parties that their systems are or will be Year 2000 ready no later than the end of the first quarter, September 30, 1999. If these material third parties fail to

appropriately address their own Year 2000 readiness challenges, there could be a materially adverse effect on NetSol's financial condition and results of operations. These risks include, but are not limited to:

- implementing commercial launches in new markets or introducing new services in existing markets;
- pursuing acquisitions, alliances and joint ventures that provide synergy and business fit;
- pursuing additional business opportunities; and
- obtaining equity or debt financing.

4. **CONTINGENCY PLANS.** NetSol is at the final stages of testing the systems and software testing in its critical systems by third party providers of its critical products and services. As a result, NetSol will assess the development of appropriate alternative solutions presented by any

relevant third party to determine its effectiveness and likely impact on NetSol's Year 2000 readiness risk profile.

INFLATION AND FOREIGN CURRENCY EXCHANGE

Inflation is not a material factor affecting NetSol's business. General operating expenses such as salaries, employee benefits and lease costs are, however, subject to normal inflationary pressures. From time to time NetSol may experience price changes in connection with the purchase of certain system infrastructure and equipment, but the Company does not currently believe that any of such price changes will be material to its business.

The net assets of the foreign operations of the Company's subsidiaries are subject to foreign currency exchange risks since they are primarily maintained in local currency. Additionally, the long-term debt of the Company and its subsidiaries is almost in US dollar denominated form, which also exposes such entities to local foreign exchange risks. Certain subsidiaries conduct business in countries in which the rate of inflation is significantly higher than that of the United States. NetSol will attempt to protect its earnings from inflation and possible currency devaluation by striving to consummate all of its transactions in U.S. dollars.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

Statement of Position 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This statement does not have a significant effect on the Company's financial position or results of operations.

Statement of Position 98-5 "Reporting on the Costs of Start-Up Activities." - The American Institute of Certified Public Accountants issued a Statement of Position 98-5 which will be effective in 1999 and will require costs of start-up activities and organization costs to be expensed as incurred. This statement does not have a significant effect on the Company's financial position or results of operations.

PART II - OTHER INFORMATION

ITEM 7. FINANCIAL STATEMENTS

The Consolidated Financial Statements that constitute Item 7 are included at the end of this report beginning on Page F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

6

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages of the current directors and executive officers of the Company, the principal offices and positions with the Company held by each person and the date such person became a director or executive officer of the Company. The executive officers of the Company are elected annually by the Board of Directors. Each year the stockholders elect the board of directors. The executive officers serve terms of one year or until their death, resignation or removal by the Board of Directors. In addition, there was no arrangement or understanding between any executive officer and any other person pursuant to which any person was selected as an executive officer.

The directors and executive officers of the Company are as follows:

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
Najeeb U. Ghauri	44	President, Chief Financial Officer, Secretary, and Director
Salim Ghauri	42	Chief Executive Officer, and Director
Naeem Ghauri	41	Chief Operations Officer, and Director
Earl Shannon	32	Director
Irfan Mustafa	48	Director
Shahab Ghauri	48	Director

</TABLE>

NAJEEB U. GHAURI is the President, Secretary, and Director of the

Company since 1997 and Chief Financial Officer since 1998. Mr. Ghauri is responsible for the Company's corporate finance, managing the day-to-day operations of the Company, as well as the Company's overall growth and expansion plan. Prior to joining the Company, Mr. Ghauri was part of the marketing team of Atlantic Richfield Company ("ARCO"), a Fortune 500 company, from 1987-1997. Mr. Ghauri received his Bachelor of Science degree in Management/Economics from Eastern Illinois University in 1979, and his M.B.A. in Marketing Management from Claremont Graduate School in California in 1983.

SALIM GHAURI is the Chief Executive Officer and Director of the Company since 1998. Mr. Ghauri is also the CEO of Network Solutions (Pvt.) Ltd. a wholly owned subsidiary of the Company located in Lahore, Pakistan. Before starting that Company, Mr. Ghauri was employed with BHP in Sydney, Australia from 1987-1995 where he commenced his employment as a consultant and was promoted to senior project manager. Mr. Ghauri received his Bachelor of Science degree in computer science from University of Punjab in Lahore, Pakistan, in 1980.

NAEEM GHAURI is the Chief Operations Officer and Director of the Company since 1999. Mr. Ghauri is also the managing Director of NetSol UK Ltd., a wholly owned subsidiary of the Company located in Milton Keynes, England. Prior to joining the NetSol team, Mr. Ghauri was Project Director for Mercedes-Benz Finance Ltd., a subsidiary of Daimler-Chrysler, Germany from 1994-1999. Mr. Ghauri supervised over 200 project managers, developers analysts and users in nine European countries. Mr. Ghauri has his B.S. in computer

7

science from Brighton University, United Kingdom, and a diploma in programming and maintenance from Computer Learning Center in Los Angeles, California.

EARL SHANNON is a Director of the Company. Mr. Shannon is currently the President and Director of Winthrop Venture Management, Inc., an investment management company based in Fort Lauderdale, Florida. The company manages the portfolios of select private individuals and is the General Partner of The Winthrop Venture Fund, Ltd., a private, invitation only investment fund. Mr. Shannon is also the sole consultant to The Silas Offshore Funds, Ltd., a Bahamian based private mutual fund.

IRFAN MUSTAFA is a Director of the Company since 1997. Mr. Mustafa is currently a senior executive with TRICON International, Inc., based in Dubai. Prior to TRICON, Mr. Mustafa was an Executive Designate Program with Pepsi-Cola Company from 1990 to 1997. Mr. Mustafa received his M.B.A. from IMD in Lousanne, Switzerland in 1975; his second M.B.A. from Institute of Business Administration in Karachi, Pakistan and a B.S.C. in Economics from Pinajab University in Lahore, Pakistan in 1975.

SHAHAB GHAURI is a Director of the Company since 1999. Mr. Ghauri is currently the Managing Director of SG Sports Ltd., in London, England. Mr. Ghauri received his Bachelor of Arts from the University of Punjab in economics in 1971.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than ten percent of the Company's Common Stock, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file.

The following disclosure is based solely upon a review of the Forms 3 and 5 and any amendments thereto furnished to the Company during the Company's fiscal year ended June 30, 1998. Based on this review, no individuals who were directors, officers and beneficial owners of more than 10% of the Company's outstanding Common Stock during such fiscal year filed late reports on Forms 3 and 5.

ITEM 10-EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE AND OPTIONS

The Summary Compensation Table shows certain compensation information for services rendered in all capacities during each of the last two fiscal years by the Officers of the Company. The following information for the Officers and Directors include the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

8

SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

Name and Principal Position	Year Ended June 30	Annual Compensation (1)	Bonus	Awards (2)	
				Restricted Stock Awards (3)	Securities Underlying Options (4)
<S>	<C>	<C>	<C>	<C>	<C>
Najeeb U. Ghauri, President and Secretary, Chief Financial Officer, Director	1999 1998	\$100,000 91,150	-0-	490,000 250,000	220,000 (5) 25,000 (6)
Naeem Ghauri, Chief Operations Officer, Director	1999 1998	150,000 N/A	30,000 (11) N/A	1,157,666 N/A	150,000 (7) N/A
Irfan Mustafa, Director	1999 1998	-0- -0-	-0- -0-	-0- 100,000	20,000 (8) 45,000 (9)
Earl Shannon, Director	1999 1998	-0- N/A	-0- -0-	-0- N/A	20,000 (10) N/A
Salim Ghauri, Chief Executive Officer, Director	1999 1998	100,000 N/A	-0- N/A	1,320,666 N/A	150,000 (7) N/A
Shahab Ghauri, Director	1999 1998	-0- N/A	-0- N/A	1,157,666 N/A	-0- N/A
All Officers and Directors, as a Group (6 persons)	1999 1998	\$350,000 182,300	\$30,000 -0-	4,125,998 350,000	560,000 70,000

</TABLE>

- (1) No officers received or will receive any bonus or other annual compensation other than salaries during fiscal 1998-1999. The table does not include any amounts for personal benefits extended to officers of the Company, such as the cost of automobiles, life insurance and supplemental medical insurance, because the specific dollar amounts of such personal benefits, if any, cannot be ascertained.
- (2) No officers received or will receive any long term incentive plan (LTIP) payouts or other payouts during fiscal 1999.
- (3) All stock awards are shares of Common Stock of the Company.
- (4) All securities underlying options are shares of Common Stock of the Company.
- (5) Includes 150,000 options granted under Employment Contract between the Company and Employee at an exercise price of \$1.58; includes 20,000 options granted to each Director at an exercise price of \$1.44 for five years from May 18, 1999; includes 50,000 options granted under 1997 Incentive and Non-Statutory Stock Option Plan issued in May 1999 at an exercise price of \$1.44 for five years from May 18, 1999.
- (6) Includes 25,000 options issued under the Company's 1997 Incentive and Non-Statutory Stock Option Plan for five years from May 12, 1997.
- (7) Includes 150,000 options granted under the Employment Contract between the Company and Employee at an exercise price of \$1.58.
- (8) Includes 20,000 options granted to each Director for the term 1997-1998 at an exercise price of \$.01 for five years from May 12, 1997;
- (9) Includes 20,000 options granted to each Director for the term 1998-1999 at an exercise price of \$1.44 for five years from May 18, 1999; includes 25,000 options granted as Chairman of the Board at an exercise price of \$1.44 for five years from May 18, 1999;
- (10) Includes 20,000 options granted to each Director for the term 1998-1999 at an exercise price of \$1.44 for five years from May 18, 1999.
- (11) Naeem Ghauri received a signing bonus upon the execution of his employment agreement dated April, 17, 1999.

EMPLOYMENT AGREEMENTS

On April 17, 1999, Messrs. Najeeb Ghauri, Salim Ghauri and Naeem Ghauri each executed employment agreements with the Company for a term of three (3) years.

COMPENSATION OF DIRECTORS

Directors of the Company do not receive any cash compensation, but are entitled to reimbursement of their reasonable expenses incurred in attending Directors' Meetings. In addition, the Company has granted to each of its three directors 20,000 options to purchase common stock of the Company under the Company's Incentive and Nonstatutory Stock Option Plan. The three directors appointed subsequent to the acquisition of NetSol Pvt and NetSol UK, were not entitled to the 20,000 options granted to each director of the Company as they did not serve an entire year on the board.

ITEM 11- SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock, its only class of outstanding voting securities as of August 28, 1999, by (i) each person who is known to the Company to own beneficially more than 10% of the outstanding Common Stock with the address of each such person, (ii) each of the Company's directors and officers, and (iii) all officers and directors as a group:

<TABLE>
<CAPTION>

Name	Number of Shares (1)	Percentage Beneficially owned
<S> Najeeb Ghauri	<C> 985,000 (2)	<C> 12.9%
Naeem Ghauri	1,307,666 (3)	17%
Irfan Mustafa	165,000 (4)	2.2%
Salim Ghauri	1,470,666 (3)	19.3%
Shahab Ghauri	1,157,666	17%
Earl Shannon	20,000 (5)	*

</TABLE>

10

<TABLE>
<CAPTION>

Name	Number of Shares (1)	Percentage Beneficially Owned
<S> All officers and directors as a group (6 persons)	<C> 5,105,998	<C> 68.4%

</TABLE>

* Less than one percent

- (1) Except as otherwise indicated, the Company believes that the beneficial owners of Common Stock listed below, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of Common Stock subject to options or warrants currently exercisable, or exercisable within 60 days, are deemed outstanding for purposes of computing the percentage of the person holding such options or warrants, but are not deemed outstanding for purposes of computing the percentage of any other person.
- (2) Includes 150,000 options granted under Employment Contract between the Company and Employee at an exercise price of \$1.58; includes 20,000 options granted to each Director at an exercise price of \$1.44 for five years from May 18, 1999; includes 50,000 options granted under 1997 Incentive and Non-Statutory Stock Option Plan issued in May 1999 at an exercise price of \$1.44 for five years from May 18, 1999. Includes 25,000 options issued under the Company's 1997 Incentive and Non-Statutory Stock Option Plan for five years from May 12, 1997.
- (3) Includes 150,000 options granted under the Employment Contract between the Company and Employee at an exercise price of \$1.58.
- (4) Includes 20,000 options granted to each Director for the term 1997-1998 at

an exercise price of \$.01 for five years from May 12, 1997; Includes 20,000 options granted to each Director for the term 1998- 1999 at an exercise price of \$1.44 for five years from May 18, 1999; includes 25,000 options granted as Chairman of the Board at an exercise price of \$1.44 for five years from May 18, 1999.

- (5) Includes 20,000 options granted to each Director for the term 1998-1999 at an exercise price of \$1.44 for five years from May 18, 1999.

ITEM 12-CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

On April 17, 1999, the Company increased its ownership interest in NetSol Pvt and NetSol UK to 100% of the outstanding capital stock. See "Business of the Company" for a full description of this transaction. The Chief Executive Officer, President, and Director of NetSol Pvt is Salim Ghauri; a Director of NetSol Pvt is Shahab Ghauri; and another Director of NetSol UK is Naeem Ghauri; all brothers of Najeeb U. Ghauri, President, Secretary, Chief Financial Officer and a Director of the Company. The Company believes that its acquisition of NetSol Pvt and NetSol UK was on terms at least as favorable to the Company as would be obtainable in arm's length dealings with unrelated third persons. It is further the Company's intention that all future transactions between the Company and NetSol will be on terms at least as favorable to the Company as would be obtainable in arm's-length dealings with unrelated third persons. However, the ongoing familial relationship between management of the Company could result in conflicts of interest, which could result in actions taken by the Company that do not fully reflect the interests of all shareholders of the Company.

The Company's management believes that the terms of these transactions are no less favorable to the Company than would have been obtained from an unaffiliated third party in similar transactions. All future transactions with affiliates will be on terms no less favorable than could be obtained from unaffiliated third parties, and will be approved by a majority of the disinterested directors.

11

PART IV

ITEM 13 - EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

- 3.1 Articles of Incorporation of Mirage Holdings, Inc., a Nevada corporation, dated March 18, 1997(1)
- 3.2 Bylaws of Mirage Holdings, Inc., dated March 18, 1997(1)
- 3.3 Amendment to Articles of Incorporation dated May 21, 1999
- 10.1 Lease Agreement, dated September 7, 1998 for Santa Monica executive offices(2)
- 10.2 Company Stock Option Plan dated May 18, 1999
- 10.3 Employment Agreement, dated April 17, 1999 by and between Mirage Holdings, Inc. and Najeeb U. Ghauri
- 10.4 Employment Agreement, dated April 17, 1999 by and between Mirage Holdings, Inc. and Salim Ghauri
- 10.5 Employment Agreement, dated April 17, 1999 by and between Mirage Holdings, Inc. and Naeem Ghauri
- 10.6 Acquisition Agreement, dated April 3, 1999 by and between NetSol PVT and NetSol UK and SGO
- 21.1 A list of all subsidiaries of the Company
- 24.1 Consent of Stonefield Josephson & Company

(1) Incorporated by reference to Registration Statement No. 333-28861 on Form SB-2.

(2) Incorporated by reference to 10K-SB filed October 13, 1998.

12

SIGNATURES

In accordance with Section 13 or 15 (d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NetSol International, Inc.

Date: SEPTEMBER 24, 1999

BY:/S/ NAJEEB U. GHOURI

Najeeb U. Ghauri
President, Chief Financial Officer
and Secretary

Date: SEPTEMBER 24, 1999

BY:/S/ SALIM GHOURI

Salim Ghauri
Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: SEPTEMBER 24, 1999 BY:/S/ NAJEEB U. GHAURI

Najeeb U. Ghauri
President, Chief Financial Officer
Secretary and Director

Date: SEPTEMBER 24, 1999 BY:/S/ SALIM GHAURI

Salim Ghauri
Chief Executive Officer, Director

Date: SEPTEMBER 24, 1999 BY:/S/ NAEEM GHAURI

Naeem Ghauri
Chief Operating Officer, Director

Date: SEPTEMBER 24, 1999 BY:/S/ SHAHAB GHAURI

Shahab Ghauri
Director

Date: SEPTEMBER 24, 1999 BY:/S/ IRFAN MUSTAFA

Irfan Mustafa
Director

Date: SEPTEMBER 24, 1999 BY:/S/ EARL SHANNON

Earl Shannon
Director

13

NETSOL INTERNATIONAL, INC.
(FORMERLY MIRAGE HOLDINGS, INC.)

CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 1999 AND 1998

CONTENTS

<TABLE>
<CAPTION>

	Page
<S>	<C>
INDEPENDENT AUDITORS' REPORT	F-1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheet	F-2
Consolidated Statements of Operations	F-3
Consolidated Statement of Stockholders' Equity	F-4
Consolidated Statements of Cash Flows	F5-F6
Notes to Consolidated Financial Statements	F7-F15

</TABLE>

14

Board of Directors
Netsol International, Inc. (formerly
Mirage Holdings, Inc.)
Santa Monica, California

We have audited the accompanying consolidated balance sheet of Netsol International, Inc. (formerly Mirage Holdings, Inc.) as of June 30, 1999, and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended June 30, 1999 and 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Network Solutions PVT, Ltd. and Netsol UK, Limited, wholly owned subsidiaries, whose statements reflect combined total assets of \$1,194,000 as of June 30, 1999 and combined total net revenues of \$3,002,107 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Network Solutions PVT, Ltd., and Netsol UK, Limited, is based

solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Netsol International, Inc. and subsidiaries as of June 30, 1999, and the results of its consolidated operations and its cash flows for the years ended June 30, 1999 and 1998 in conformity with generally accepted accounting principles.

/s/ Stonefield Josephson, Inc

CERTIFIED PUBLIC ACCOUNTANTS

Santa Monica, California
September 8, 1999

F-1

NETSOL INTERNATIONAL, INC.

CONSOLIDATED BALANCE SHEET - JUNE 30, 1999

ASSETS		
<TABLE>	<C>	<C>
<S>		
CURRENT ASSETS:		
Cash	\$ 31,713	
Accounts receivable	519,106	
Other current assets	167,070	

Total current assets		\$ 717,889
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization		244,638
OTHER ASSETS:		
Deposits	4,415	
Product licenses, renewals, enhancements, copyrights, trademarks and tradenames, net	5,006,222	
Customer lists, net	1,173,333	
Goodwill, net	3,525,872	

Total other assets		9,709,842

		\$ 10,672,369

LIABILITIES AND STOCKHOLDERS' EQUITY		
<TABLE>	<C>	<C>
<S>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 652,750	
Current maturities of obligations under capitalized lease	23,281	
Loans payable, stockholders	51,746	

Total current liabilities		\$ 727,777
OBLIGATIONS UNDER CAPITALIZED LEASES, less current maturities		38,601
STOCKHOLDERS' EQUITY:		
Common stock; \$.001 par value, 25,000,000 shares authorized, 7,452,065 shares issued and outstanding	7,452	
Additional paid-in capital	12,400,643	
Accumulated deficiency	(2,502,104)	

Total stockholders' equity		9,905,991

		\$ 10,672,369

See accompanying independent auditors' report and notes to consolidated financial statements.

F-2

NETSOL INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year ended June 30, 1999	Year ended June 30, 1998
	----- <C>	----- <C>
<S> NET REVENUES	\$ 3,002,107	\$ 168,835
COST OF REVENUES	1,662,259	133,860
GROSS PROFIT	1,339,848	34,975
OPERATING EXPENSES	2,790,466	620,454
NET LOSS BEFORE INCOME ALLOCATED TO MINORITY INTEREST	(1,450,618)	(585,479)
MINORITY INTEREST IN SUBSIDIARIES' EARNINGS	(305,616)	-
NET LOSS BEFORE EXTRAORDINARY ITEM	(1,756,234)	(585,479)
GAIN ON FORGIVENESS OF DEBT, net of tax	129,500	-
NET LOSS	\$ (1,626,734)	\$ (585,479)
NET LOSS PER SHARE - basic and diluted	\$ (0.44)	\$ (0.33)
WEIGHTED AVERAGE SHARES OUTSTANDING - basic and diluted	3,733,606	1,774,065

</TABLE>

See accompanying independent auditors' report and notes to consolidated financial statements.

F-3

NETSOL INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
YEAR ENDED JUNE 30, 1999

<TABLE>
<CAPTION>

	Common stock		Additional paid-in capital	Accumulated Deficit	Total stockholders' equity/ (deficiency)
	----- Shares	----- Amount	-----	-----	-----
<S> Balance at July 1, 1997	<C> 1,814,065	<C> \$ 1,814	<C> \$ 562,021	<C> \$ (289,891)	<C> \$ 273,944
Redemption of common stock issued through private offering	(40,000)	(40)	(19,960)	-	(20,000)
Net loss for the year ended June 30, 1998	-----	-----	-----	(585,479)	(585,479)
Balance at June 30, 1998	1,774,065	1,774	542,061	(875,370)	(331,535)
Common stock and warrants sold					

through initial public offering, net	251,000	251	987,733	987,984
Issuance of common stock in exchange for services rendered	235,000	235	710,631	710,866
Common stock options granted for services			199,844	199,844
Exercise of common stock options	105,000	105	945	1,050
Sale of common stock warrants			5,667	5,667
Exercise of warrants to convert to common stock	397,000	397	294,952	295,349
Issuance of common stock relating to acquisition of subsidiaries	4,690,000	4,690	9,658,810	9,663,500
Net loss for the year ended June 30, 1999			(1,626,734)	(1,626,734)
Balance at June 30, 1999	7,452,065	\$ 7,452	\$ 12,400,643	\$ (2,502,104)
				\$ 9,905,991

</TABLE>

See accompanying independent auditors' report and notes to consolidated financial statements.

F-4

NETSOL INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

INCREASE (DECREASE) IN CASH

<TABLE>

<CAPTION>

	Year ended June 30, 1999	Year ended June 30, 1998
<S>	<C>	<C>
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Net loss	\$ (1,626,734)	\$ (585,479)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES:		
Depreciation and amortization	359,018	1,814
Gain (loss) on sale of marketable securities	-	13,587
Non-cash compensation expense	910,710	-
Minority interest income	(305,616)	-
Forgiveness of debt	129,500	-
Bad debts	-	46,051
Loss on impairment of property and equipment	-	43,867
CHANGES IN ASSETS AND LIABILITIES:		
(INCREASE) DECREASE IN ASSETS:		
Accounts receivable	(519,106)	4,009
Other current assets	(16,507)	-
Inventory	-	46,891
Deposits	(4,415)	-
INCREASE (DECREASE) IN LIABILITIES -		
accounts payable and accrued expenses	305,531	316,058
Total adjustments	859,115	472,277
Net cash used for operating activities	(767,619)	(113,202)
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES:		
Proceeds from note receivable	-	113,104
Purchase (sale) of investments	(184,618)	(75,000)
Purchase of property, plant and equipment	(224,791)	(3,736)
Net cash provided by (used for) investing activities	(409,409)	34,368
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES:		
Issuance of common stock and warrants, net	1,687,713	-
Redemption of common stock	-	(20,000)
Proceeds from loans payable, stockholders	51,746	224,050
Payments on loans payable, related party	(328,110)	-

Deferred offering costs	(193,850)	(163,813)
Payments on capital lease obligations	(3,240)	-
	-----	-----
Net cash provided by financing activities	1,214,259	40,237
	-----	-----
NET INCREASE (DECREASE) IN CASH	37,231	(38,597)
CASH AND CASH EQUIVALENTS, beginning of period	(5,518)	33,079
	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 31,713	\$ (5,518)
	-----	-----

</TABLE>

(Continued)

See accompanying independent auditors' report and notes to consolidated financial statements.

F-5

NETSOL INTERNATIONAL, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

INCREASE (DECREASE) IN CASH

<TABLE>

<CAPTION>

	Year ended June 30, 1999	Year ended June 30, 1998
	-----	-----
<S>	<C>	<C>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 22,218	\$ 33,918
	-----	-----
Income taxes paid	\$ 2,400	\$ -
	-----	-----
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of 4,690,000 shares of common stock per stock purchase agreement	\$ 9,663,500	\$ -
	-----	-----
Granting of common stock options in exchange for services received	\$ 199,844	\$ -
	-----	-----
Issuance of common stock shares for services received	\$ 710,631	\$ -
	-----	-----
Forgiveness of debt	\$ 129,500	\$ -
	-----	-----
Deferred offering costs offset against gross proceeds from initial public offering	\$ 203,813	
	-----	-----

</TABLE>

See accompanying independent auditors' report and notes to consolidated financial statements.

F-6

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1999 AND 1998

(1) GENERAL:

Netsol International, Inc. (the "Company"), formerly known as Mirage Holdings, Inc., was incorporated under the laws of the State of Nevada on March 18, 1997. During November of 1998, Mirage Collections, Inc., a wholly owned and non-operating subsidiary, was dissolved.

On September 15, 1998 and April 17, 1999, the Company purchased from related parties, 51% and 49%, respectively, of the outstanding common

stock of Network Solutions PVT, Ltd., a Pakistani Company, and 43% and 57% of the outstanding common stock of Netsol UK, Limited, a United Kingdom Company issuance of 4,690,000 restricted common shares of the Company and cash payments of \$775,000, for an aggregate purchase price of approximately \$10.4 million. These acquisitions were accounted for using the purchase method of accounting, and accordingly, the purchase price was allocated to the assets purchased and liabilities assumed based upon their estimated fair values on the date of acquisition, which approximated \$300,000. Included in the accompanying consolidated financial statements are other assets acquired at fair market value consisting of product licenses, product renewals, product enhancements, copyrights, trademarks, tradenames and customer lists. The management of the Company allocated approximately \$6.3 million to these assets, which is being amortized straight line over 15 years, based on independent valuation reports prepared for the Company. The excess of the purchase prices over the estimated fair values of the net assets acquired, approximately \$3.8 million, was recorded as goodwill, and is being amortized straight line over 15 years from the date of each purchase.

During April 1999, the Company formed Netsol USA, Inc. as a wholly owned subsidiary. There were no material activities during the period from inception to June 30, 1999.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

PRINCIPLES OF CONSOLIDATION:

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Network Solutions PVT, Ltd., Netsol UK, Limited, and Netsol USA, Inc. All material intercompany accounts have been eliminated in consolidation.

BUSINESS ACTIVITY:

The Company designs, develops, markets, and exports proprietary software products to customers in the automobile finance and leasing industry worldwide. The Company also provides consulting services in exchange for fees from customers.

See accompanying independent auditors' report.

F-7

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FAIR VALUE:

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments, none of which are held for trading purposes, approximate carrying values of such amounts.

CASH EQUIVALENTS:

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

NET INCOME (LOSS) PER SHARE:

The Company has adopted Statement of Financial Accounting Standard No. 128, Earnings per Share ("SFAS No. 128"), which is effective for annual and interim financial statements issued for periods ending after December 15, 1997. SFAS No. 128 was issued to simplify the standards for calculating earnings per share ("EPS") previously in APB No. 15, Earnings Per Share. SFAS No. 128 replaces the presentation of primary EPS with a

presentation of basic EPS. The new rules also require dual presentation of basic and diluted EPS on the face of the statement of operations. Common stock equivalents have been excluded from the net loss per share calculation because their effect would reduce loss per share.

FOREIGN CURRENCY:

The accounts of Netsol UK, Limited and Network Solutions PK, Ltd. use British Pounds and Pakistan Rupees as the functional currencies, respectively. Assets and liabilities are translated at the exchange rate on the balance sheet date, and operating results are translated at the average exchange rate throughout the period. Any future translation gains and losses (not material at June 30, 1999) will be classified as an item of other comprehensive income in the stockholders' equity section of the consolidated balance sheet.

See accompanying independent auditors' report.

F-8

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

ACCOUNTING FOR STOCK-BASED COMPENSATION:

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, which applies the fair-value method of accounting for stock-based compensation plans. In accordance with this recently issued standard, the Company expects to continue to account for stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees. Proforma information regarding net income and earnings per share under the fair-value method has not been presented as the amounts are immaterial.

INCOME TAXES:

Deferred income taxes are reported using the liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

As of June 30, 1999, the Company had net federal and state operating loss carryforwards totaling approximately \$1,450,000 and \$1,600,000, respectively, expiring in various years through 2019. Deferred tax assets resulting for the net operating losses are reduced in full by a valuation allowance.

IMPAIRMENT OF LONG-LIVED ASSETS AND LONG-LIVED ASSETS TO BE DISPOSED OF:

The Company adopted the provision of FASB No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair values of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement did not have a material impact on the Company's financial position, results of operations or liquidity.

NEW ACCOUNTING PRONOUNCEMENTS:

The Company has adopted Statements of Financial Accounting Standards No. 130 "Reporting Comprehensive Income" and 131 "Disclosures About Segments of an Enterprise and Related Information". Adoption of these pronouncements did not materially affect the financial statements.

See accompanying independent auditors' report.

F-9

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(3) MAJOR CUSTOMERS:

During the year ended June 30, 1999, one customer accounted for approximately 55% of total sales. This customer owed approximately \$158,000 as of June 30, 1999.

(4) OTHER CURRENT ASSETS:

A summary is as follows:

Prepaid consultants fees	\$	125,463
Prepaid expenses		25,100
Other		16,507

	\$	167,070

(5) PROPERTY AND EQUIPMENT:

A summary is as follows:

Office furniture and equipment	\$	164,180
Assets under capital leases		104,588
Automobiles		42,372
Building improvements		8,685

		319,825
Less accumulated depreciation and amortization		75,187

	\$	244,638

Depreciation and amortization expenses related to property and equipment amounted to \$42,035 and \$1,814 for the years ended June 30, 1999 and 1998, respectively.

(6) PRODUCT LICENSES, RENEWALS, ENHANCEMENTS, COPYRIGHTS, TRADEMARKS AND TRADENAMES:

A summary is as follows:

Product licenses, renewals, enhancements, copyrights, trademarks and tradenames	\$	5,120,000
Less accumulated amortization		113,778

	\$	5,006,222

Amortization expense related to product licenses, renewals, enhancements, copyrights, trademarks and tradenames amounted to \$113,778 and \$0 for the years ended June 30, 1999 and 1998, respectively.

See accompanying independent auditors' report.

F-10

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(7) CUSTOMER LISTS:

A summary is as follows:

Customer lists	\$ 1,200,000
Less accumulated amortization	26,667

	\$ 1,173,333

Amortization expense related to customer lists amounted to \$26,667 and \$0 for the years ended June 30, 1999 and 1998, respectively.

(8) GOODWILL:

A summary is as follows:

Goodwill	\$ 3,702,410
Less accumulated amortization	176,538

	\$ 3,525,872

Amortization expense related to goodwill amounted to \$176,538 and \$0 for the years ended June 30, 1999 and 1998, respectively.

(9) FORGIVENESS OF DEBT:

During the year, the Company recognized an extraordinary gain of \$129,500, net of tax effect. Basic and diluted earnings per share, net of tax effect, amounted to \$0.03.

Total interest expense amounted to \$22,218 and \$33,918 for the years ended June 30, 1999 and 1998, respectively.

(10) STOCKHOLDERS' EQUITY:

Initial Public Offering

On September 15, 1998, the Parent completed the sale of its minimum offering of shares in its initial public offering which generated gross proceeds of \$1,385,647 from the sale of 251,000 shares of common stock and 929,825 warrants, each warrant to purchase one share of the Parent's common stock at an exercise price of \$6.50 for a term of five years. During December of 1998, the Company sold an additional 56,667 warrants for gross proceeds of \$5,667. As of June 30, 1999, 986,492 warrants were outstanding.

See accompanying independent auditors' report.

F-11

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(10) STOCKHOLDERS' EQUITY, CONTINUED:

INITIAL PUBLIC OFFERING, CONTINUED

Deferred offering costs of \$397,663 have been netted against gross proceeds of \$1,385,647 and are presented in the accompanying statement of stockholders' equity.

ACQUISITIONS OF NETWORK SOLUTIONS PVT, LTD. AND NETSOL UK, LIMITED

On September 15, 1998, the Company purchased 51% of the outstanding common stock of Network Solutions PVT, Ltd., a Pakistani Company, and

43% of the outstanding common stock of Netsol UK, Limited, a United Kingdom Company, in exchange for cash payment of \$775,000 and issuance of 490,000 restricted common shares of Netsol International, Inc. On April 17, 1999, the Company acquired an additional 49% of the outstanding common stock of Network Solutions PVT, Ltd., and 57% of the outstanding common stock of Netsol UK, Limited through the issuance of 4,200,000 restricted common shares of Netsol International, Inc.

UNAUDITED PROFORMA DISCLOSURES

The following unaudited proforma results of operations and net loss per share assume that the acquisitions of Network Solutions PVT, Ltd. and Netsol UK, Limited occurred as of the beginning of each period presented, after giving effect to proforma adjustments. The proforma adjustment represents amortization of goodwill, product licenses, renewals, enhancements, copyrights, trademarks and tradenames, and customer lists. The proforma adjustment also includes adjustments to common stock shares issued and outstanding, that relate to the acquisition of subsidiaries, as if they had occurred as of the beginning of each period presented. The proforma financial information is presented for informational purposes only and may not necessarily be indicative of the operating results that would have occurred had these acquisitions been consummated as of the beginning of each period presented, nor is it indicative of future operating results.

	June 30, 1999	June 30, 1998
	-----	-----
Net sales	\$ 3,002,107	\$ 2,083,476
	-----	-----
Cost of sales	\$ 1,662,259	\$ 1,327,125
	-----	-----
Operating expenses	\$ 3,152,588	\$ 2,022,760
	-----	-----
Net loss	\$ (2,118,356)	\$ (1,266,409)
	-----	-----
Net loss per share:		
Basic	\$ (0.30)	\$ (0.20)
	-----	-----
Diluted	\$ (0.26)	\$ (0.18)
	-----	-----

See accompanying independent auditors' report.

F-12

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(11) INCENTIVE AND NONSTATUTORY STOCK OPTION PLAN:

On April 1, 1997, the Company adopted an Incentive and Nonstatutory Stock Option Plan (the "Plan") for its employees and consultants under which a maximum of 500,000 options may be granted to purchase common stock of the Company. Two types of options may be granted under the Plan: (1) Incentive Stock Options (also known as Qualified Stock Options) which may only be issued to employees of the Company and whereby the exercise price of the option is not less than the fair market value of the common stock on the date it was reserved for issuance under the Plan; and (2) Nonstatutory Stock Options which may be issued to either employees or consultants of the Company and whereby the exercise price of the option is less than the fair market value of the common stock on the date it was reserved for issuance under the plan. Grants of options may be made to employees and consultants without regard to any performance measures. All options listed in the summary compensation table ("Securities Underlying Options") were issued pursuant to the Plan. An additional 20,000 Incentive Stock

Options were issued to a non-officer-stockholder of the Company. All options issued pursuant to the Plan vest over an 18 month period from the date of the grant per the following schedule: 33% of the options vest on the date which is six months from the date of the grant; 33% of the options vest on the date which is 12 months from the date of the grant; and 34% of the options vest on the date which is 18 months from the date of the grant. All options issued pursuant to the Plan are nontransferable and subject to forfeiture.

The number and weighted average exercise prices of options granted under the 1997 Plan for the years ended June 30, 1999 and 1998 are as follows:

<TABLE>
<CAPTION>

	1999		1998	
	Number	Average Exercise Price	Number	Average Exercise Price
<S>	<C>	<C>	<C>	<C>
Outstanding at the beginning of the year	120,000	\$ 0.01	-	\$ -
Outstanding at the end of the year	230,000	\$ 0.77	120,000	\$ 0.01
Granted during the year	215,000	\$ 0.82	120,000	\$ 0.01
Exercised during the year	105,000	\$ 0.01	-	\$ -
Exercisable at the end of the year	186,250	\$ 0.71	120,000	\$ 0.01
Weighted average remaining life (years)	4.2		5.0	

</TABLE>

See accompanying independent auditors' report.

F-13

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(11) INCENTIVE AND NONSTATUTORY STOCK OPTION PLAN, CONTINUED:

On May 18, 1999, the Company enacted an Incentive and Nonstatutory Stock Option Plan (the "Plan") for its employees, directors and consultants under which a maximum of 5,000,000 options may be granted to purchase common stock of the Company. Two types of options may be granted under the Plan: (1) Incentive Stock Options (also known as Qualified Stock Options) which may only be issued to employees of the Company and whereby the exercise price of the option is not less than the fair market value of the common stock on the date it was reserved for issuance under the Plan; and (2) Nonstatutory Stock Options which may be issued to either employees or consultants of the Company and whereby the exercise price of the option is less than the fair market value of the common stock on the date it was reserved for issuance under the plan. Grants of options may be made to employees, directors and consultants without regard to any performance measures. All options issued pursuant to the Plan are nontransferable and subject to forfeiture.

Any Option granted to an Employee of the Corporation shall become exercisable over a period of no longer than ten (10) years and no less than twenty percent (20%) of the shares covered thereby shall become exercisable annually. No Incentive Stock Option shall be exercisable, in whole or in part, prior to one (1) year from the date it is granted unless the Board shall specifically determine otherwise, as provided herein. In no event shall any Option be exercisable after the expiration of ten (10) years from the date it is granted, and no Incentive Stock Option granted to a Ten Percent Holder shall, by its terms, be exercisable after the expiration of ten (10) years from the date of the Option. Unless otherwise specified by the Board or the Committee in the resolution authorizing such option, the date of grant of an Option shall be deemed to be the date upon which the Board or the Committee authorizes the granting of such Option.

The number and weighted average exercise prices of options granted under the 1999 Plan for the year ended June 30, 1999 is as follows:

	Number	Average Exercise Price
Outstanding at the beginning of the year	-	\$ -
Outstanding at the end of the year	1,350,000	\$ 1.58
Granted during the year	1,350,000	\$ 1.58

Exercised during the year	-	-
Exercisable at the end of the year	18,750	\$ 1.58
Weighted average remaining life (years)	5.0	

Proforma net income and earnings per share, as if the fair value method of accounting were used, has not been presented because the amounts are immaterial for the periods presented.

See accompanying independent auditors' report.

F-14

NETSOL INTERNATIONAL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 1999 AND 1998

(12) COMMITMENTS:

LEASES

The following is a schedule by years of future minimum rental payments required under operating leases that have noncancellable lease terms in excess of one year as of June 30, 1999:

Year ending June 30,		
2000	\$	38,360
2001		49,505
2002		20,590

	\$	108,455

Rent expense amounted to \$47,462 and \$65,916 for the years ended June 30, 1999 and 1998, respectively.

EMPLOYMENT AGREEMENTS

Effective May 18, 1999, the Company entered into employment agreements with 3 officers for a period of three years. Pursuant to this agreement, these officers will be compensated at salaries ranging from \$100,000 to \$150,000 annually. In addition, these officers have also been granted 450,000 stock options each, which will vest over the 3 years and are exercisable at prices ranging from \$1.58 to \$3.50.

(13) SUBSEQUENT EVENTS:

ACQUISITION OF NETWORK SOLUTIONS LIMITED

Subsequent to June 30, 1999, Netsol UK, Limited (buyer), wholly owned subsidiary of the Company, acquired 100% of the outstanding capital stock of Network Solutions Limited and subsidiaries, a United Kingdom Company (seller), in exchange for 155,000 shares of Rule 144 restricted common shares of the Company.

JOINT VENTURE

The Company entered into a joint venture agreement with 1st Net Technologies, Inc. to share profits from an online business of providing electronic commerce. Pursuant to this agreement, both parties will also share the costs related to maintaining and operating this joint venture. In the event this joint venture is subject to lawsuits or loss contingencies, the Company maybe responsible for the entire loss and will have a right to be indemnified by 1st Net Technologies, Inc. for their share of the losses.

See accompanying independent auditors' report.

F-15

EXHIBIT 3.3

Amendment to Articles of Incorporation dated May 21, 1999

FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF THE
STATE OF NEVADA

MAY 21, 1999
No. C5490-97
/s/ DEAN HELLER
DEAN HELLER, SECRETARY OF STATE

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION
(AFTER PAYMENT OF CAPITAL OR ISSUANCE OF STOCK)

OF

MIRAGE HOLDINGS, INC.

The President and the Secretary of MIRAGE HOLDINGS, INC. certify:

1. Article 1 of Articles of Incorporation of this Corporation is amended to read as follows:

Article 1. The name of the Corporation is:

NetSol International, Inc.

2. The foregoing Amendment of the Articles of Incorporation has been duly approved by the Board of Directors.

3. The foregoing Amendments of the Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 78.390 of the Nevada Revised Statutes. The total number of outstanding shares of the Corporation is 1,000. The number of shares voting in favor of the Amendment equaled or exceeded the vote required. The percentage vote required was more than fifty percent (50%).

/s/ NAJEEB GHAURI

Najeeb Ghauri,
President and Secretary

State of California)
) ss
County of ORANGE)

On May 19, 1999, personally appeared before me, a Notary Public, personally appeared NAJEEB GHAURI, personally known to me (or proven to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

/s/ COURTNEY LINES

Signature of Notary

WITNESS my hand and official seal.

++++
COURTNEY LINES
Commission # 1197995
Notary Public - California
Orange County
My Comm. Expires Oct 9, 2002
++++

STATE OF NEVADA
Secretary of State

I hereby certify that this is a
true and complete copy of
the document as filed in this
office.

MAY 24, 1999
/s/ DEAN HELLER
SECRETARY OF STATE

By /s/ D. Farmer

EXHIBIT 10.2

10.2 Company Stock Option Plan dated May 18, 1999

1 PURPOSE

This Incentive and Nonstatutory Stock Option Plan (the "Plan") is intended to further the growth and financial success of NETSOL INTERNATIONAL, INC., a Nevada corporation (the "Corporation") by providing additional incentives to selected employees, directors, and consultants of the Corporation or parent corporation or subsidiary corporation of the Corporation as those terms are defined in Sections 424(e) and 424(f) of the Internal Revenue Code of 1986, as amended (the "Code") (such parent corporations and subsidiary corporations hereinafter collectively referred to as "Affiliates") so that such employees, directors, and consultants may acquire or increase their proprietary interest in the Corporation. Stock options granted under the Plan (hereinafter "Options") may be either "Incentive Stock Options," as defined in Section 422A of the Code and any regulations promulgated under said Section, or "Nonstatutory Options" at the discretion of the Board of Directors of the Corporation (the "Board") and as reflected in the respective written stock option agreements granted pursuant hereto.

2 ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Corporation; provided however, that the Board may delegate such administration to a committee of not fewer than three (3) members (the "Committee"), at least two (2) of whom are members of the Board and all of whom are disinterested administrators, as contemplated by Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 16b-3"); and provided further, that the foregoing requirement for disinterested administrators shall not apply prior to the date of the first registration of any of the securities of the Corporation under the Securities Act of 1933, as amended (the "Act").

Subject to the provisions of the Plan, the Board and/or the Committee shall have authority to (a) grant, in its discretion, Incentive Stock Options in accordance with Section 422A of the Code or Nonstatutory Options; (b) determine in good faith the fair market value of the stock covered by an Option; (c) determine which eligible persons shall be granted Options and the number of shares to be covered thereby and the term thereof; (d) construe and interpret the Plan; (e) promulgate, amend and rescind rules and regulations relating to its administration, and correct defects, omissions, and inconsistencies in the Plan or any Option; (f) consistent with the Plan and with the consent of the optionee, as appropriate, amend any outstanding Option or amend the exercise date or dates thereof; (g) determine the duration and purpose of leaves of absence which may be granted to optionholders without constituting termination of their employment for the purpose of the Plan; and (h) make all other determinations necessary or advisable for the Plan's administration. The interpretation and construction by the Board of any provisions of the Plan or of any Option shall be conclusive and final. No member of the Board or the Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Option.

1

3 ELIGIBILITY

The persons who shall be eligible to receive Options shall be key employees, directors, and consultants of the Corporation or any of its Affiliates ("Optionees"). The term consultant shall mean any person who is engaged by the Corporation to render services and is compensated for such services, and any director of the Corporation whether or not compensated for such services; provided that, if the Corporation registers any of its securities pursuant to the Act, the term consultant shall thereafter not include directors who are not compensated for their services or are paid only a director fee by the Corporation.

(a) INCENTIVE STOCK OPTIONS. Incentive Stock Options may only be issued to employees of the Corporation or its Affiliates. Incentive Stock Options may be granted to officers, whether or not they are directors,

but a director shall not be granted an Incentive Stock Option unless such director is also an employee of the Corporation. Payment of a director fee shall not be sufficient to constitute employment by the Corporation. Any grant of option to an officer or director of the Corporation subsequent to the first registration of any of the securities of the Corporation under the Act shall comply with the requirements of Rule 16b-3. An optionee may hold more than one Option.

The Corporation shall not grant an Incentive Stock Option under the Plan to any employee if such grant would result in such employee holding the right to exercise for the first time in any one calendar year, under all options granted to such employee under the Plan or any other stock option plan maintained by the Corporation or any Affiliate, with respect to shares of stock having an aggregate fair market value, determined as of the date of the Option is granted, in excess of \$100,000. Should it be determined that an Incentive Stock Option granted under the Plan exceeds such maximum for any reason other than a failure in good faith to value the stock subject to such option, the excess portion of such option shall be considered a Nonstatutory Option. If, for any reason, an entire option does not qualify as an Incentive Stock Option by reason of exceeding such maximum, such option shall be considered a Nonstatutory Option.

(b) NONSTATUTORY OPTION. The provisions of the foregoing Section 3(a) shall not apply to any option designated as a "Nonstatutory Stock Option Agreement" or which sets forth the intention of the Parties that the option be a Nonstatutory Option.

4 STOCK

The stock subject to Options shall be the shares of the Corporation's authorized but unissued or reacquired Common Stock (the "Stock").

2

(a) NUMBER OF SHARES. Subject to adjustment as provided in Paragraph 5(i) of this Plan, the total number of shares of Stock which may be purchased through exercise of Options granted under this Plan shall not exceed Five Million (5,000,000) shares. If any Option shall for any reason terminate or expire, any shares allocated thereto but remaining unpurchased upon such expiration or termination shall again be available for the grant of Options with respect thereto under this Plan as though no Option had been granted with respect to such shares.

(b) RESERVATION OF SHARES. The Corporation shall reserve and keep available at all times during the term of the Plan such number of shares as shall be sufficient to satisfy the requirements of the Plan. If, after reasonable efforts, which efforts shall not include the registration of the Plan or Options under the Act, the Corporation is unable to obtain authority from any applicable regulatory body, which authorization is deemed necessary by legal counsel for the Corporation for the lawful issuance of shares hereunder, the Corporation shall be relieved of any liability with respect to its failure to issue and sell the shares for which such requisite authority was so deemed necessary unless and until such authority is obtained.

5 TERMS AND CONDITIONS OF OPTIONS

Options granted hereunder shall be evidenced by agreements between the Corporation and the respective Optionees, in such form and substance as the Board or Committee shall from time to time approve. Such agreements need not be identical, and in each case may include such provisions as the Board or Committee may determine, but all such agreements shall be subject to and limited by the following terms and conditions:

(a) NUMBER OF SHARES: Each Option shall state the number of shares to which it pertains.

(b) OPTION PRICE: Each Option shall state the Option Price, which shall be determined as follows:

(i) Any Option granted to a person who at the

time the Option is granted owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of value of all classes of stock of the Corporation, or of any Affiliate, ("Ten Percent Holder") shall have an Option Price of no less than one hundred ten percent (110%) of the fair market value of the common stock as of the date of grant; and

(ii) Incentive Stock Options granted to a person who at the time the Option is granted is not a Ten Percent Holder shall have an Option price of no less than one hundred percent (100%) of the fair market value of the common stock as of the date of grant. The board had determined fair market value to be \$1.44.

(iii) Nonstatutory Options granted to a person who at the time the

3

Option is granted is not a Ten Percent Holder shall have an Option Price determined by the Board as of the date of grant. The board had determined fair market value to be \$1.44.

For the purposes of this paragraph 5(b), the fair market value shall be as determined by the Board, in good faith, which determination shall be conclusive and binding; provided however, that if there is a public market for such stock, the fair market value per share shall be the average of the bid and asked prices (or the closing price if such stock is listed on the NASDAQ National Market System) on the date of grant of the Option, or if listed on a stock exchange, the closing price on such exchange on such date of grant.

(c) MEDIUM AND TIME OF PAYMENT: To the extent permissible by applicable law, the Option price shall be paid, at the discretion of the Board, at either the time of grant or the time of exercise of the Option (i) in cash or by check, (ii) by delivery of other common stock of the Corporation, provided such tendered stock was not acquired directly or indirectly from the Corporation, or, if acquired from the Corporation, has been held by the Optionee for more than six (6) months, (iii) by the Optionee's promissory note in a form satisfactory to the Corporation and bearing interest at a rate determined by the Board, in its sole discretion, but in no event less than 6% per annum, or (iv) such other form of legal consideration permitted by the Nevada Revised Statutes and case law related thereto as may be acceptable to the Board.

(d) TERM AND EXERCISE OF OPTIONS: Any Option granted to an Employee of the Corporation shall become exercisable over a period of no longer than ten (10) years and no less than twenty percent (20%) of the shares covered thereby shall become exercisable annually. No Incentive Stock Option shall be exercisable, in whole or in part, prior to one (1) year from the date it is granted unless the Board shall specifically determine otherwise, as provided herein. In no event shall any Option be exercisable after the expiration of ten (10) years from the date it is granted, and no Incentive Stock Option granted to a Ten Percent Holder shall, by its terms, be exercisable after the expiration of ten (10) years from the date of the Option. Unless otherwise specified by the Board or the Committee in the resolution authorizing such option, the date of grant of an Option shall be deemed to be the date upon which the Board or the Committee authorizes the granting of such Option.

Each Option shall be exercisable to the nearest whole share, in installments or otherwise, as the respective option agreements may provide. During the lifetime of an Optionee, the Option shall be exercisable only by the Optionee and shall not be assignable or transferable by the Optionee, and no other person shall acquire any rights therein. To the extent not exercised, installments (if more than one) shall accumulate, but shall be exercisable, in whole or in part, only during the period for exercise as stated in the option agreement, whether or not other installments are then exercisable.

(e) TERMINATION OF STATUS AS EMPLOYEE, DIRECTOR, OR CONSULTANT: If Optionee's status as an employee, director, or consultant shall terminate for any reason other than Optionee's death, then the Optionee (or if the Optionee shall die after such termination, but prior to exercise, Optionee's personal representative or the person entitled to succeed

to the Option) shall have the right to exercise the portions of any such termination, in whole or in part, at any time within thirty (30) days after such termination (or in the event Optionee's termination was caused permanent disability [within the meaning of Section 22(e) (3) of the Code) this 30 day period shall be extended to six (6) months] of "termination for good cause" as that term is defined under the Nevada Revised Statutes and case law related thereto, such shorter period as the option agreement may specify, but not less than three (3) days) or the remaining term of the Option, whichever is the lesser; provided, however, that with respect to Nonstatutory Options, the Board may specify such longer period, not to exceed one hundred eighty (180) days, for exercise following termination as the Board deems reasonable and appropriate. The Option may be exercised only with respect to installments that the Optionee could have exercised at the date of termination of employment. Nothing contained herein or in any Option granted pursuant hereto shall be construed to affect or restrict in any way the right of the Corporation to terminate the Optionee with or without cause.

(f) **DEATH OF OPTIONEE:** If an Optionee dies while employed or engaged as a director or consultant by the Corporation or an Affiliate, the portion of such Optionee's Option or Options which were exercisable at the date of death may be exercised, in whole or in part, by the estate of the decedent or by a person succeeding to the right to exercise such Option or Options, at any time within the remaining term of this Option, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

(g) **NONTRANSFERABILITY OF OPTION:** No Option shall be transferable by the Optionee, except by will or by the laws of descent and distribution.

(h) **RECAPITALIZATION:** Subject to any required action by the stockholders, the number of shares of common stock covered by each outstanding Option, and the price per share thereof set forth in each such Option, shall be proportionately adjusted for any increase or decrease in the number of issued shares of common stock of the Corporation resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares affected without receipt of consideration by the Corporation.

Subject to any required action by the stockholders, if the Corporation shall be the surviving entity in any merger or consolidation, each outstanding Option thereafter shall pertain to and apply to the securities to which a holder of shares of common stock equal to the shares subject to the Option would have been entitled by reason of such merger or consolidation. A dissolution or liquidation of the Corporation or a merger or consolidation in which the Corporation is not the surviving entity shall cause each outstanding Option to terminate on the effective date of such dissolution, liquidation, merger or consolidation. In such event, if the entity which shall be the surviving entity does not tender to Optionee an offer, for which it has no obligation to do so, to substitute for any unexercised Option a stock option or capital stock of such surviving entity, as applicable, which on an equitable basis shall provide the Optionee with substantially the same economic benefit as such unexercised

Option, then the Board may grant to such Optionee, but shall not be obligated to do so, the right for a period commencing thirty (30) days prior to and ending immediately prior to such dissolution, liquidation, merger or consolidation or during the remaining term of the Option, whichever is the lesser, to exercise any unexpired Option or Options, without regard to the installment provisions of Paragraph 5(d) of this Plan; provided, that any such right granted shall be granted to all Optionees not receiving an offer to substitute on a consistent basis, and provided further, that any such exercise shall be subject to the consummation of such dissolution,

liquidation, merger or consolidation.

In the event of a change in the common stock of the Corporation as presently constituted, which is limited to a change of all of its authorized shares without par value into the same number of shares with a par value, the shares resulting from any such change shall be deemed to be the common stock within the meaning of this Plan.

To the extent that the foregoing adjustments relate to stock or securities of the Corporation, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided in this Paragraph 5(h), the Optionee shall have no rights by reason of any subdivision or consolidation of shares of stock or any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, and the number or price of shares of common stock subject to any Option shall not be affected by, and no adjustment shall be made by reason of, any dissolution, liquidation, merger or consolidation, or any issue by the Corporation of shares of stock of any class or securities convertible into shares of stock of any class.

The grant of an Option pursuant to the Plan shall not affect in any way the right or power of the Corporation to make any adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve, or liquidate or to sell or transfer all or any part of its business or assets.

(i) RIGHTS AS A STOCKHOLDER: An Optionee shall have no rights as a stockholder with respect to any shares covered by an Option until the date of the issuance of a stock certificate to Optionee for such shares. No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such stock certificate is issued, except as expressly provided in Paragraph 5(h) hereof.

(j) MODIFICATION, ACCELERATION, EXTENSION, AND RENEWAL OF OPTIONS: Subject to the terms and conditions and within the limitations of the Plan, the Board may modify an Option, or once an Option is exercisable, accelerate the rate at which it may be exercised, and may extend or renew outstanding Options granted under the Plan or accept the surrender of outstanding Options (to the extent not theretofore exercised) and authorize the granting of new Options in substitution for such Options, provided such action is permissible under Section 422A of the Code and the Nevada Revised Statutes and case law related thereto.

6

Notwithstanding the foregoing provisions of this Paragraph 5(j), however, no modification of an Option shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights or obligations under any Option theretofore granted under the Plan.

(k) INVESTMENT INTENT: Unless and until the issuance and sale of the shares subject to the Plan are registered under the Act, each Option under the Plan shall provide that the purchases of stock thereunder shall be for investment purposes and not with a view to, or for resale in connection with, any distribution thereof. Further, unless the issuance and sale of the stock have been registered under the Act, each Option shall provide that no shares shall be purchased upon the exercise of such Option unless and until (i) any then applicable requirements of state and federal laws and regulatory agencies shall have been fully complied with to the satisfaction of the Corporation and its counsel, and (ii) if requested to do so by the Corporation, the person exercising the Option shall (i) give written assurances as to knowledge and experience of such person (or a representative employed by such person) in financial and business matters and the ability of such person (or representative) to evaluate the merits and risks of exercising the Option, and (ii) execute and deliver to the Corporation a letter of investment intent, all in such form and substance as the Corporation may require. If shares are issued upon exercise of an Option without registration under the Act, subsequent registration of such shares shall relieve the purchaser thereof of any investment restrictions or

representations made upon the exercise of such Options.

(1) **EXERCISE BEFORE EXERCISE DATE:** At the discretion of the Board, the Option may, but need not, include a provision whereby the Optionee may elect to exercise all or any portion of the Option prior to the stated exercise date of the Option or any installment thereof. Any shares so purchased prior to the stated exercise date shall be subject to repurchase by the Corporation upon termination of Optionee's employment as contemplated by Paragraphs 5(e) and 5(f) hereof prior to the exercise date stated in the Option and such other restrictions and conditions as the Board or Committee may deem advisable.

(m) **OTHER PROVISIONS:** The Option agreements authorized under this Plan shall contain such other provisions, including, without limitation, restrictions upon the exercise of the Options, as the Board or the Committee shall deem advisable. Shares shall not be issued pursuant to the exercise of an Option, if the exercise of such Option or the issuance of shares thereunder would violate, in the opinion of legal counsel for the Corporation, the provisions of any applicable law or the rules or regulations of any applicable governmental or administrative agency or body, such as the Act, the Securities Exchange Act of 1934, as amended, the rules promulgated under the foregoing or the rules and regulations of any exchange upon which the shares of the Corporation are listed.

7

6 AVAILABILITY OF INFORMATION

During the term of the Plan and any additional period during which an Option granted pursuant to the Plan shall be exercisable, the Corporation shall make available, not later than one hundred and twenty (120) days following the close of each of its fiscal years, such financial and other information regarding the Corporation as is required by the bylaws of the Corporation and applicable law to be furnished in an annual report to the stockholders of the Corporation.

7 EFFECTIVENESS OF PLAN; EXPIRATION

Subject to approval by the stockholders of the Corporation, this Plan shall be deemed effective as of the date it is adopted by the Board. The Plan shall expire on February 3, 2009, but such expiration shall not affect the validity of outstanding Options.

8 AMENDMENT AND TERMINATION OF THE PLAN

The Board may, insofar as permitted by law, from time to time, with respect to any shares at the time not subject to Options, suspend or terminate the Plan or revise or amend it in any respect whatsoever, except that without the approval of the stockholders of the Corporation, no such revision or amendment shall (i) increase the number of shares subject to the Plan, (ii) decrease the price at which Options may be granted, (iii) materially increase the benefits to Optionees, or (iv) change the class of persons eligible to receive Options under this Plan; provided, however, no such action shall alter or impair the rights and obligations under any Option outstanding as of the date thereof without the written consent of the Optionee thereunder. No Option may be granted while the Plan is suspended or after it is terminated, but the rights and obligations under any Option granted while the Plan is in effect shall not be impaired by suspension or termination of the Plan.

9 INDEMNIFICATION OF BOARD

In addition to such other rights or indemnifications as they may have as directors or otherwise, and to the extent allowed by applicable law, the members of the Board and the Committee shall be indemnified by the Corporation against the reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, action, suit or proceeding, or in connection with any appeal thereof, to which they or any of them may be a party by reason of any action taken, or failure to act, under or in connection with the Plan or any Option granted thereunder, and against all amounts paid by them in settlement thereof

(provided such settlement is approved by independent legal counsel selected by the Corporation) or paid by them in satisfaction of a judgment in any such claim, action, suit or proceeding, except in any case in relation to matters as to which it shall be adjudged in such claim, action, suit or proceeding that such Board member is liable for negligence or misconduct in the performance of his or her duties; provided that within sixty (60) days after institution of any such action, suit or Board proceeding the member involved shall offer the Corporation, in writing, the opportunity, at its own expense, to handle and

8

defend the same.

10 APPLICATION OF FUNDS

The proceeds received by the Corporation from the sale of common stock pursuant to the exercise of Options will be used for general corporate purposes.

11 NO OBLIGATION TO EXERCISE OPTION

The granting of an Option shall impose no obligation upon the Optionee to exercise such Option.

12 NOTICES

All notice, requests, demand, and other communications pursuant this Plan shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day following the mailing thereof to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid.

13 FINANCIAL STATEMENTS

Optionees under this Plan shall receive financial statements annually regarding the Corporation during the period the options are outstanding. The financial statements provided need not comply with Title 10, Section 260.613 of the California Code of Regulations.

* * * * *

The foregoing Incentive and Nonstatutory Stock Option Plan was duly adopted and approved by the Board of Directors on May 18, 1999, and approved and ratified by the Shareholders of the Corporation at the Annual Meeting of the Shareholders.

/s/ Najeeb Ghauri

Najeeb Ghauri, Secretary

9

NETSOL INTERNATIONAL, INC.

NONSTATUTORY STOCK OPTION AGREEMENT

THIS STOCK OPTION AGREEMENT is made and entered into as of this ____ day of _____, _____, by and between NETSOL INTERNATIONAL, INC., a Nevada corporation ("Company"), and _____ (referred to herein as the "Optionee"), with reference to the following recitals of facts:

WHEREAS, the Board has authorized the granting to Optionee of a nonstatutory stock option ("Option") to purchase shares of common stock of the Company (the "Shares") upon the terms and conditions hereinafter stated;

and

WHEREAS, the Board and stockholders of the Company have heretofore adopted a 1999 Incentive and Nonstatutory Stock Option Plan (the "Plan"), pursuant to which this Option is being granted;

WHEREAS, it is the intention of the Parties that this Option be a Nonstatutory Stock Option;

NOW, THEREFORE, in consideration of the covenants herein set forth, the Parties hereto agree as follows:

1. **SHARES; PRICE.** The Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, _____ Shares for cash (or other consideration acceptable to the Board of Directors of the Company, in their sole and absolute discretion) at the price of \$ 1.44 per Share, such price being determined in accordance with the Plan.

2. **TERM OF OPTION; CONTINUATION OF EMPLOYMENT.** This Option shall expire, and all rights hereunder to purchase the Shares shall terminate, five (5) years from the date hereof. This Option shall earlier terminate subject to Paragraphs 5 and 6 hereof if, and as of the date, Optionee ceases to be an employee, director, or consultant of the Company. Nothing contained herein shall be construed to interfere in any way with the right of the Company to terminate the employment or engagement, as applicable, of Optionee or to increase or decrease the compensation of Optionee from the rate in existence at the date hereof.

3. **VESTING OF OPTION.** Subject to the provisions of Paragraphs 5 and 6 hereof, this Option shall vest and become exercisable during the term of Optionee's employment or engagement in whole or in part beginning one year from the date of this Agreement.

4. **EXERCISE.** This Option shall be exercised by delivery to the Company of (a) a written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the purchase price of the Shares covered

10

by the notice, and (c) a written statement as provided for in Paragraph 11 hereof. This Option shall not be assignable or transferable, except by will or by the laws of descent and distribution, and shall be exercisable only by Optionee during his or her lifetime.

5. **TERMINATION OF EMPLOYMENT OR ENGAGEMENT.** If Optionee shall cease to serve as an employee, director, or consultant of the Company for any reason, whether voluntarily or involuntarily, other than by his or her death or the conclusion of the term of a written consulting agreement, provided such term exceeds one year, Optionee shall have the right at any time within thirty (30) days after date Optionee ceases to be an employee, director, or consultant of the Company, or the remaining term of this Option, whichever is the lesser, to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the last day of employment or engagement, as applicable, and had not previously been exercised; provided, however:

(i) if Optionees termination of employment or engagement was caused by permanent disability (within the meaning of Section 22(e) (3) of the Code), the foregoing thirty (30) day period shall be extended to six (6) months.

Notwithstanding anything herein to the contrary, all rights under this Option shall expire in any event on the date specified in Paragraph 2 hereof.

6. **DEATH OF OPTIONEE.** If the Optionee shall die while an employee, director, or consultant of the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time during the remaining term of this Option, exercise this Option and purchase Shares to

the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

7. **NO RIGHTS AS STOCKHOLDER.** Optionee shall have no rights as a stockholder with respect to the Shares covered by any installment of this Option until the date of the issuance of a stock certificate to Optionee, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Paragraph 8 hereof.

8. **RECAPITALIZATION.** Subject to any required action by the stockholders of the Company, the number of Shares covered by this Option, and the price per Share thereof, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares affected without receipt of consideration by the Company; provided however that the conversion of any convertible securities of the Company shall not be deemed having been "effected without receipt of consideration by the Company."

11

In the event of a proposed dissolution or liquidation of the Company, a merger or consolidation in which the Company is not the surviving entity, or a sale of all or substantially all of the assets of the Company, this Option shall terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board. The Board may, at its sole and absolute discretion and without obligation, declare that this Option shall terminate as of a date fixed by the Board and grant Optionee the right for a period commencing thirty (30) days prior to and ending immediately prior to such date, or during the remaining term of this Option, whichever occurs sooner, to exercise this Option as to all or any part of the Shares, without regard to any installment provision of Paragraph 3; provided, however, that such exercise shall be subject to the consummation of such dissolution, liquidation, merger, consolidation or sale.

Subject to any required action by the stockholders of the Company, if the Company shall be the surviving entity in any merger or consolidation, this Option thereafter shall pertain to and apply to the securities to which a holder of Shares equal to the Shares subject to this Option would have been entitled by reason of such merger or consolidation, and the vesting provisions of Section 3 shall continue to apply.

In the event of a change in the Shares of the Company as presently constituted, which is limited to a change of all of its authorized Shares without par value into the same number of Shares with a par value, the Shares resulting from any such change shall be deemed to be the Shares within the meaning of this Agreement.

To the extent that the foregoing adjustments relate to shares or securities of the Company, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as hereinbefore expressly provided, Optionee shall have no rights by reason of any subdivision or consolidation of share of stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, and the number and price of shares subject to this Option shall not be affected by, and no adjustments shall be made by reason of, any dissolution, liquidation, merger or consolidation, or any issue by the Company of shares of stock of any class or securities convertible into shares of stock of any class.

The grant of this Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve or liquidate or to sell or transfer all or any part of its business or assets.

9. **TAXATION UPON EXERCISE OF OPTION.** Optionee understands that, upon exercise of this Option, Optionee may recognize income, for federal and state

income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the exercise price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes.

12

Withholding for federal or state income and employment tax purposes will be made, if and as required by law, from Optionee's then current compensation, or, if such current compensation is insufficient to satisfy withholding tax liability, the Company may require Optionee to make cash payment to cover such liability as a condition of the exercise of this Option.

10. **MODIFICATION, EXTENSION AND RENEWAL OF OPTIONS.** The Board may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the Plan. Notwithstanding the foregoing provisions of this Paragraph 10, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

11. **INVESTMENT INTENT; RESTRICTIONS ON TRANSFER.** Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Paragraphs 5 and 6 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. The Company, at its option, may include a legend on each certificate representing Shares issued pursuant to any exercise of this Option, stating in effect that such Shares have not been registered under the Securities Act of 1933, as amended (the "Act"), and that the transferability thereof is restricted. If the Shares represented by this Option are registered under the Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

Optionee further represents that Optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information, and further represents that Optionee has either such experience and knowledge in investment, financial and business matters or has investments similar to the stock of the Company such that Optionee is capable of evaluating the merits and risks thereof and has the capacity to protect his or her own interest in connection therewith. Optionee acknowledges and agrees that the Nevada Securities Administrator or other applicable state securities agencies, as a condition to the issuance of the permit pursuant to which this Option is granted, may impose restrictions on the transfer of Shares purchased by Optionee pursuant hereto and may require that all certificates representing such Shares bear restrictive legends.

13

12. **REGISTRATION RIGHTS.**

(a) **PIGGYBACK REGISTRATION RIGHTS.** If the Company at any time proposes to register any of its securities under the Act, including under an S-8 Registration Statement, an SB-2 Registration Statement or otherwise, it will each such time give written notice to all holders of outstanding or exercised options of its intention so to do. Upon the written request of a holder or holders of any such outstanding or exercised options given within thirty (30) days after receipt of any such notice, the Company

will use its best efforts to cause all such outstanding or exercised options, the holders of which shall have so requested registration thereof, to be registered under the Act (with the securities which the Company at the time proposes to register), all to the extent requisite to permit the sale or other disposition by the prospective Sellers of the outstanding or exercised options so registered; provided, however, that the Company may, as a condition precedent to its effecting such registration, require each prospective Seller to agree with the Company and the managing underwriter or underwriters of the offering to be made by the Company in connection with such registration that such Seller will not sell any securities of the same class or convertible into the same class as those registered by the Company (including any class into which the securities registered by the Company are convertible) for such reasonable period after such registration becomes effective (not exceeding one hundred eighty (180) days) as shall then be specified in writing by such underwriter or underwriters if in the opinion of such underwriter or underwriters the Company's offering would be materially adversely affected in the absence of such an agreement.

(b) PROCEDURES. In connection with the registration of any securities pursuant to Section 12(a) hereof, the Company and the Optionee covenant and agree as follows:

(i) The Company shall pay all costs, fees, and expenses incurred by the Company and the Optionee in connection with the Registration Statement and the offering thereunder including, without limitation, the Company's legal fees and expenses of counsel, accounting fees, printing expenses, and blue sky fees and expenses (but excluding discounts or selling commissions of any underwriter or broker dealer acting on behalf of the Company or the Optionee).

(ii) The Company shall take all necessary action which may be reasonably required in qualifying or registering the securities included in the Registration Statement for offering and sale under the securities or blue sky laws of all states reasonably requested by Optionee, provided that the Company shall not be obligated to qualify as a foreign corporation to do business under the laws of any such jurisdiction.

(iii) The Company shall indemnify Optionee and each person, if any, who controls Optionee within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act" Act"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing

14

or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from the Registration Statement.

(iv) The Company shall, as soon as practicable after the effective date of the Registration Statement, and in any event within fifteen (15) months thereafter, make "generally available to its security holders" (within the meaning of Rule 158 under the Act) an earnings statement (which need not be audited) complying with Section 11(a) of the Act and covering a period of at least twelve (12) consecutive months beginning after the effective date of the Registration Statement.

(v) The Company shall (A) deliver promptly to Optionee and its counsel, upon request, copies of all correspondence between the Securities and Exchange Commission (the Commission) and the Company, its counsel, or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the Registration Statement; and (B) permit Optionee and its counsel to perform such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the Registration Statement, as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. Such investigation shall include, but not be limited to, access to financial and accounting information and opportunities to discuss the business of the Company with the Company's officers and independent auditors, all to such reasonable extent, at such reasonable times

and as often as Optionee and its counsel shall reasonably request.

(vi) The Company shall cause all securities of Optionee registered pursuant to a Registration Statement to be listed on any national securities exchange or quoted on any automated quotation system on which similar securities of the Company are listed or quoted.

13. STAND-OFF AGREEMENT. Optionee agrees that in connection with any registration of the Company's securities, that upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, that Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of at least one hundred eighty days (180) days following the effective date of registration of such offering.

14. NOTICES. Any notice required to be given pursuant to this Option or the Plan shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the US. mail, postage prepaid, addressed to Optionee at the address last provided to the Company by Optionee for his or her employee records.

15. AGREEMENT SUBJECT TO PLAN; APPLICABLE LAW. This Agreement is made pursuant to the Plan and shall be interpreted to comply therewith. A copy of such Plan is available to Optionee, at no charge, at the principal office of the Company. Any provision

15

of this Agreement inconsistent with the Plan shall be considered void and replaced with the applicable provision of the Plan. This Agreement has been granted, executed and delivered in the State of Nevada, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

NETSOL INTERNATIONAL, INC.,
a Nevada corporation

BY: Najeeb Ghauri
ITS: President

[NAME] _____, Optionee

16

Appendix A

NOTICE OF EXERCISE

NetSol International, Inc.
233 Wilshire Blvd., Suite 510
Santa Monica, CA 90401

(date)

Re: Nonstatutory Stock Option

Notice is hereby given pursuant to Section 4 of my Nonstatutory Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Stock Option dated _____

Number of shares being purchased: _____

Option Exercise Price: \$_____

A check in the amount of the aggregate price of the shares being purchased is attached.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof.

Further, I understand that, as a result of this exercise of rights, I may recognize income in an amount equal to the amount by which the fair market value of the Shares exceeds the exercise price. I agree to report such income in accordance with then applicable law and to cooperate with Company in establishing the withholding and corresponding deduction to the Company for its income tax purposes.

I agree to provide to the Corporation such additional documents or information as may be required pursuant to the Corporation's 1999 Incentive and Nonstatutory Stock Option Plan.

(Signature)

(Name of Optionee)

17

NETSOL INTERNATIONAL, INC.

INCENTIVE STOCK OPTION AGREEMENT

THIS INCENTIVE STOCK OPTION AGREEMENT is made and entered into as of this ____ day of _____, _____, by and between NETSOL INTERNATIONAL INC., a Nevada corporation ("Company"), and _____ (referred to herein as the "Optionee"), with reference to the following recitals of facts:

WHEREAS, the Board has authorized the granting to Optionee of an incentive stock option ("Option") to purchase shares of common stock of the Company (the "Shares") upon the terms and conditions hereinafter stated; and

WHEREAS, the Board and stockholders of the Company have heretofore adopted a 1999 Incentive and Nonstatutory Stock Option Plan (the "Plan"), pursuant to which this Option is being granted;

WHEREAS, it is the intention of the Parties that this Option be a Incentive Stock Option (a Qualified Stock Option);

NOW, THEREFORE, in consideration of the covenants herein set forth, the Parties hereto agree as follows:

0.0.1 SHARES; PRICE. The Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, _____ Shares for cash (or other consideration acceptable to the Board of Directors of the Company, in their sole and absolute discretion) at the price of \$ 1.44 per Share, such price being not less than the fair market value per share of the Shares covered by these Options as of the date hereof and as determined by the Board of Directors of the Company.

2. TERM OF OPTION; CONTINUATION OF EMPLOYMENT. This Option shall expire, and all rights hereunder to purchase the Shares shall terminate, five (5) years from the date hereof. This Option shall earlier terminate subject to Paragraphs 5 and 6 hereof if, and as of the date, Optionee ceases to be an employee, director, or consultant of the Company. Nothing contained herein shall be construed to interfere in any way with the right of the Company to terminate the employment or engagement, as applicable, of Optionee or to increase or decrease the compensation of Optionee from the rate in existence

at the date hereof.

3. **VESTING OF OPTION.** Subject to the provisions of Paragraphs 5 and 6 hereof, this Option shall vest and become exercisable during the term of Optionee's employment or engagement in whole or in part beginning one year from the date of this Agreement.

4. **EXERCISE.** This Option shall be exercised by delivery to the Company of (a) a written notice of exercise stating the number of Shares being purchased (in whole shares

18

only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (b) a check or cash in the amount of the purchase price of the Shares covered by the notice, and (c) a written statement as provided for in Paragraph 11 hereof. This Option shall not be assignable or transferable, except by will or by the laws of descent and distribution, and shall be exercisable only by Optionee during his or her lifetime.

5. **TERMINATION OF EMPLOYMENT OR ENGAGEMENT.** If Optionee shall cease to serve as an employee, director, or consultant of the Company for any reason, whether voluntarily or involuntarily, other than by his or her death or the conclusion of the term of a written consulting agreement, provided such term exceeds one year, Optionee shall have the right at any time within thirty (30) days after the date Optionee ceases to be an employee, director, or consultant of the Company, or the remaining term of this Option, whichever is the lesser, to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the last day of employment or engagement, as applicable, and had not previously been exercised; provided, however:

(i) if Optionee's termination of employment or engagement was caused by disability (within the meaning of Section 22(e)(3) of the Code) the foregoing thirty (30) day period shall be extended to six (6) months.

Notwithstanding anything herein to the contrary, all rights under this Option shall expire in any event on the date specified in Paragraph 2 hereof.

6. **DEATH OF OPTIONEE.** If the Optionee shall die while an employee or consultant of the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time during the remaining term of this Option, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

7. **NO RIGHTS AS STOCKHOLDER.** Optionee shall have no rights as a stockholder with respect to the Shares covered by any installment of this Option until the date of the issuance of a stock certificate to Optionee, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Paragraph 8 hereof.

8. **RECAPITALIZATION.** Subject to any required action by the stockholders of the Company, the number of Shares covered by this Option, and the price per Share thereof, shall be proportionately adjusted for any increase or decrease in the number of issued Shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares affected without receipt of consideration by the Company; provided however that the conversion of any convertible securities of the Company shall not be deemed having been "effected without receipt of consideration by the Company."

19

In the event of a proposed dissolution or liquidation of the Company, a merger or consolidation in which the Company is not the surviving entity, or a sale of all or substantially all of the assets of the Company, this Option shall terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Board. The Board may, at its sole and absolute discretion and without obligation, declare that this Option shall terminate as of a date fixed by the Board and grant Optionee the right for a period commencing thirty (30) days prior to and ending immediately prior to such date, or during the remaining term of this Option, whichever occurs sooner, to exercise this Option as to all or any part of the Shares, without regard to any installment provision of Paragraph 3; provided, however, that such exercise shall be subject to the consummation of such dissolution, liquidation, merger, consolidation or sale.

Subject to any required action by the stockholders of the Company, if the Company shall be the surviving entity in any merger or consolidation, this Option thereafter shall pertain to and apply to the securities to which a holder of Shares equal to the Shares subject to this Option would have been entitled by reason of such merger or consolidation, and the vesting provisions of Section 3 shall continue to apply.

In the event of a change in the Shares of the Company as presently constituted, which is limited to a change of all of its authorized Shares without par value into the same number of Shares with a par value, the Shares resulting from any such change shall be deemed to be the Shares within the meaning of this Agreement.

To the extent that the foregoing adjustments relate to shares or securities of the Company, such adjustments shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. Except as hereinbefore expressly provided, Optionee shall have no rights by reason of any subdivision or consolidation of share of stock of any class or the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class, and the number and price of shares subject to this Option shall not be affected by, and no adjustments shall be made by reason of, any dissolution, liquidation, merger or consolidation, or any issue by the Company of shares of stock of any class or securities convertible into shares of stock of any class.

The grant of this Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve or liquidate or to sell or transfer all or any part of its business or assets.

9. TAXATION UPON EXERCISE OF OPTION. Optionee understands that, upon exercise of this Option, Optionee may recognize income, for federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the exercise price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with

20

then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. withholding for federal or state income and employment tax purposes will be made, if and as required by law, from Optionee's then current compensation, or, if such current compensation is insufficient to satisfy withholding tax liability, the Company may require Optionee to make cash payment to cover such liability as a condition of the exercise of this Option.

10. MODIFICATION, EXTENSION AND RENEWAL OF OPTIONS. The Board may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the Plan. Notwithstanding the foregoing provisions of this Paragraph 10, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

11. INVESTMENT INTENT; RESTRICTIONS ON TRANSFER. Optionee represents

and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Paragraphs 5 and 6 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. The Company, at its option, may include a legend on each certificate representing Shares issued pursuant to any exercise of this Option, stating in effect that such Shares have not been registered under the Securities Act of 1933, as amended (the "Act"), and that the transferability thereof is restricted. If the Shares represented by this Option are registered under the Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

Optionee further represents that optionee has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information, and further represents that Optionee (either such experience and knowledge in investment, financial and business matters in investments similar to the stock of the Company that Optionee is capable of evaluating the merits and risks thereof and has the capacity to protect his or her own interest in connection therewith. Optionee acknowledges and agrees that the Nevada Securities Administrator or other applicable state securities agencies, as a condition to the issuance of the permit pursuant to which this Option is granted, may impose restrictions on the transfer of Shares purchased by Optionee pursuant hereto and may require that all certificates representing such Shares bear restrictive legends.

21

12. REGISTRATION RIGHTS.

(a) PIGGYBACK REGISTRATION RIGHTS. If the Company at any time proposes to register any of its securities under the Act, including under an S-8 Registration Statement, an SB-2 Registration Statement or otherwise, it will each such time give written notice to all holders of outstanding or exercised options of its intention so to do. Upon the written request of a holder or holders of any such outstanding or exercised options given within thirty (30) days after receipt of any such notice, the Company will use its best efforts to cause all such outstanding or exercised options, the holders of which shall have so requested registration thereof, to be registered under the Act (with the securities which the Company at the time proposes to register), all to the extent requisite to permit the sale or other disposition by the prospective Sellers of the outstanding or exercised options so registered; provided, however, that the Company may, as a condition precedent to its effecting such registration, require each prospective Seller to agree with the Company and the managing underwriter or underwriters of the offering to be made by the Company in connection with such registration that such Seller will not sell any securities of the same class or convertible into the same class as those registered by the Company (including any class into which the securities registered by the Company are convertible) for such reasonable period after such registration becomes effective (not exceeding one hundred eighty (180) days) as shall then be specified in writing by such underwriter or underwriters if in the opinion of such underwriter or underwriters the Company's offering would be materially adversely affected in the absence of such an agreement.

(b) PROCEDURES. In connection with the registration of any securities pursuant to Section 12(a) hereof, the Company and the Optionee covenant and agree as follows:

(i) The Company shall pay all costs, fees, and expenses incurred by the Company and the Optionee in connection with the Registration Statement and the offering thereunder including, without limitation, the Company's legal fees and expenses of counsel, accounting fees, printing expenses, and blue sky fees and expenses (but excluding

discounts or selling commissions of any underwriter or broker dealer acting on behalf of the Company or the Optionee).

(ii) The Company shall take all necessary action which may be reasonably required in qualifying or registering the securities included in the Registration Statement for offering and sale under the securities or blue sky laws of all states reasonably requested by Optionee, provided that the Company shall not be obligated to qualify as a foreign corporation to do business under the laws of any such jurisdiction.

(iii) The Company shall indemnify Optionee and each person, if any, who controls Optionee within the meaning of Section 15 of the Act or Section 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing

22

or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, arising from the Registration Statement.

(iv) The Company shall, as soon as practicable after the effective date of the Registration Statement, and in any event within fifteen (15) months thereafter, make "generally available to its security holders" (within the meaning of Rule 158 under the Act) an earnings statement (which need not be audited) complying with Section 11(a) of the Act and covering a period of at least twelve (12) consecutive months beginning after the effective date of the Registration Statement.

(v) The Company shall (A) deliver promptly to Optionee and its counsel, upon request, copies of all correspondence between the Securities and Exchange Commission (the "Commission") and the Company, its counsel, or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the Registration Statement; and (B) permit Optionee and its counsel to perform such investigation, upon reasonable advance notice, with respect to information contained in or omitted from the Registration Statement, as it deems reasonably necessary to comply with applicable securities laws or rules of the National Association of Securities Dealers, Inc. Such investigation shall include, but not be limited to, access to financial and accounting information and opportunities to discuss the business of the Company with the Company's officers and independent auditors, all to such reasonable extent, at such reasonable times and as often as Optionee and its counsel shall reasonably request.

(vi) The Company shall cause all securities of Optionee registered pursuant to a Registration Statement to be listed on any national securities exchange or quoted on any automated quotation system on which similar securities of the Company are listed or quoted.

13. **STAND-OFF AGREEMENT.** Optionee agrees that in connection with any registration of the Company's securities, that upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, that Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of at least one hundred eighty (180) days following the effective date of registration of such offering.

14. **NOTICES.** Any notice required to be given pursuant to this Option or the Plan shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the US. mail, postage prepaid, addressed to Optionee at the address last provided to the Company by Optionee for his or her employee records.

15. **AGREEMENT SUBJECT TO PLAN; APPLICABLE LAW.** This Agreement is made pursuant to the Plan and shall be interpreted to comply therewith. A copy of such Plan is

23

available to Optionee, at no charge, at the principal office of the Company. Any provision of this Agreement inconsistent with the Plan shall be considered void and replaced with the applicable provision of the Plan. This Agreement has been granted, executed and delivered in the State of Nevada, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

NETSOL INTERNATIONAL, INC.
a Nevada corporation

BY: Najeeb Ghauri
ITS: President

[NAME] _____, Optionee

Appendix A

NOTICE OF EXERCISE

NetSol International, Inc.
233 Wilshire Blvd., Suite 510
Santa Monica, CA 90401

(date)

Re: Incentive Stock Option

Notice is hereby given pursuant to Section 4 of my Incentive Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Stock Option dated: _____

Number of shares being purchased: _____

Option Exercise Price: \$_____

A check in the amount of the aggregate price of the shares being purchased is attached.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof.

Further, I understand that, as a result of this exercise of rights, I may recognize income in an amount equal to the amount by which the fair market value of the Shares exceeds the exercise price. I agree to report such income in accordance with then applicable law and to cooperate with Company in establishing the withholding and corresponding deduction to the Company for its income tax purposes.

I agree to provide to the Corporation such additional documents or information as may be required pursuant to the Corporation's 1999 Incentive and Nonstatutory Stock Option Plan.

(Signature)

(Name of Optionee)

EXHIBIT 10.3

10.3 Employment Agreement, dated April 17, 1999 by and between
Mirage Holdings, Inc. and Najeeb U. Ghauri

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made, entered into, and effective as of April 17, 1999 (the "Effective Date"), by and between Mirage Holdings, Inc., a Nevada corporation ("Company"), and Najeeb Ghauri, an individual ("Employee").

RECITALS

A. Company is engaged in the technology industry and maintains an office in Santa Monica, California.

B. Company desires to have an employment agreement with Employee for the position set forth in SCHEDULE A subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto hereby agree as follows:

AGREEMENT

1. **TERM AND DUTIES.** Company hereby employs Employee in the position set out on SCHEDULE A to this Agreement, and Employee agrees to fulfil the duties and responsibilities as the Chief Executive Officer, President and interim Chief Financial Officer of the Company, subject to changes consistent with the usual duties and responsibilities of that position as may be reasonably prescribed by the Board of Directors of the Company (the "Board") from time to time. Employee shall devote such time and attention to the business of Company as shall be required to perform the required services and duties. Employee at all times during the employment term shall strictly adhere to and obey all policies, rules and regulations established from time to time governing the conduct of employees of Company.

2. **DUTIES OF EMPLOYEE.**

2.1 Employee agrees to perform Employee's services efficiently and to the best of Employee's ability. Employee agrees throughout the term of this Agreement to devote his time, energy and skill to the business of the Company and to the promotion of the best interests of the Company.

2.2 Employee agrees that he shall not at any time, either during or subsequent to his employment term, unless expressly consented to in writing by Company, either directly or indirectly use or disclose to any person or entity any confidential information of any kind, nature or description concerning any matters affecting or relating to the business of Company, including, but not limited to, information concerning the customers of Company, Company's marketing methods, compensation paid to employees, independent contractors or suppliers

1

and other terms of their employment or contractual relationships, financial and business records, know-how, or any other information concerning the business of Company, its manner of operations, or other data of any kind, nature or description. Employee agrees that the above information and items are important, material and confidential trade secrets and these affect the successful conduct of Company's business and its goodwill. This non-disclosure obligation does not apply to any information which is presently in the public domain, or any information that subsequently becomes part of the public domain through no fault of Employee.

2.3 Employee will not, during his employment with the Company, engage

in any business, enterprise or activity that is contrary to or detracts from the business of the Company or the proper fulfilment of his duties and responsibilities to the Company.

2.4 Employee will comply with all the restrictions set forth below at all times during his employment and for a period of eighteen months after the termination of his employment:

a. Employee will not, either individually or in conjunction with any person, as principal, agent, director, officer, employee, investor or in any other manner whatsoever, directly or indirectly engage in or become financially interested in any competitive business within North America, except as a passive investor holding not more than one percent of the publicly traded stock of a corporation in which Employee is not involved in management;

b. Employee will not, either directly or indirectly, on its own behalf or on behalf of others, solicit, divert or appropriate or attempt to solicit, divert or appropriate to any competitive business, any business or actively sought prospective business of the Company or any customers with whom the Company or any affiliate of the Company has current agreements relating to the business of the Company, or with whom Employee has dealt, or with whom Employee has supervised negotiations or business relations, or about whom Employee has acquired confidential information in the course of Employee's employment;

c. Employee will not, either directly or indirectly, on Employee's behalf or on behalf of others, solicit, divert or hire away, or attempt to solicit, divert, or hire away, any independent contractor or any person employed by the Company or any affiliate of the Company or persuade or attempt to persuade any such individual to terminate his or her employment with the Company; and,

d. Employee will not directly or indirectly impair or seek to impair the reputation of the Company or any affiliate of the Company, nor any relationship that the Company or any affiliate of the Company has with its employees, customers, suppliers, agents or other parties with which the Company or any other affiliate of the Company does business or has contractual relations;

2

e. Employee will not receive or accept for its own benefit, either directly or indirectly, any commission, rebate, discount, gratuity or profit from any person having or proposing to have one or more business transactions with the Company or any affiliate of the Company, without the prior approval of the Board, which may be withheld; and,

f. Employee will, during the term of this employment with the Company, communicate and channel to the Company all knowledge, business and customer contacts and any other information that could concern or be in any way beneficial to the business of the Company. Any such information communicated to the Company as aforesaid will be and remain the property of the Company notwithstanding any subsequent termination of Employee's employment.

3. COMPENSATION.

3.1 Subject to the termination of this Agreement as provided herein, Company shall compensate Employee for his services hereunder at an annual salary set forth in SCHEDULE A, subject to changes by mutual agreement, payable in accordance with the Company's standard salary payment schedule. Payment of Employee's Salary will be subject to income tax source deductions and other deductions required by applicable laws.

3.2 Employee is also eligible to receive such additional compensation as the Board of Directors of Company determines is proper in recognition of Employee's contributions and services to Company. Such additional compensation shall be paid to Employee on the anniversary date of this Agreement during the Employment Term, and at such other times as may be determined by the Board of Directors.

3.3 Employee shall be entitled to stock options each year of employment for the term of his employment as set forth in summary in Schedule A. The details of the stock options are set forth in the Company's Employee Stock Option Plan.

3.4 In addition to the compensation set forth above, Employee shall be entitled to participate in or to receive benefits under all of Company's employee benefit plans made available by Company now or in the future to similarly situated employees, subject to the terms, conditions and overall administration of such plans.

(a) Employee shall be entitled to participate in or to receive benefits under all of Company's employee benefit plans made available by Company or in the future to similarly situated employees, subject to the terms, conditions and overall administration of such plans. Including but not limited to 401(k) plans, IRA plans, E.R.I.S.A Plans, any other retirement or benefit plans that the Company has made available to similarly situated employees.

(b) Upon receipt of the bills or other evidence of expenses, Company shall reimburse Employee for all medical, dental and hospital expenses incurred by Employee for

3

himself and for his dependant(s), if any, pursuant to the medical care plan adopted by the Company.

4. **EXPENSES.** Company shall reimburse Employee for all reasonable business related expenses incurred by Employee in the course of his normal duties on behalf of the Company. In compensating Employee for expenses, the ordinary and usual business guidelines and documentation requirements shall be adhered to by Company and Employee.

(a) Employee will be required to incur travel, meals, entertainment and other business expenses on behalf of the Company in the performance of Employee's duties hereunder. Company will reimburse Employee for all such reasonable business expenses incurred by Employee in connection with Company's business upon presentation of receipts or other acceptable documentation of the expenditures.

5. **VACATION.** Employee shall be entitled to the period of vacation set forth on SCHEDULE A to this Agreement. Vacation should be taken at such times as may be convenient to Company and Employee. Any vacation time not used in any one year may be carried forward to subsequent employment years. For purposes of this Agreement, "employment years" shall mean the successive one (1) year periods beginning on the Effective Date of this Agreement and on each anniversary date of the Effective Date of this Agreement during the term of this Agreement.

6. **ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS.** As consideration for your employment with Company, Employee covenants and agrees as follows:

(a) Employee will make prompt and full disclosure to the Company of any discovery, processes, inventions, patents, computer software, copyrights, trademarks and other intangible rights (collectively referred to as "Intellectual Property") that may be conceived, made, improved upon, developed, or participated by Employee, solely or jointly, in the course of, arising from or relating to any Intellectual Property Rights of the Company, or his employment with the Company or any affiliate of the Company (the "Work Products").

(b) The Company will hold all Intellectual Property Rights in respect of the Work Products for the exclusive benefit of the Company and Employee agrees not to claim or apply for registration or challenge the Company's registration of, any such Intellectual Property Rights. Employee's acceptance of the terms of this Agreement constitutes an absolute, unconditional and irrevocable assignment, transfer and conveyance of all past, present and future right, title, benefit and interest in and to all Intellectual Property Rights in respect of the Work Products. Employee hereby waives, in favor of the Company, all claims of any nature whatsoever that Employee now or hereafter may have for infringement of any Intellectual Property Rights for

Copy to: Horwitz & Beam
Two Venture Plaza, Suite 350
Irvine, CA 92618
Attn.: Lawrence W. Horwitz, Esq.

If to Employee: _____

Copy to: _____

10. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto their respective devisees, legatees, heirs, legal representatives, successors, and permitted assigns. The preceding sentence shall not affect any restriction on assignment set forth elsewhere in this Agreement.

11. **ARBITRATION.** If a dispute or claim shall arise with respect to any of the terms or provisions of this Agreement, or with respect to the performance by either of the parties under this Agreement, other than a dispute with respect to Section 2 of this Agreement, then either party may, with notice as herein provided, require that the dispute be submitted under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Each party shall bear one-half (1/2) of the cost of appointing the arbitrator and of paying such arbitrator's fees. The written decision of the arbitrator(s) ultimately appointed by or for both parties shall be binding and conclusive on the parties. Judgment may be entered on such written decision of the single arbitrator in any court having jurisdiction. Any arbitration undertaken pursuant to the terms of this section shall occur in the county of the Company's office in Los Angeles, California.

12. **ASSIGNMENT.** Subject to all other provisions of this Agreement, any attempt to assign or transfer this Agreement or any of the rights conferred hereby, by judicial process or

otherwise, to any person, firm, Company, or corporation without the prior written consent of the other party, shall be invalid, and may, at the option of such other party, result in an incurable event of default resulting in termination of this Agreement and all rights hereby conferred.

13. **CHOICE OF LAW.** This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California including all matters of construction, validity, performance, and enforcement and without giving effect to the principles of conflict of laws.

14. **INDEMNIFICATION.** Company shall indemnify, defend and hold Employee harmless, to the fullest extent permitted by law, for all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees that Employee shall incur or suffer that arise from, result from or relate to the discharge of Employee's duties under this Agreement.

15. **ENTIRE AGREEMENT.** Except as provided herein, this Agreement, including exhibits, contains the entire agreement of the parties, and supersedes all existing negotiations, representations, or agreements and all other oral, written, or other communications between them concerning the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein.

16. **SEVERABILITY.** If any provision of this Agreement is unenforceable, invalid, or violates applicable law, such provision, or unenforceable portion of such provision, shall be deemed stricken and shall not affect the enforceability of any other provisions of this Agreement.

17. **CAPTIONS.** The captions in this Agreement are inserted only as a matter

of convenience and for reference and shall not be deemed to define, limit, enlarge, or describe the scope of this Agreement or the relationship of the parties, and shall not affect this Agreement or the construction of any provisions herein.

18. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument. 19. MODIFICATION. No change, modification, addition, or amendment to this Agreement shall be valid unless in writing and signed by all parties hereto.

20. ATTORNEYS' FEES. Except as otherwise provided herein, if a dispute should arise between the parties including, but not limited to arbitration, the prevailing party shall be reimbursed by the non-prevailing party for all reasonable expenses incurred in resolving such dispute, including reasonable attorneys' fees exclusive of such amount of attorneys' fees as shall be a premium for result or for risk of loss under a contingency fee arrangement.

7

21. TAXES. Any income taxes required to be paid in connection with the payments due hereunder, shall be borne by the party required to make such payment. Any withholding taxes in the nature of a tax on income shall be deducted from payments due, and the party required to withhold such tax shall furnish to the party receiving such payment all documentation necessary to prove the proper amount to withhold of such taxes and to prove payment to the tax authority of such required withholding.

22. NOT FOR THE BENEFIT OF CREDITORS OR THIRD PARTIES. The provisions of this Agreement are intended only for the regulation of relations among the parties. This Agreement is not intended for the benefit of creditors of the parties or other third parties and no rights are granted to creditors of the parties or other third parties under this Agreement. Under no circumstances shall any third party, who is a minor, be deemed to have accepted, adopted, or acted in reliance upon this Agreement.

23. FACSIMILE SIGNATURES. Facsimile signatures shall be acceptable and binding as originals.

24. CONFLICT WAIVER. Both Employee and the Company (the "Parties") hereby agree and acknowledge that the law firm of Horwitz and Beam ("H&B"), which represents the Company, has drafted this Agreement. The Parties hereto further acknowledge that they have been informed of the inherent conflict of interest associated with the drafting of this Agreement by H&B and waive any action they may have against H&B regarding such conflict. The Parties have been given the opportunity to consult with counsel of their choice regarding their rights under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

"Company"

"Employee"

Mirage Holdings, Inc.,
a Nevada corporation

Najeeb Ghauri

/s/Najeeb Ghauri

/s/Najeeb Ghauri

BY: Najeeb U. Ghauri
ITS: President

8

SCHEDULE A

EMPLOYEE'S NAME: Najeeb Ghauri

EFFECTIVE DATE AND TERM: Effective date of Employment shall be as of April 17, 1999 for a period of three years from the effective date.

*POSITION: Chief Executive Officer, President and
interim Chief Financial Officer*

SALARY: \$100,000 per year.

STOCK OPTION:

*Specific terms as detailed in the Employee Stock Option Plan with general terms
as follows:*

- (a) On May 18, 1999, Employee shall be issued 150,000 shares of common
stock of the Company with Rule 144 restriction at an exercise price of
\$1.50 per share;*
- (b) On May 18, 2000, Employee shall be issued 150,000 shares of common
stock of the Company with Rule 144 restriction at an exercise price of
\$2.50 per share;*
- (c) On May 18, 2001, Employee shall be issued 150,000 shares of common
stock of the Company with Rule 144 restriction at an exercise price of
\$3.50 per share;*

PAID VACATION: Two weeks paid vacation.

"Company"

*Mirage Holdings, Inc.,
a Nevada corporation*

"Employee"

Najeeb Ghauri

/s/Najeeb Ghauri

/s/Najeeb Ghauri

*-----
BY: Najeeb U. Ghauri
ITS: President*

EXHIBIT 10.4

10.4 Employment Agreement, dated April 17, 1999 by and between
Mirage Holdings, Inc. and Salim Ghauri

1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made, entered into, and effective as of April 17, 1999 (the "Effective Date"), by and between Mirage Holdings, Inc., a Nevada corporation ("Company"), and Salim Ghauri, an individual ("Employee").

RECITALS

A. Company is engaged in the technology industry and maintains an office in Santa Monica, California.

B. Company desires to have an employment agreement with Employee for the position set forth in SCHEDULE A subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto hereby agree as follows:

AGREEMENT

10. **TERM AND DUTIES.** Company hereby employs Employee in the position set out on SCHEDULE A to this Agreement, and Employee agrees to fulfil the duties and responsibilities as the Chief Executive Officer (Pakistan), subject to changes consistent with the usual duties and responsibilities of that position as may be reasonably prescribed by the Board of Directors of the Company (the "Board") from time to time. Employee shall devote such time and attention to the business of Company as shall be required to perform the required services and duties. Employee at all times during the employment term shall strictly adhere to and obey all policies, rules and regulations established from time to time governing the conduct of employees of Company.

11. **DUTIES OF EMPLOYEE.**

11.1 Employee agrees to perform Employee's services efficiently and to the best of Employee's ability. Employee agrees throughout the term of this Agreement to devote his time, energy and skill to the business of the Company and to the promotion of the best interests of the Company.

11.2 Employee agrees that he shall not at any time, either during or subsequent to his employment term, unless expressly consented to in writing by Company, either directly or indirectly use or disclose to any person or entity any confidential information of any kind, nature or description concerning any matters affecting or relating to the business of Company, including, but not limited to, information concerning the customers of Company, Company's marketing methods, compensation paid to employees, independent contractors or suppliers and other terms of their employment or contractual relationships, financial and business

2

records, know-how, or any other information concerning the business of

Company, its manner of operations, or other data of any kind, nature or description. Employee agrees that the above information and items are important, material and confidential trade secrets and these affect the successful conduct of Company's business and its goodwill. This non-disclosure obligation does not apply to any information which is presently in the public domain, or any information that subsequently becomes part of the public domain through no fault of Employee.

2.3 Employee will not, during his employment with the Company, engage in any business, enterprise or activity that is contrary to or detracts from the business of the Company or the proper fulfilment of his duties and responsibilities to the Company.

2.4 Employee will comply with all the restrictions set forth below at all times during his employment and for a period of eighteen months after the termination of his employment:

a. Employee will not, either individually or in conjunction with any person, as principal, agent, director, officer, employee, investor or in any other manner whatsoever, directly or indirectly engage in or become financially interested in any competitive business within North America and Pakistan, except as a passive investor holding not more than one percent of the publicly traded stock of a corporation in which Employee is not involved in management;

b. Employee will not, either directly or indirectly, on its own behalf or on behalf of others, solicit, divert or appropriate or attempt to solicit, divert or appropriate to any competitive business, any business or actively sought prospective business of the Company or any customers with whom the Company or any affiliate of the Company has current agreements relating to the business of the Company, or with whom Employee has dealt, or with whom Employee has supervised negotiations or business relations, or about whom Employee has acquired confidential information in the course of Employee's employment;

c. Employee will not, either directly or indirectly, on Employee's behalf or on behalf of others, solicit, divert or hire away, or attempt to solicit, divert, or hire away, any independent contractor or any person employed by the Company or any affiliate of the Company or persuade or attempt to persuade any such individual to terminate his or her employment with the Company; and,

d. Employee will not directly or indirectly impair or seek to impair the reputation of the Company or any affiliate of the Company, nor any relationship that the Company or any affiliate of the Company has with its employees, customers, suppliers, agents or other parties with which the Company or any other affiliate of the Company does business or has contractual relations;

3

e. Employee will not receive or accept for its own benefit, either directly or indirectly, any commission, rebate, discount, gratuity or profit from any person having or proposing to have one or more business transactions with the Company or any affiliate of the Company, without the prior approval of the Board, which may be withheld; and,

f. Employee will, during the term of this employment with the Company, communicate and channel to the Company all knowledge, business and customer contacts and any other information that could concern or be in any way beneficial to the business of the Company. Any such information communicated to the Company as aforesaid will be and remain the property of the Company notwithstanding any subsequent termination of Employee's employment.

12. COMPENSATION.

12.1 Subject to the termination of this Agreement as provided herein, Company shall compensate Employee for his services hereunder at an annual salary set forth in SCHEDULE A, subject to changes by mutual agreement, payable in accordance with the Company's standard salary payment schedule. Payment of Employee's Salary will be subject to income tax source deductions and other deductions required by applicable laws.

12.2 Employee is also eligible to receive such additional compensation as the Board of Directors of Company determines is proper in recognition of Employee's contributions and services to Company. Such additional compensation shall be paid to Employee on the anniversary date of this Agreement during the Employment Term, and at such other times as may be determined by the Board of Directors.

3.3 Employee shall be entitled to stock options each year of employment for the term of his employment as set forth in summary in Schedule A. The details of the stock options are set forth in the Company's Employee Stock Option Plan.

3.4 In addition to the compensation set forth above, Employee shall be entitled to participate in or to receive benefits under all of Company's employee benefit plans made available by Company now or in the future to similarly situated employees, subject to the terms, conditions and overall administration of such plans.

(a) Employee shall be entitled to participate in or to receive benefits under all of Company's employee benefit plans made available by Company or in the future to similarly situated employees, subject to the terms, conditions and overall administration of such plans. Including but not limited to 401(k) plans, IRA plans, E.R.I.S.A Plans, any other retirement or benefit plans that the Company has made available to similarly situated employees.

(b) Upon receipt of the bills or other evidence of expenses, Company shall reimburse Employee for all medical, dental and hospital expenses incurred by Employee for

4

himself and for his dependant(s), if any, pursuant to the medical care plan adopted by the Company.

13. EXPENSES. Company shall reimburse Employee for all reasonable business related expenses incurred by Employee in the course of his normal duties on behalf of the Company. In compensating Employee for expenses, the ordinary and usual business guidelines and documentation requirements shall be adhered to by Company and Employee.

(a) Employee will be required to incur travel, meals, entertainment and other business expenses on behalf of the Company in the performance of Employee's duties hereunder. Company will reimburse Employee for all such reasonable business expenses incurred by Employee in connection with Company's business upon presentation of receipts or other acceptable documentation of the expenditures.

14. VACATION. Employee shall be entitled to the period of vacation set forth on SCHEDULE A to this Agreement. Vacation should be taken at such times as may be convenient to Company and Employee. Any vacation time not used in any one year may be carried forward to subsequent employment years. For purposes of this Agreement, "employment years" shall mean the successive one (1) year periods beginning on the Effective Date of this Agreement and on each anniversary date of the Effective Date of this Agreement during the term of this Agreement.

15. ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS. As consideration for your employment with Company, Employee covenants and agrees as follows:

(a) Employee will make prompt and full disclosure to the Company of any discovery, processes, inventions, patents, computer software, copyrights, trademarks and other intangible rights (collectively referred to as "Intellectual Property") that may be conceived, made, improved upon, developed, or participated by Employee, solely or jointly, in the course of, arising from or relating to any Intellectual Property Rights of the Company, or his employment with the Company or any affiliate of the Company (the "Work Products").

(b) The Company will hold all Intellectual Property Rights in respect of the Work Products for the exclusive benefit of the Company and Employee agrees not to claim or apply for registration or challenge the Company's registration

of, any such Intellectual Property Rights. Employee's acceptance of the terms of this Agreement constitutes an absolute, unconditional and irrevocable assignment, transfer and conveyance of all past, present and future right, title, benefit and interest in and to all Intellectual Property Rights in respect of the Work Products. Employee hereby waives, in favor of the Company, all claims of any nature whatsoever that Employee now or hereafter may have for infringement of any Intellectual Property Rights for the Work Products so assigned to the Company. To the extent that copyright may subsist in the Work Products, Employee hereby waives all past, present and future moral rights he may have.

5

(c) The Work Products and all related Intellectual Property Rights will be the absolute and exclusive property of the Company. The Company may apply for patent, copyright or other intellectual property protection in the Company's name or, where such procedure is proper, in Employee's name, anywhere in the world. Employee will, at the Company's request, execute all documents and do all such acts and things considered necessary by the Company to obtain, confirm or enforce any Intellectual Property Rights in respect of the Inventions. In case the Company requires, but is unable to secure Employee's signature for any such purpose in a timely manner, Employee hereby irrevocably designate and appoint the Company and any duly authorized officer or agent of the Company as Employee's agent and attorney, to act for Employee and in Employee's behalf instead to execute any such documents and to do all other lawfully permitted acts to carry out the intent of this provision, with the same legal force and effect as if executed or done by Employee. This power of attorney is coupled with an interest.

16. **DISABILITY OF EMPLOYEE.**

16.1 Employee shall be considered disabled if, due to illness or injury, either physical or mental, Employee is unable to perform Employee's customary duties as an employee of Company for more than thirty (30) days in the aggregate out of a period of twelve (12) consecutive months. The disability shall be determined by a certification from a physician.

16.2 If Employee is determined to be disabled, Company shall continue to pay Employee's base salary for the initial ninety (90) days of "disability." The continuation of the salary compensation after the initial ninety (90) days shall be determined by the Board of Directors of the Company.

17. **TERMINATION BY COMPANY.**

17.1 Unless terminated earlier as provided in this Agreement, Employee shall be employed for a term set forth in SCHEDULE A. Thereafter, the employment term shall continue on an at will basis until terminated at the option of Company or Employee upon thirty (30) days prior written notice. This Agreement may be terminated at any time by written agreement between the parties, or as provided in Section 8.2 below. This Agreement will terminate immediately upon Employee's death.

17.2 Company may terminate this Agreement for cause at any time without notice. For purposes of this Agreement, the term "cause" shall include, but not be limited to, the following: a material breach of or failure to perform any covenant or obligation in this Agreement, disloyalty, dishonesty, neglect of duties, unprofessional conduct, acts of moral turpitude, disappearance, felonious conduct or fraud, the use of illegal drugs or the habitual and disabling use of alcohol and drugs, embezzlement or similar conduct.

6

18. **NOTICE.** Any notice, request, demand, or other communication given pursuant to the terms of this Agreement shall be deemed given upon delivery, if hand delivered, or forty-eight (48) hours after deposit in the United States mail, postage prepaid, and sent certified or registered mail, return receipt requested, correctly addressed to the addresses of the parties indicated below or at such other address as such party shall in writing have advised the other party.

If to Company: **Mirage Holdings, Inc.**

233 Wilshire Blvd., Suite 510
Santa Monica, CA 90404
Attn.: Najeeb Ghauri, President

Copy to: Horwitz & Beam
Two Venture Plaza, Suite 350
Irvine, CA 92618
Attn.: Lawrence W. Horwitz, Esq.

If to Employee: Salim Ghauri

Copy to: _____

10. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the parties hereto their respective devisees, legatees, heirs, legal representatives, successors, and permitted assigns. The preceding sentence shall not affect any restriction on assignment set forth elsewhere in this Agreement.

11. **ARBITRATION.** If a dispute or claim shall arise with respect to any of the terms or provisions of this Agreement, or with respect to the performance by either of the parties under this Agreement, other than a dispute with respect to Section 2 of this Agreement, then either party may, with notice as herein provided, require that the dispute be submitted under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Each party shall bear one-half (2) of the cost of appointing the arbitrator and of paying such arbitrator's fees. The written decision of the arbitrator(s) ultimately appointed by or for both parties shall be binding and conclusive on the parties. Judgment may be entered on such written decision of the single arbitrator in any court having jurisdiction. Any arbitration undertaken pursuant to the terms of this section shall occur in the county of the Company's office in Los Angeles, California.

7

12. **ASSIGNMENT.** Subject to all other provisions of this Agreement, any attempt to assign or transfer this Agreement or any of the rights conferred hereby, by judicial process or otherwise, to any person, firm, Company, or corporation without the prior written consent of the other party, shall be invalid, and may, at the option of such other party, result in an incurable event of default resulting in termination of this Agreement and all rights hereby conferred.

13. **CHOICE OF LAW.** This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California including all matters of construction, validity, performance, and enforcement and without giving effect to the principles of conflict of laws.

14. **INDEMNIFICATION.** Company shall indemnify, defend and hold Employee harmless, to the fullest extent permitted by law, for all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees that Employee shall incur or suffer that arise from, result from or relate to the discharge of Employee's duties under this Agreement.

15. **ENTIRE AGREEMENT.** Except as provided herein, this Agreement, including exhibits, contains the entire agreement of the parties, and supersedes all existing negotiations, representations, or agreements and all other oral, written, or other communications between them concerning the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein.

16. **SEVERABILITY.** If any provision of this Agreement is unenforceable, invalid, or violates applicable law, such provision, or unenforceable portion of such provision, shall be deemed stricken and shall not affect the enforceability of any other provisions of this Agreement.

17. CAPTIONS. The captions in this Agreement are inserted only as a matter of convenience and for reference and shall not be deemed to define, limit, enlarge, or describe the scope of this Agreement or the relationship of the parties, and shall not affect this Agreement or the construction of any provisions herein.

18. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

19. MODIFICATION. No change, modification, addition, or amendment to this Agreement shall be valid unless in writing and signed by all parties hereto.

20. ATTORNEYS' FEES. Except as otherwise provided herein, if a dispute should arise between the parties including, but not limited to arbitration, the prevailing party shall be reimbursed by the non-prevailing party for all reasonable expenses incurred in resolving such dispute, including reasonable attorneys' fees exclusive of such amount of attorneys' fees as shall be a premium for result or for risk of loss under a contingency fee arrangement.

8

21. TAXES. Any income taxes required to be paid in connection with the payments due hereunder, shall be borne by the party required to make such payment. Any withholding taxes in the nature of a tax on income shall be deducted from payments due, and the party required to withhold such tax shall furnish to the party receiving such payment all documentation necessary to prove the proper amount to withhold of such taxes and to prove payment to the tax authority of such required withholding.

22. NOT FOR THE BENEFIT OF CREDITORS OR THIRD PARTIES. The provisions of this Agreement are intended only for the regulation of relations among the parties. This Agreement is not intended for the benefit of creditors of the parties or other third parties and no rights are granted to creditors of the parties or other third parties under this Agreement. Under no circumstances shall any third party, who is a minor, be deemed to have accepted, adopted, or acted in reliance upon this Agreement.

23. FACSIMILE SIGNATURES. Facsimile signatures shall be acceptable and binding as originals.

24. CONFLICT WAIVER. Both Employee and the Company (the "Parties") hereby agree and acknowledge that the law firm of Horwitz and Beam ("H&B"), which represents the Company, has drafted this Agreement. The Parties hereto further acknowledge that they have been informed of the inherent conflict of interest associated with the drafting of this Agreement by H&B and waive any action they may have against H&B regarding such conflict. The Parties have been given the opportunity to consult with counsel of their choice regarding their rights under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

"Company"

"Employee"

Mirage Holdings, Inc.,
a Nevada corporation

Salim Ghauri

/s/ Najeeb U. Ghauri

BY: Najeeb U. Ghauri
ITS: President

9

SCHEDULE A

EMPLOYEE'S NAME: Salim Ghauri

EFFECTIVE DATE AND TERM: Effective date of Employment shall be as of April 17, 1999 for a period of three years from the effective date.

POSITION: Chief Executive Officer (Pakistan)

SALARY: \$100,000 per year.

STOCK OPTION:

Specific terms as detailed in the Employee Stock Option Plan with general terms as follows:

(a) On May 18, 1999, Employee shall be issued 150,000 shares of common stock of the Company with Rule 144 restriction at an exercise price of \$1.50 per share;

(b) On May 18, 2000, Employee shall be issued 150,000 shares of common stock of the Company with Rule 144 restriction at an exercise price of \$2.50 per share;

(c) On May 18, 2001, Employee shall be issued 150,000 shares of common stock of the Company with Rule 144 restriction at an exercise price of \$3.50 per share;

PAID VACATION: Two weeks paid vacation.

"Company"

*Mirage Holdings, Inc.,
a Nevada corporation*

/s/Najeeb Ghauri

*-----
BY: Najeeb U. Ghauri
ITS: President*

"Employee"

Salim Ghauri

/s/ Salim Ghauri

EXHIBIT 10.5

10.5 Employment Agreement, dated April 17, 1999 by and between
Mirage Holdings, Inc. and Naeem Ghauri

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made, entered into, and effective as of April 17, 1999 (the "Effective Date"), by and between Mirage Holdings, Inc., a Nevada corporation ("Company"), and Naeem Ghauri, an individual ("Employee").

RECITALS

A. Company is engaged in the technology industry and maintains an office in Santa Monica, California.

B. Company desires to have an employment agreement with Employee for the position set forth in SCHEDULE A subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties hereto hereby agree as follows:

AGREEMENT

19. **TERM AND DUTIES.** Company hereby employs Employee in the position set out on SCHEDULE A to this Agreement, and Employee agrees to fulfil the duties and responsibilities as the Chief Executive Officer (UK) and Chief Operating Officer (USA) of the Company, subject to changes consistent with the usual duties and responsibilities of that position as may be reasonably prescribed by the Board of Directors of the Company (the "Board") from time to time. Employee shall devote such time and attention to the business of Company as shall be required to perform the required services and duties. Employee at all times during the employment term shall strictly adhere to and obey all policies, rules and regulations established from time to time governing the conduct of employees of Company.

20. **DUTIES OF EMPLOYEE.**

20.1 Employee agrees to perform Employee's services efficiently and to the best of Employee's ability. Employee agrees throughout the term of this Agreement to devote his time, energy and skill to the business of the Company and to the promotion of the best interests of the Company.

20.2 Employee agrees that he shall not at any time, either during or subsequent to his employment term, unless expressly consented to in writing by Company, either directly or indirectly use or disclose to any person or entity any confidential information of any kind, nature or description concerning any matters affecting or relating to the business of Company, including, but not limited to, information concerning the customers of Company, Company's marketing methods, compensation paid to employees, independent contractors or suppliers and other terms of their employment or contractual relationships, financial and business

records, know-how, or any other information concerning the business of Company, its manner of operations, or other data of any kind, nature or description. Employee agrees that the above information and items are important, material and confidential trade secrets and these affect the successful conduct of Company's business and its goodwill. This non-disclosure obligation does not apply to any information which is presently in the public domain, or any information that subsequently becomes part of the public domain through no fault of Employee.

2.3 Employee will not, during his employment with the Company, engage in any business, enterprise or activity that is contrary to or detracts from the business of the Company or the proper fulfilment of his duties and responsibilities to the Company.

2.4 Employee will comply with all the restrictions set forth below at all times during his employment and for a period of eighteen months after the termination of his employment:

a. Employee will not, either individually or in conjunction with any person, as principal, agent, director, officer, employee, investor or in any other manner whatsoever, directly or indirectly engage in or become financially interested in any competitive business within North America and the United Kingdom, except as a passive investor holding not more than one percent of the publicly traded stock of a corporation in which Employee is not involved in management;

b. Employee will not, either directly or indirectly, on its own behalf or on behalf of others, solicit, divert or appropriate or attempt to solicit, divert or appropriate to any competitive business, any business or actively sought prospective business of the Company or any customers with whom the Company or any affiliate of the Company has current agreements relating to the business of the Company, or with whom Employee has dealt, or with whom Employee has supervised negotiations or business relations, or about whom Employee has acquired confidential information in the course of Employee's employment;

c. Employee will not, either directly or indirectly, on Employee's behalf or on behalf of others, solicit, divert or hire away, or attempt to solicit, divert, or hire away, any independent contractor or any person employed by the Company or any affiliate of the Company or persuade or attempt to persuade any such individual to terminate his or her employment with the Company; and,

d. Employee will not directly or indirectly impair or seek to impair the reputation of the Company or any affiliate of the Company, nor any relationship that the Company or any affiliate of the Company has with its employees, customers, suppliers, agents or other parties with which the Company or any other affiliate of the Company does business or has contractual relations;

3

e. Employee will not receive or accept for its own benefit, either directly or indirectly, any commission, rebate, discount, gratuity or profit from any person having or proposing to have one or more business transactions with the Company or any affiliate of the Company, without the prior approval of the Board, which may be withheld; and,

f. Employee will, during the term of this employment with the Company, communicate and channel to the Company all knowledge, business and customer contacts and any other information that could concern or be in any way beneficial to the business of the Company. Any such information communicated to the Company as aforesaid will be and remain the property of the Company notwithstanding any subsequent termination of Employee's employment.

21. COMPENSATION.

21.1 Subject to the termination of this Agreement as provided herein, Company shall compensate Employee for his services hereunder at an annual salary set forth in SCHEDULE A, subject to changes by mutual agreement, payable in accordance with the Company's standard salary payment schedule. Payment of

Employee's Salary will be subject to income tax source deductions and other deductions required by applicable laws.

21.2 Employee is also eligible to receive such additional compensation as the Board of Directors of Company determines is proper in recognition of Employee's contributions and services to Company. Such additional compensation shall be paid to Employee on the anniversary date of this Agreement during the Employment Term, and at such other times as may be determined by the Board of Directors.

3.3 Employee shall be entitled to stock options each year of employment for the term of his employment as set forth in summary in Schedule A. The details of the stock options are set forth in the Company's Employee Stock Option Plan.

3.4 In addition to the compensation set forth above, Employee shall be entitled to participate in or to receive benefits under all of Company's employee benefit plans made available by Company now or in the future to similarly situated employees, subject to the terms, conditions and overall administration of such plans.

(a) Employee shall be entitled to participate in or to receive benefits under all of Company's employee benefit plans made available by Company or in the future to similarly situated employees, subject to the terms, conditions and overall administration of such plans. Including but not limited to 401(k) plans, IRA plans, E.R.I.S.A Plans, any other retirement or benefit plans that the Company has made available to similarly situated employees.

(b) Upon receipt of the bills or other evidence of expenses, Company shall reimburse Employee for all medical, dental and hospital expenses incurred by Employee for

4

himself and for his dependant(s), if any, pursuant to the medical care plan adopted by the Company.

22. EXPENSES. Company shall reimburse Employee for all reasonable business related expenses incurred by Employee in the course of his normal duties on behalf of the Company. In compensating Employee for expenses, the ordinary and usual business guidelines and documentation requirements shall be adhered to by Company and Employee.

(a) Employee will be required to incur travel, meals, entertainment and other business expenses on behalf of the Company in the performance of Employee's duties hereunder. Company will reimburse Employee for all such reasonable business expenses incurred by Employee in connection with Company's business upon presentation of receipts or other acceptable documentation of the expenditures.

23. VACATION. Employee shall be entitled to the period of vacation set forth on SCHEDULE A to this Agreement. Vacation should be taken at such times as may be convenient to Company and Employee. Any vacation time not used in any one year may be carried forward to subsequent employment years. For purposes of this Agreement, "employment years" shall mean the successive one (1) year periods beginning on the Effective Date of this Agreement and on each anniversary date of the Effective Date of this Agreement during the term of this Agreement.

24. ASSIGNMENT OF INTELLECTUAL PROPERTY RIGHTS. As consideration for your employment with Company, Employee covenants and agrees as follows:

(a) Employee will make prompt and full disclosure to the Company of any discovery, processes, inventions, patents, computer software, copyrights, trademarks and other intangible rights (collectively referred to as "Intellectual Property") that may be conceived, made, improved upon, developed, or participated by Employee, solely or jointly, in the course of, arising from or relating to any Intellectual Property Rights of the Company, or his employment with the Company or any affiliate of the Company (the "Work Products").

(b) The Company will hold all Intellectual Property Rights in respect of the Work Products for the exclusive benefit of the Company and Employee agrees

not to claim or apply for registration or challenge the Company's registration of, any such Intellectual Property Rights. Employee's acceptance of the terms of this Agreement constitutes an absolute, unconditional and irrevocable assignment, transfer and conveyance of all past, present and future right, title, benefit and interest in and to all Intellectual Property Rights in respect of the Work Products. Employee hereby waives, in favor of the Company, all claims of any nature whatsoever that Employee now or hereafter may have for infringement of any Intellectual Property Rights for the Work Products so assigned to the Company. To the extent that copyright may subsist in the Work Products, Employee hereby waives all past, present and future moral rights he may have.

5

(c) The Work Products and all related Intellectual Property Rights will be the absolute and exclusive property of the Company. The Company may apply for patent, copyright or other intellectual property protection in the Company's name or, where such procedure is proper, in Employee's name, anywhere in the world. Employee will, at the Company's request, execute all documents and do all such acts and things considered necessary by the Company to obtain, confirm or enforce any Intellectual Property Rights in respect of the Inventions. In case the Company requires, but is unable to secure Employee's signature for any such purpose in a timely manner, Employee hereby irrevocably designate and appoint the Company and any duly authorized officer or agent of the Company as Employee's agent and attorney, to act for Employee and in Employee's behalf and to execute any such documents and to do all other lawfully permitted acts to carry out the intent of this provision, with the same legal force and effect as if executed or done by Employee. This power of attorney is coupled with an interest.

25. **DISABILITY OF EMPLOYEE.**

25.1 Employee shall be considered disabled if, due to illness or injury, either physical or mental, Employee is unable to perform Employee's customary duties as an employee of Company for more than thirty (30) days in the aggregate out of a period of twelve (12) consecutive months. The disability shall be determined by a certification from a physician.

25.2 If Employee is determined to be disabled, Company shall continue to pay Employee's base salary for the initial ninety (90) days of "disability." The continuation of the salary compensation after the initial ninety (90) days shall be determined by the Board of Directors of the Company.

26. **TERMINATION BY COMPANY.**

26.1 Unless terminated earlier as provided in this Agreement, Employee shall be employed for a term set forth in SCHEDULE A. Thereafter, the employment term shall continue on an at will basis until terminated at the option of Company or Employee upon thirty (30) days prior written notice. This Agreement may be terminated at any time by written agreement between the parties, or as provided in Section 8.2 below. This Agreement will terminate immediately upon Employee's death.

26.2 Company may terminate this Agreement for cause at any time without notice. For purposes of this Agreement, the term "cause" shall include, but not be limited to, the following: a material breach of or failure to perform any covenant or obligation in this Agreement, disloyalty, dishonesty, neglect of duties, unprofessional conduct, acts of moral turpitude, disappearance, felonious conduct or fraud, the use of illegal drugs or the habitual and disabling use of alcohol and drugs, embezzlement or similar conduct.

27. **NOTICE.** Any notice, request, demand, or other communication given pursuant to the terms of this Agreement shall be deemed given upon delivery, if hand delivered, or

6

forty-eight (48) hours after deposit in the United States mail, postage prepaid, and sent certified or registered mail, return receipt requested, correctly addressed to the addresses of the parties indicated below or at such other address as such party shall in writing have advised the other

party.

If to Company: *Mirage Holdings, Inc.*
233 Wilshire Blvd., Suite 510
Santa Monica, CA 90404
Attn.: Najeeb Ghauri, President

Copy to: *Horwitz & Beam*
Two Venture Plaza, Suite 350
Irvine, CA 92618
Attn.: Lawrence W. Horwitz, Esq.

If to Employee: *Naeem Ghauri*

Copy to: _____

10. *BINDING EFFECT.* This Agreement shall be binding upon and inure to the benefit of the parties hereto their respective devisees, legatees, heirs, legal representatives, successors, and permitted assigns. The preceding sentence shall not affect any restriction on assignment set forth elsewhere in this Agreement.

11. *ARBITRATION.* If a dispute or claim shall arise with respect to any of the terms or provisions of this Agreement, or with respect to the performance by either of the parties under this Agreement, other than a dispute with respect to Section 2 of this Agreement, then either party may, with notice as herein provided, require that the dispute be submitted under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"). Each party shall bear one-half (1/2) of the cost of appointing the arbitrator and of paying such arbitrator's fees. The written decision of the arbitrator(s) ultimately appointed by or for both parties shall be binding and conclusive on the parties. Judgment may be entered on such written decision of the single arbitrator in any court having jurisdiction. Any arbitration undertaken pursuant to the terms of this section shall occur in the county of the Company's office in Los Angeles, California.

12. *ASSIGNMENT.* Subject to all other provisions of this Agreement, any attempt to assign or transfer this Agreement or any of the rights conferred hereby, by judicial process or

7

otherwise, to any person, firm, Company, or corporation without the prior written consent of the other party, shall be invalid, and may, at the option of such other party, result in an incurable event of default resulting in termination of this Agreement and all rights hereby conferred.

13. *CHOICE OF LAW.* This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of California including all matters of construction, validity, performance, and enforcement and without giving effect to the principles of conflict of laws.

14. *INDEMNIFICATION.* Company shall indemnify, defend and hold Employee harmless, to the fullest extent permitted by law, for all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest, penalties and reasonable attorney's fees that Employee shall incur or suffer that arise from, result from or relate to the discharge of Employee's duties under this Agreement.

15. *ENTIRE AGREEMENT.* Except as provided herein, this Agreement, including exhibits, contains the entire agreement of the parties, and supersedes all existing negotiations, representations, or agreements and all other oral, written, or other communications between them concerning the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, between and among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein.

16. SEVERABILITY. If any provision of this Agreement is unenforceable, invalid, or violates applicable law, such provision, or unenforceable portion of such provision, shall be deemed stricken and shall not affect the enforceability of any other provisions of this Agreement.

17. CAPTIONS. The captions in this Agreement are inserted only as a matter of convenience and for reference and shall not be deemed to define, limit, enlarge, or describe the scope of this Agreement or the relationship of the parties, and shall not affect this Agreement or the construction of any provisions herein.

18. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

19. MODIFICATION. No change, modification, addition, or amendment to this Agreement shall be valid unless in writing and signed by all parties hereto.

20. ATTORNEYS' FEES. Except as otherwise provided herein, if a dispute should arise between the parties including, but not limited to arbitration, the prevailing party shall be reimbursed by the non-prevailing party for all reasonable expenses incurred in resolving such dispute, including reasonable attorneys' fees exclusive of such amount of attorneys' fees as shall be a premium for result or for risk of loss under a contingency fee arrangement.

8

21. TAXES. Any income taxes required to be paid in connection with the payments due hereunder, shall be borne by the party required to make such payment. Any withholding taxes in the nature of a tax on income shall be deducted from payments due, and the party required to withhold such tax shall furnish to the party receiving such payment all documentation necessary to prove the proper amount to withhold of such taxes and to prove payment to the tax authority of such required withholding.

22. NOT FOR THE BENEFIT OF CREDITORS OR THIRD PARTIES. The provisions of this Agreement are intended only for the regulation of relations among the parties. This Agreement is not intended for the benefit of creditors of the parties or other third parties and no rights are granted to creditors of the parties or other third parties under this Agreement. Under no circumstances shall any third party, who is a minor, be deemed to have accepted, adopted, or acted in reliance upon this Agreement.

23. FACSIMILE SIGNATURES. Facsimile signatures shall be acceptable and binding as originals.

24. CONFLICT WAIVER. Both Employee and the Company (the "Parties") hereby agree and acknowledge that the law firm of Horwitz and Beam ("H&B"), which represents the Company, has drafted this Agreement. The Parties hereto further acknowledge that they have been informed of the inherent conflict of interest associated with the drafting of this Agreement by H&B and waive any action they may have against H&B regarding such conflict. The Parties have been given the opportunity to consult with counsel of their choice regarding their rights under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the Effective Date.

"Company"

"Employee"

Mirage Holdings, Inc.,
a Nevada corporation

Naeem Ghauri

/s/ Najeem Ghauri

/s/ Naeem Ghauri

BY: Najeem U. Ghauri

ITS: President

9

EMPLOYEE'S NAME: Naeem Ghauri

EFFECTIVE DATE AND TERM: Effective date of Employment shall be as of April 17, 1999 for a period of three years from the effective date.

POSITION: Chief Executive Officer (UK) and Chief Operating Officer (USA)

SALARY: \$150,000 per year with a signing bonus of \$30,000 to be paid upon execution of this Agreement.

STOCK OPTION:

Specific terms as detailed in the Employee Stock Option Plan with general terms as follows:

(a) On May 18, 1999, Employee shall be issued 150,000 shares of common stock of the Company with Rule 144 restriction at an exercise price of \$1.50 per share;

(b) On May 18, 2000, Employee shall be issued 150,000 shares of common stock of the Company with Rule 144 restriction at an exercise price of \$2.50 per share;

(c) On May 18, 2001, Employee shall be issued 150,000 shares of common stock of the Company with Rule 144 restriction at an exercise price of \$3.50 per share;

PAID VACATION: Two weeks paid vacation.

"Company"

"Employee"

Mirage Holdings, Inc.,
a Nevada corporation

Naeem Ghauri

/s/ Najeeb Ghauri

/s/ Naeem Ghauri

BY: Najeeb U. Ghauri
ITS: President

10.6 Acquisition Agreement dated April 3, 1999 by and between
NetSol PVT and NetSol UK and SGO

ACQUISITION AGREEMENT

BETWEEN

MIRAGE HOLDINGS, INC.,

AND

SALIM GHOURI AND OTHERS

TABLE OF CONTENTS

<TABLE>		
<S>	<C>	<C>
ARTICLE 1		
SALE AND PURCHASE OF THE SHARES.....		2
1.1 Issuance of the Shares.....		2
1.2 Consideration and Payment for the Shares.....		2
1.3 Employment Agreements.....		2
ARTICLE 2 REPRESENTATIONS AND WARRANTIES.....		2
2.1 Representations and Warranties of SGO, NetSol Pvt, and NetSol UK.....		2
2.1.1 Organization, Standing, Power.....		2
2.1.2 Authority.....		3
2.1.3 Capitalization of NetSol Pvt and NetSol UK.....		3
2.1.4 Subsidiaries.....		4
2.1.5 No Defaults.....		4
2.1.6 Governmental Consents.....		4
2.1.7 Financial Statements.....		5
2.1.8 Liabilities.....		5
2.1.9 Absence of Undisclosed Liabilities.....		5
2.1.10 Absence of Changes.....		5
2.1.11 Patents and Trademarks.....		6
2.1.12 Certain Agreements.....		6
2.1.13 Compliance with Other Instruments.....		6
2.1.14 Employee Benefit Plans.....		5
2.1.15 Other Personal Property.....		7
2.1.16 Properties and Liens.....		7
2.1.17 Inventory.....		7
2.1.18 Major Contracts.....		7
2.1.19 Questionable Payments.....		7
2.1.20 Recent Transactions.....		8
2.1.21 Leases in Effect.....		8
2.1.22 Environmental.....		9
2.1.23 Taxes.....		9
2.1.24 Disputes and Litigation.....		10
2.1.25 Compliance with Laws.....		10
2.1.26 Related Party Transactions.....		11
2.1.27 Insurance.....		11
2.1.28 Minute Books.....		11
2.1.29 Disclosure.....		11
2.1.30 Reliance.....		11
2.1.31 Valuation Report for the Combined Operations of Network Solutions (Pvt) Limited and NetSol (UK) Limited.....		11
2.2 Representations and Warranties of Mirage.....		11
2.2.1 Organization, Standing, Power.....		12
</TABLE>		

<TABLE>

<S>	<C>	<C>
	2.2.2	Authority.....12
	2.2.3	No Defaults.....12
	2.2.4	Disclosure.....12
	2.2.5	Independent Investigation.....13
	2.2.6	Reliance.....13
ARTICLE 3	CONDITIONS PRECEDENT.....	13
3.1	Conditions to Each Party's Obligations.....	13
3.2	Conditions to Mirage's Obligations.....	13
3.3	Conditions to SGO, NetSol Pvt, and NetSol UK's Obligations.....	14
ARTICLE 4	COVENANTS.....	15
4.1	Corporate Structure of NetSol Pvt and NetSol UK.....	15
ARTICLE 5	CLOSING AND DELIVERY OF DOCUMENTS.....	15
5.1	Time and Place.....	15
5.2	Deliveries by SGO, NetSol Pvt, and NetSol UK.....	15
5.3	Deliveries by Mirage.....	16
ARTICLE 6	INDEMNIFICATION.....	16
6.1	SGO, NetSol Pvt, and NetSol UK's Indemnity.....	16
6.2	Mirage's Indemnity.....	17
ARTICLE 7	DEFAULT, AMENDMENT AND WAIVER.....	17
7.1	Default.....	17
7.2	Waiver and Amendment.....	18
ARTICLE 8	MISCELLANEOUS.....	18
8.1	Expenses.....	18
8.2	Notices.....	18
8.3	Entire Agreement.....	19
8.4	Survival of Representations.....	19
8.5	Incorporated by Reference.....	20
8.6	Remedies Cumulative.....	20
8.7	Execution of Additional Documents.....	20
8.8	Finders' and Related Fees.....	20
8.9	Governing Law.....	20
8.10	Forum.....	20
8.11	Professional Fees.....	20
8.12	Binding Effect and Assignment.....	20
8.13	Counterparts; Facsimile Signatures.....	20
8.14	Representation.....	20

</TABLE>

TABLE OF SCHEDULES AND EXHIBITS

Exhibit A	List of Shareholders Entering Into This Agreement
Exhibit B	Opinion Letters
Exhibit C	SGO, NetSol Pvt, and NetSol UK Disclosure Schedule
Exhibit D	Mirage Disclosure Schedule
Exhibit E	Employment Agreement
Exhibit F	Board of Directors' Resolution of Network Solutions Pvt. Ltd.
Exhibit G	Board of Directors' Resolution of NetSol (UK) Ltd.

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement"), dated as of April 3, 1999, is by and between MIRAGE HOLDINGS, INC., a Nevada corporation ("Mirage"), on the one hand and SALIM GHOURI AND OTHERS as listed on Exhibit A ("SGO") who are shareholders of NETWORK SOLUTIONS (PVT) LIMITED, a Pakistan corporation ("NetSol Pvt") and who are also shareholders of NETSOL (U.K.) LIMITED, a corporation organized under the laws of the United Kingdom ("NetSol UK"), on

the other (collectively, the "Parties").

R E C I T A L S

A. The capital stock of NetSol Pvt consists of 20,000 authorized shares of Common Stock, par value Rs. 100 (the "NetSol Pvt Shares"), of which 1,000 are currently issued and outstanding. SGO currently owns 490 NetSol Pvt Shares.

B. The capital stock of NetSol UK consists of 1,000 authorized shares of Common Stock, par value L1 (the "NetSol UK Shares"), of which 100 are currently issued and outstanding. SGO currently owns 57 NetSol UK Shares.

C. On September 15, 1998, Mirage, SGO, NetSol Pvt entered into a Stock Purchase Agreement where SGO issued certain number of NetSol Pvt Shares to Mirage to constitute 51% of the issued and outstanding common stock of NetSol Pvt, such that, NetSol Pvt will be a majority owned subsidiary of Mirage.

D. On September 15, 1998, Mirage, SGO, and NetSol UK entered into an agreement where SGO issued certain number of NetSol UK Shares to Mirage to constitute 51% of the 85% of the issued and outstanding common stock of NetSol UK owned by SGO. NetSol UK became a 43% owned subsidiary of Mirage.

E. Upon the terms and conditions set for the below, SGO desires to issue certain number of NetSol Pvt Shares to Mirage to constitute 100% of the issued and outstanding common stock of NetSol Pvt, such that, following such transaction, NetSol Pvt will be a 100% owned subsidiary of Mirage.

F. Upon the terms and conditions set forth below, SGO desires to issue certain number of NetSol Shares to Mirage to constitute 100% of the issued and outstanding common stock of NetSol UK owned by SGO, such that, following such transaction, NetSol UK will be a 100% owned subsidiary of Mirage. The NetSol Pvt Shares and the NetSol UK Shares which are the subject of this Agreement, may be referred to collectively as the "Shares" herein.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement, the Parties hereto agree as follows:

1

ARTICLE 28 SALE AND PURCHASE OF THE SHARES

28.1 ISSUANCE OF THE SHARES. Subject to the terms and conditions herein set forth, and on the basis of the representations, warranties and agreements herein contained, SGO shall sell and transfer to Mirage that certain number of NetSol Pvt Shares that will constitute 49% of the issued and outstanding common stock of NetSol Pvt increasing Mirage's ownership to 100% and shall sell and transfer to Mirage the remaining NetSol UK Shares that will constitute 57% of the issued and outstanding common stock of NetSol UK increasing its ownership to 100%.

28.2 CONSIDERATION AND PAYMENT FOR THE SHARES. In consideration for the Shares, Mirage shall issue SGO 4.2 million shares of RESTRICTED common stock of Mirage. Mirage shall issue to SGO, in whatever designation SGO requests, a stock certificate(s) equal to 4.2 million shares of current outstanding common stock of Mirage as of the date hereof.

1.3 EMPLOYMENT AGREEMENTS. Mirage shall enter into employment agreements with the principals of NetSol Pvt and NetSol (UK) for a minimum of 36 months with continuation of executive responsibilities and subject to non-competition clause. Mirage shall deliver such employment agreements in the general form of Exhibit "E".

ARTICLE 29 REPRESENTATIONS AND WARRANTIES

29.1 REPRESENTATIONS AND WARRANTIES OF SGO, NETSOL PVT, AND NETSOL UK. Except as disclosed in a document referring specifically to the representations and warranties in this Agreement that identifies by section number the section and subsection to which such disclosure relates and is delivered by SGO, NetSol Pvt, and NetSol UK to Mirage prior to the execution of this Agreement (the "SGO, NetSol Pvt, and NetSol UK Disclosure Schedule"), SGO, NetSol Pvt, and NetSol UK represent and warrant to Mirage, as of the date hereof and as of the Closing, as follows:

29.1.1 ORGANIZATION, STANDING, POWER.

(a) NETSOL PVT. NetSol Pvt. is a corporation duly organized, validly existing, and in good standing under the laws of the country of Pakistan. It has all requisite corporate power, franchises, licenses, permits, and authority to own its properties and assets and to carry on its business as it has been and is being conducted. NetSol Pvt. is duly qualified and in good standing to do business in each jurisdiction in

which a failure to so qualify would have a Material Adverse Effect (as defined below) on NetSol Pvt. For purposes of this Agreement, the term "Material Adverse Effect" means any change or effect that, individually or when taken together with all other such changes or effects which have occurred prior to the date of determination of the occurrence of the Material Adverse Effect, is or is reasonably likely to be materially adverse to the business, assets (including intangible assets), financial condition, or results of operations of the entity.

(b) NETSOL UK. NetSol UK is a corporation duly organized, validly existing, and in good standing under the laws of the United Kingdom. It has all

2

requisite corporate power, franchises, licenses, permits, and authority to own its properties and assets and to carry on its business as it has been and is being conducted. NetSol UK is duly qualified and in good standing to do business in each jurisdiction in which a failure to so qualify would have a Material Adverse Effect (as defined below) on NetSol UK. For purposes of this Agreement, the term "Material Adverse Effect" means any change or effect that, individually or when taken together with all other such changes or effects which have occurred prior to the date of determination of the occurrence of the Material Adverse Effect, is or is reasonably likely to be materially adverse to the business, assets (including intangible assets), financial condition, or results of operations of the entity.

29.1.2 AUTHORITY. SGO, NetSol Pvt, and NetSol UK have all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery by SGO, NetSol Pvt, and NetSol UK of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the parts of SGO, NetSol Pvt, and NetSol UK, including the approval of the Board of Directors of NetSol Pvt and NetSol UK. This Agreement has been duly executed and delivered by SGO, NetSol Pvt, and NetSol UK and constitutes a valid and binding obligation of SGO, NetSol Pvt, and NetSol UK enforceable in accordance with its terms, except that such enforceability may be subject to: (i) bankruptcy, insolvency, reorganization, or other similar laws relating to enforcement of creditors' rights generally; and (ii) general equitable principles. Subject to the satisfaction of the conditions set forth in Article 3 below, the execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, conflict with or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation, or acceleration of any obligation, or to loss of a material benefit under, or the creation of a lien, pledge, security interest, charge, or other encumbrance on any assets of SGO, NetSol Pvt, or NetSol UK (any such conflict, violation, default, right, loss, or creation being referred to herein as a "Violation") pursuant to: (i) any provision of the organization documents of NetSol Pvt and NetSol UK; or (ii) any loan or credit agreement, note, bond, mortgage, indenture, contract, lease, or other agreement, or instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to SGO, NetSol Pvt, and NetSol UK's respective properties or assets, other than, in the case of (ii), any such Violation which individually or in the aggregate would not have a Material Adverse Effect on SGO, NetSol Pvt, and/or NetSol UK.

29.1.3 CAPITALIZATION OF NETSOL PVT AND NETSOL UK.

(a) NETSOL PVT. The authorized equity securities of NetSol Pvt consist of 20,000 shares of NetSol Pvt Common Stock, Rs. 100 par value, of which 1,000 shares are currently issued or outstanding. SGO currently owns 490 NetSol Pvt Shares, while Mirage currently owns 510 shares.

(b) NETSOL UK. The capital stock of NetSol UK consists of 1,000 authorized shares of Common Stock, par value L1 (the "NetSol UK Shares"), of which 100 are currently issued and outstanding. SGO currently owns 57 NetSol UK Shares, while Mirage currently owns 43 shares.

3

(c) Upon issuance pursuant to the terms of this Agreement, the Shares will be duly and validly issued, fully paid and nonassessable, and issued in accordance with the registration or qualification provisions of the Securities Act of 1933, as amended (the "Securities Act"), and any relevant state securities laws or pursuant to valid exemptions therefrom. The Shares are free of restrictions on transfer other than restrictions on transfer as set forth in the SGO, NetSol Pvt, and NetSol UK Disclosure Schedule and under applicable state and federal securities laws. The Shares shall be issued in a private transaction and consequently will be deemed to be "Restricted Securities" as set forth in Rule 144 promulgated under the Securities Act of 1933, as amended.

(d) Except as set forth on the SGO, NetSol Pvt, and NetSol UK Disclosure Schedule, there are no options, warrants, rights, calls, commitments, plans, contracts, or other agreements of any character granted or issued by SGO, NetSol Pvt, or NetSol UK which provide for the purchase, issuance, or transfer of any additional shares of the capital stock of NetSol Pvt or NetSol UK nor are there any outstanding securities granted or issued by NetSol Pvt or NetSol UK that are convertible into any shares of the equity securities of NetSol Pvt or NetSol UK, and none is authorized. Neither NetSol Pvt nor NetSol UK has outstanding any bonds, debentures, notes, or other indebtedness the holders of which have the right to vote (or convertible or exercisable into securities having the right to vote) with holders of NetSol Pvt or NetSol UK capital stock on any matter.

(e) Except as set forth on the SGO, NetSol Pvt, and NetSol UK Disclosure Schedule, neither SGO nor NetSol Pvt nor NetSol UK is a party or subject to any agreement or understanding, and, to the best of SGO, NetSol Pvt, and NetSol UK's knowledge, there is no agreement or understanding between any persons and/or entities, which affects or relates to the voting or giving of written consents with respect to any security or by a shareholder or director of NetSol Pvt or NetSol UK.

(f) Except as set forth on the SGO, NetSol Pvt, and NetSol UK Disclosure Schedule, neither NetSol Pvt nor NetSol UK has granted or agreed to grant any registration rights, including piggyback rights, to any person or entity.

29.1.4 SUBSIDIARIES. "Subsidiary" or "Subsidiaries" means all corporations, trusts, partnerships, associations, joint ventures, or other Persons, as defined below, of which NetSol Pvt or NetSol UK or any other Subsidiary of NetSol Pvt or NetSol UK owns not less than twenty percent (20%) of the voting securities or other equity or of which NetSol Pvt or NetSol UK or any other Subsidiary of NetSol Pvt or NetSol UK possesses, directly or indirectly, the power to direct or cause the direction of the management and policies, whether through ownership of voting shares, management contracts, or otherwise. "Person" means any individual, corporation, trust, association, partnership, proprietorship, joint venture, or other entity. There are no Subsidiaries of NetSol Pvt nor or NetSol UK.

29.1.5 NO DEFAULTS. Neither SGO nor NetSol Pvt nor NetSol UK has received notice that they would be with the passage of time, in default or violation of any term, condition, or provision of: (i) the Articles of Incorporation or Bylaws of NetSol Pvt or NetSol UK; (ii) any judgment, decree, or order applicable to SGO, NetSol Pvt, or NetSol UK; or (iii) any loan or credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, or other instrument to which SGO, NetSol Pvt, or NetSol UK is now a party or

4

by which it or any of its properties or assets may be bound, except for defaults and violations which, individually or in the aggregate, would not have a Material Adverse Effect on SGO, NetSol Pvt, or NetSol UK.

29.1.6 GOVERNMENTAL CONSENTS. Any consents, approvals, orders, or authorizations of or registrations, qualifications, designations, declarations, or filings with or exemptions by (collectively "Consents"), any court, administrative agency, or commission, or other federal, state, or local governmental authority or instrumentality, whether domestic or foreign (each a "Governmental Entity"), which may be required by or with respect to NetSol Pvt and/or NetSol UK in connection with the execution and delivery of this Agreement or the consummation by the Parties of the transactions contemplated hereby, except for such Consents which if not obtained or made would not have a Material Adverse Effect on NetSol Pvt or NetSol UK for the transactions contemplated by this Agreement, are the responsibility of NetSol Pvt and NetSol UK. NetSol Pvt and NetSol UK hereby represent and warrant that such Consents have been obtained by them.

29.1.7 FINANCIAL STATEMENTS. NetSol Pvt and NetSol UK have furnished Mirage with a true and complete copy of their financial statements for the period ending December 31, 1998 (the "Financial Statements"), which comply as to form in all material respects with all applicable accounting requirements with respect thereto and have been prepared internally and fairly present the financial positions of NetSol Pvt and NetSol UK as at the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal, recurring audit adjustments not material in scope or amount). There has been no change in NetSol Pvt's nor NetSol UK's accounting policies or the methods of making accounting estimates or changes in estimates that are material to the Financial Statements, except as described in the notes thereto.

29.1.8 LIABILITIES. As of June 30, 1998, the Liabilities (as defined below) of NetSol Pvt and NetSol (UK) jointly were not greater than \$728,000. "Liabilities" as used herein shall mean all debt, liabilities, or obligations of any nature, whether absolute, accrued, or contingent, including, without limitation, accounts payable, accrued employee

benefits, accrued taxes payable, and debt instruments.

29.1.9 ABSENCE OF UNDISCLOSED LIABILITIES.

Neither NetSol Pvt nor NetSol UK has any liabilities or obligations (whether absolute, accrued, or contingent) except: (i) Liabilities that are accrued or reserved against in the Balance Sheet attached to the Valuation report by Houlihan Valuation Advisors; or (ii) additional Liabilities reserved against since June 30, 1998 that (x) have arisen in the ordinary course of business; (y) are accrued or reserved against on the books and records of NetSol Pvt or NetSol UK; and (z) amount in the aggregate to less than \$25,000.

29.1.10 ABSENCE OF CHANGES. Since December 31,

1998, NetSol Pvt and NetSol UK have conducted their businesses in the ordinary course and there has not been: (i) any Material Adverse Effect on the business, financial condition, liabilities, or assets of NetSol Pvt or NetSol UK or any development or combination of developments of which management of NetSol Pvt or NetSol UK has knowledge which is reasonably likely to result in such an effect; (ii) any damage, destruction, or loss, whether or not covered by insurance, having a Material Adverse Effect on NetSol Pvt or NetSol UK; (iii) any declaration, setting

5

aside or payment of any dividend or other distribution (whether in cash, stock, or property) with respect to the capital stock of NetSol Pvt or NetSol UK; (iv) any increase or change in the compensation or benefits payable or to become payable by NetSol Pvt or NetSol UK to any of its employees, except in the ordinary course of business consistent with past practice; (v) any sale, lease, assignment, disposition, or abandonment of a material amount of property of NetSol Pvt or NetSol UK, except in the ordinary course of business; (vi) any increase or modification in any bonus, pension, insurance, or other employee benefit plan, payment, or arrangement made to, for, or with any of its employees; (vii) the granting of stock options, restricted stock awards, stock bonuses, stock appreciation rights, and similar equity based awards; (viii) any resignation or termination of employment of any office of NetSol Pvt or NetSol UK; and NetSol Pvt and NetSol UK, to the best of their knowledge, do not know of the impending resignation or termination of employment of any such office; (ix) any merger or consolidation with another entity, or acquisition of assets from another entity except in the ordinary course of business; (x) any loan or advance by NetSol Pvt or NetSol UK to any person or entity, or guaranty by NetSol Pvt or NetSol UK of any loan or advance; (xi) any amendment or termination of any contract, agreement, or license to which NetSol Pvt or NetSol UK is a party, except in the ordinary course of business; (xii) any mortgage, pledge, or other encumbrance of any asset of NetSol Pvt or NetSol UK; (xiii) any waiver or release of any right or claim of NetSol Pvt or NetSol UK, except in the ordinary course of business; (xiv) any write off as uncollectible any note or account receivable or portion thereof; or (xv) any agreement by NetSol Pvt or NetSol UK to do any of the things described in this Section 2.1.10.

29.1.11 PATENTS AND TRADEMARKS. NetSol Pvt and

NetSol UK have sufficient title and ownership of all patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights, and processes (collectively, "Intellectual Property") necessary for their businesses as now conducted without any conflict with or infringement of the rights of others. The Intellectual Property owned by NetSol Pvt and NetSol UK is listed in the SGO, NetSol Pvt, and NetSol UK Disclosure Schedule. There are no outstanding options, licenses, or agreements of any kind relating to the Intellectual Property, nor is NetSol Pvt or NetSol UK bound by or a party to any options, licenses, or agreements of any kind with respect to the Intellectual Property of any other person or entity. Neither NetSol Pvt nor NetSol UK has received any communications alleging that they have violated or, by conducting their businesses as proposed, would violate any of the Intellectual Property of any other person or entity. Neither NetSol Pvt nor NetSol UK is aware that any of their employees is obligated under any contract (including licenses, covenants, or commitments of any nature) or other agreement, or subject to any judgment, decree, or order of any court or administrative agency, that would interfere with the use of his or her best efforts to promote the interests of NetSol Pvt or NetSol UK or that would conflict with NetSol Pvt or NetSol UK's business as proposed to be conducted. Neither the execution or delivery of this Agreement, nor the carrying on of NetSol Pvt or NetSol UK's business by their respective employees, nor the conduct of NetSol Pvt or NetSol UK's business as proposed, will, to the best of NetSol Pvt and NetSol UK's knowledge, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant, or instrument under which any of such employees is now obligated. Neither NetSol Pvt nor NetSol UK believes it is or will be necessary to utilize any inventions of any of its employees (or people it currently intends to hire) made prior to their employment by NetSol Pvt or NetSol UK, as the case may be.

6

29.1.12 CERTAIN AGREEMENTS. Neither the execution

and delivery of this Agreement nor the consummation of the transactions

contemplated hereby will: (i) result in any payment (including, without limitation, severance, unemployment compensation, parachute payment, bonus, or otherwise), becoming due to any director, employee, or independent contractor of NetSol Pvt or NetSol UK, from NetSol Pvt or NetSol UK under any agreement or otherwise; (ii) materially increase any benefits otherwise payable under any agreement; or (iii) result in the acceleration of the time of payment or vesting of any such benefits.

29.1.13 COMPLIANCE WITH OTHER INSTRUMENTS.

Neither SGO nor NetSol Pvt nor NetSol UK is in violation or default of any provision of their respective articles of incorporation or bylaws, or of any instrument, judgment, order, writ, decree, or contract to which they are a party or by which they are bound, or, to the best of their knowledge, of any provision of any federal or state statute, rule, or regulation which may be applicable to them. The execution, delivery, and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either a default under any such provision, instrument, judgment, order, writ, decree, or contract, or an event that results in the creation of any lien, charge, or encumbrance upon any assets of SGO, NetSol Pvt, or NetSol UK or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization, or approval applicable to NetSol Pvt or NetSol UK, their businesses, or operations, or any of their assets or properties.

29.1.14 EMPLOYEE BENEFIT PLANS. All employee benefit plans (including without limitation all plans which authorize the granting of stock options, restricted stock, stock bonuses, or other equity based awards) covering active, former, or returned employees of NetSol Pvt and NetSol UK are listed in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule.

29.1.15 OTHER PERSONAL PROPERTY. The books and records of NetSol Pvt and NetSol UK contain a complete and accurate description, and specify the location, of all trucks, automobiles, machinery, equipment, furniture, supplies, and other tangible personal property owned by, in the possession of, or used by NetSol Pvt and NetSol UK in connection with their businesses. Except as set forth in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule, no personal property used by NetSol Pvt or NetSol UK in connection with their businesses is held under any lease, security agreement, conditional sales contract, or other title retention or security arrangement.

29.1.16 PROPERTIES AND LIENS. Except as reflected in the Financial Statement or as set forth in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule, and except for statutory mechanics' and materialmen's liens, liens for current taxes not yet delinquent, NetSol Pvt and NetSol UK own, free and clear of any liens, claims, charges, options, or other encumbrances, all of their tangible and intangible property, real and personal, whether or not reflected in the Financial Statements (except that sold or disposed of in the ordinary course of business since the date of such statements) and all such property acquired since the date of such statements. All real property and tangible personal property of NetSol Pvt and NetSol UK is in good operating condition and repair, ordinary wear and tear excepted.

7

29.1.17 INVENTORY. The inventories of NetSol Pvt and NetSol UK shown on the Financial Statements and inventories acquired by them subsequent to the date of the Financial Statements consist solely of items of a quality and quantity usable and salable in the normal course of business, with the exception of obsolete materials and materials below standard quality, all of which have been written down in the books of NetSol Pvt and NetSol UK to net realizable market value or have been provided for by adequate reserves. Except for sales made in the ordinary course of business, all inventory is the property of NetSol Pvt and NetSol UK. No items are subject to security interests, except as set forth in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule. The value of the inventories has been determined on a first-in, first-out basis consistent with prior years.

29.1.18 MAJOR CONTRACTS. Except as otherwise disclosed in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule, neither NetSol Pvt nor NetSol UK is a party or subject to:

(a) Any union contract, or any employment contract or arrangement providing for future compensation, written or oral, with any officer, consultant, director, or employee which is not terminable by NetSol Pvt or NetSol UK on 30 days' notice or less without penalty or obligations to make payments related to such termination;

(b) Any joint venture contract, partnership agreement or arrangement or any other agreement which has involved or is expected to involve a sharing of revenues with other persons or a joint development of products with other persons;

(c) Any manufacture, production,

distribution, sales, franchise, marketing, or license agreement, or arrangement by which products or services of NetSol Pvt or NetSol UK are developed, sold, or distributed;

(d) Any material agreement, license, franchise, permit, indenture, or authorization which has not been terminated or performed in its entirety and not renewed which may be, by its terms, accelerated, terminated, impaired, or adversely affected by reason of the execution of this Agreement, or the consummation of the transactions contemplated hereby or thereby;

(e) Any material agreement, contract, or commitment that requires the consent of another person for NetSol Pvt or NetSol UK to enter into or consummate the transactions contemplated by this Agreement;

(f) Except for object code license agreements for NetSol Pvt and NetSol UK's products executed in the ordinary course of business, any indemnification by NetSol Pvt or NetSol UK with respect to infringements of proprietary rights; or

(g) Any contract containing covenants purporting to materially limit NetSol Pvt or NetSol UK's freedom to compete in any line of business in any geographic area.

8

All contracts, plans, arrangements, agreements, licenses, franchises, permits, indentures, authorizations, instruments, and other commitments listed in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule are valid and in full force and effect and neither NetSol Pvt nor NetSol UK has, nor to the knowledge of NetSol Pvt nor NetSol UK has any other party thereto, breached any material provisions of, or is in default in any material respect under the terms thereof.

29.1.19 QUESTIONABLE PAYMENTS. Neither NetSol Pvt nor NetSol UK nor to its knowledge any director, officer, employee, or agent of NetSol Pvt or NetSol UK, has: (i) made any payment or provided services or other favors in the United States or any foreign country in order to obtain preferential treatment or consideration by any Governmental Entity with respect to any aspect of the business of NetSol Pvt or NetSol UK; or (ii) made any political contributions that would not be lawful under the laws of the United States, any foreign country or any jurisdiction within the United States or any foreign country. Neither NetSol Pvt nor NetSol UK, nor, to the knowledge of NetSol Pvt or NetSol UK, any director, officer, employee, or agent of NetSol Pvt or NetSol UK, has been or is the subject of any investigation by any Governmental Entity in connection with any such payment, provision of services, or contribution.

29.1.20 RECENT TRANSACTIONS. Neither NetSol Pvt nor NetSol UK, nor to their knowledge any director, officer, employee, or agent of NetSol Pvt nor NetSol UK, is participating in any discussions and do not intend to engage in any discussion: (i) with any representative of any corporation or corporations regarding the consolidation or merger of NetSol Pvt or NetSol UK with or into any such corporation or corporations; (ii) with any corporation, partnership, association, or other business entity or any individual regarding the sale, conveyance, or disposition of all or substantially all of the assets of NetSol Pvt or NetSol UK or a transaction or series of related transactions in which more than fifty percent (50%) of the voting power of NetSol Pvt or NetSol UK is disposed of; or (iii) regarding any other form of acquisition, liquidation, dissolution, or winding up of NetSol Pvt and UK.

29.1.21 LEASES IN EFFECT. All real property leases and subleases as to which NetSol Pvt or NetSol UK is a party and any amendments or modifications thereof (each a "Lease" and, collectively, the "Leases") are listed in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule and are valid, in full force and effect and enforceable, and there are no existing defaults on the part of NetSol Pvt or NetSol UK, and neither NetSol Pvt nor NetSol UK has received nor given notice of default or claimed default with respect to any Lease, nor is there any event that with notice or lapse of time, or both, would constitute a default thereunder. Except as set forth on the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule, no consent is required from any party under any Lease in connection with the completion of the transactions contemplated by this Agreement, and neither NetSol Pvt nor NetSol UK has received notice that any party to any Lease intends to cancel, terminate, or refuse to renew the same or to exercise any option or other right thereunder, except where the failure to receive such consent, or where such cancellation, termination, or refusal would not have a Material Adverse Effect on NetSol Pvt and/or NetSol UK.

9

29.1.22 ENVIRONMENTAL.

(a) To the best knowledge of NetSol Pvt and NetSol UK: (i) the business as presently or formerly engaged in by them is and has been conducted in compliance with all applicable Environmental Laws (as defined in subparagraph (b) below), including without limitation, having all permits, licenses, and other approvals and authorizations, during the time they engaged in such businesses; (ii) there are no civil, criminal, or administrative actions, suits, demands, claims, hearings, investigations, or proceedings pending or threatened against them relating to any violation, or alleged violation, of any Environmental Law; and (iii) they have not incurred, and none of their properties presently or formerly owned or operated by them are presently subject to, any material liabilities (fixed or contingent) relating to any suit, settlement, court order, administrative order, judgment, or claim asserted or arising under any Environmental Law.

(b) "Environmental Law" means any federal, state, foreign, and local law, statute, ordinance, rule, regulation, code, license, permit, authorization, approval, consent, legal doctrine, order, judgment, decree, injunction, requirement, or agreement with any governmental entity relating to: (i) the protection, preservation, or restoration of the environment (including, without limitation, air, water, vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life, or any other natural resource), to human health or safety; or (ii) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release, or disposal of hazardous substances, in each case as amended and as now or hereafter in effect.

29.1.23 TAXES. Except as set forth elsewhere in this Agreement or in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule:

(a) All taxes, assessments, fees, penalties, interest, and other governmental charges with respect to NetSol Pvt and NetSol UK which have become due and payable by June 30, 1998 have been paid in full or adequately reserved against by NetSol Pvt or NetSol UK, and all taxes, assessments, fees, penalties, interest, and other governmental charges which have become due and payable subsequent to June 30, 1998 have been paid in full or adequately reserved against on their books of account and such books are sufficient for the payment of all unpaid federal, state, local, foreign, and other taxes, fees, and assessments (including without limitation, income, property, sales, use, franchise, capital stock, excise, added value, employees' income withholding, social security, and unemployment taxes), and all interest and penalties thereon with respect to the periods then ended and for all periods prior thereto;

(b) There are no agreements, waivers, or other arrangements providing for an extension of time with respect to the assessment of any tax or deficiency against NetSol Pvt or NetSol UK, nor are there any actions, suits, proceedings, investigations, or claims now pending against NetSol Pvt or NetSol UK in respect of any tax or assessment, or any matters under discussion with any federal, state, local, or foreign authority relating to any taxes or assessments, or any claims for additional taxes or assessments asserted by any such authority; and

10

(c) There are no liens for taxes upon the assets of NetSol Pvt or NetSol UK except for taxes that are not yet payable. NetSol Pvt and NetSol UK has withheld all taxes required to be withheld in respect of wages, salaries, and other payments to all employees, officers, and directors and timely paid all such amounts withheld to the proper taxing authority.

29.1.24 DISPUTES AND LITIGATION. Except as disclosed in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule, there is no suit, claim, action, litigation, or proceeding pending or, to the knowledge of SGO, NetSol Pvt, or NetSol UK, threatened against or affecting SGO, NetSol Pvt, or NetSol UK or any of their properties, assets, or business or to which SGO, NetSol Pvt, or NetSol UK is a party, in any court or before any arbitrator of any kind or before or by any Governmental Entity, which would, if adversely determined, individually or in the aggregate, have a Material Adverse Effect on SGO, NetSol Pvt, or NetSol UK, nor is there any judgment, decree, injunction, rule, or order of any Governmental Entity or arbitrator outstanding against SGO, NetSol Pvt, or NetSol UK and having, or which, insofar as reasonably can be foreseen, in the future could have, any such effect. To the knowledge of SGO, NetSol Pvt, and NetSol UK, there is no investigation pending or threatened against SGO, NetSol Pvt, or NetSol UK before any foreign, federal, state, municipal, or other governmental department, commission, board, bureau, agency, instrumentality, or other Governmental Entity.

29.1.25 COMPLIANCE WITH LAWS. Except as set forth in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule, neither NetSol Pvt's nor NetSol UK's business is being conducted in violation of, or in a manner which could cause liability under any applicable law, rule, or regulation, judgment, decree, or order of any Governmental Entity, except for any violations or practices, which, individually or in the aggregate, have

not had and will not have a Material Adverse Effect on NetSol Pvt or NetSol UK. NetSol Pvt and NetSol UK have all franchises, permits, licenses, and any similar authority necessary for the conduct of its business as now being conducted by it, the lack of which could materially and adversely affect the business, properties, prospects, or financial condition of NetSol, and believes it can obtain, without undue burden or expense, any similar authority for the conduct of its business as it is planned to be conducted. NetSol is not in default in any material respect under any of such franchises, permits, licenses, or other similar authority. A true and complete list of all such franchises, permits, and licenses held by NetSol Pvt and NetSol UK is set forth in the SGO, NetSol Pvt, or NetSol UK Disclosure Schedule.

29.1.26 RELATED PARTY TRANSACTIONS. No employee, officer, or director of NetSol Pvt or NetSol UK or member of his or her immediate family is indebted to NetSol Pvt or NetSol UK, nor is SGO, NetSol Pvt, or NetSol UK indebted (or committed to make loans or extend or guarantee credit) to any of them. To the best of SGO, NetSol Pvt, and NetSol UK's knowledge, none of such persons has any direct or indirect ownership interest in any firm or corporation with which NetSol Pvt or NetSol UK is affiliated or with which NetSol Pvt or NetSol UK has a business relationship, or any firm or corporation that competes with NetSol Pvt or NetSol UK, except that employees, officers, or directors of NetSol Pvt and NetSol UK and members of their immediate families may own stock in publicly traded companies that may compete with NetSol Pvt and NetSol UK. To SGO, NetSol Pvt, and NetSol UK's knowledge, no member of the immediate family of any officer or director of

11

NetSol Pvt or NetSol UK is directly or indirectly interested in any material contract with NetSol Pvt or NetSol UK.

29.1.27 INSURANCE. NetSol Pvt and NetSol UK shall obtain fire and casualty insurance policies, with extended coverage, sufficient in amount (subject to reasonable deductibles) to allow it to replace any of its properties that might be damaged or destroyed within 45 days of the execution of this Agreement.

29.1.28 MINUTE BOOKS. The minute books of NetSol Pvt and NetSol UK provided to Mirage contain a complete summary of all meetings of directors and shareholders since the time of incorporation and reflect all transactions referred to in such minutes accurately in all material respects.

29.1.29 DISCLOSURE. No representation or warranty made by SGO, NetSol Pvt, or NetSol UK in this Agreement, nor any document, written information, statement, financial statement, certificate, or exhibit prepared and furnished or to be prepared and furnished by SGO, NetSol Pvt, or NetSol UK or their representatives pursuant hereto or in connection with the transactions contemplated hereby, when taken together, contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements or facts contained herein or therein not misleading in light of the circumstances under which they were furnished.

29.1.30 RELIANCE. The foregoing representations and warranties are made by SGO, NetSol Pvt, and NetSol UK with the knowledge and expectation that Mirage is placing reliance thereon.

29.2 REPRESENTATIONS AND WARRANTIES OF MIRAGE. Except as disclosed in a document referring specifically to the representations and warranties in this Agreement that identifies by section number the section and subsection to which such disclosure relates and is delivered by Mirage to SGO, NetSol Pvt, and NetSol UK prior to the execution of this Agreement (the "Mirage Disclosure Schedule"), Mirage represents and warrants, as of the date hereof and as of the Closing, as follows:

29.2.1 ORGANIZATION, STANDING, POWER. Mirage is a corporation duly organized, validly existing, and in good standing under the laws of the State of Nevada. It has all requisite corporate power, franchises, licenses, permits, and authority to own its properties and assets and to carry on its business as it has been and is being conducted. Mirage is duly qualified and in good standing to do business in each jurisdiction in which a failure to so qualify would have a Material Adverse Effect on Mirage.

29.2.2 AUTHORITY. Mirage has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery by Mirage of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Mirage, including the approval of the Board of Directors and the stockholders of Mirage. This Agreement has been duly executed and delivered by Mirage and constitutes a valid and binding obligation of Mirage enforceable in accordance with its terms, except that such enforceability may be subject to: (i) bankruptcy, insolvency, reorganization, or other

12

similar laws relating to enforcement of creditors' rights generally; and (ii) general equitable principles. Subject to the satisfaction of the conditions set forth in Article 3, the execution and delivery of this Agreement do not, and the consummation of the transactions contemplated hereby will not, conflict with or result in any Violation pursuant to: (i) any provision of the Articles of Incorporation or Bylaws of Mirage; or (ii) any loan or credit agreement, note, bond, mortgage, indenture, contract, lease, or other agreement or instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule, or regulation applicable to Mirage or its properties or assets, other than, in the case of (ii), any such Violation which individually or in the aggregate would not have a Material Adverse Effect on Mirage.

29.2.3 NO DEFAULTS. Mirage is not, and has not received notice that it would be with the passage of time, in default or violation of any term, condition, or provision of: (i) the Articles of Incorporation or Bylaws of Mirage, as amended; (ii) any judgment, decree, or order applicable to Mirage; or (iii) any loan or credit agreement, note, bond, mortgage, indenture, contract, agreement, lease, license, or other instrument to which Mirage is now a party or by which it or any of its properties or assets may be bound, except for defaults and violations which, individually or in the aggregate, would not have a Material Adverse Effect on Mirage.

29.2.4 DISCLOSURE. No representation or warranty made by Mirage in this Agreement, nor any document, written information, statement, financial statement, certificate, or exhibit prepared and furnished or to be prepared and furnished by Mirage or their representatives pursuant hereto or in connection with the transactions contemplated hereby, when taken together, contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements or facts contained herein or therein not misleading in light of the circumstances under which they were furnished.

29.2.5 INDEPENDENT INVESTIGATION. Mirage acknowledges and agrees that, except as expressly provided herein, neither SGO, NetSol Pvt, nor NetSol UK nor any of their agents, representatives, or employees have made any representations or warranties, direct or indirect, oral or written, express or implied, to Mirage, or any agents, representatives, or employees of Mirage, with respect to the Shares, SGO, NetSol Pvt, or NetSol UK, or the transactions contemplated herein, and Mirage acknowledges and agrees that it is not aware of and does not rely upon any such representation or warranty. Mirage acknowledges and agrees that it has had a full opportunity to inspect the books, records, and assets of NetSol Pvt and NetSol UK and to make any and all inquiries of the officers and directors regarding SGO, NetSol Pvt, and NetSol UK, the Shares, and the transactions contemplated herein, as Mirage has deemed appropriate. Mirage further acknowledges that it is entering into this Agreement based solely (except for the express representations and warranties of SGO, NetSol Pvt, and NetSol UK contained herein) on Mirage's own independent investigations and findings and not in reliance on any information provided by SGO, NetSol Pvt, or NetSol UK, or their respective agents, representatives, or employees.

2.2.6 VALUATION REPORT. Mirage shall obtain a Valuation Report prepared by an independent valuation organization reflecting the value of the assets of each Network Solutions Pvt, Ltd. and NetSol (UK) Ltd.

13

2.2.7 RELIANCE. The foregoing representations and warranties are made by Mirage with the knowledge and expectation that SGO, NetSol Pvt, and NetSol UK NetSol are placing reliance thereon.

2.2.8 LITIGATION. The management of Mirage believe there is no litigation currently pending against the Company, unless as otherwise stated herein.

ARTICLE 30 CONDITIONS PRECEDENT

30.1 CONDITIONS TO EACH PARTY'S OBLIGATIONS. The respective obligations of each party hereunder shall be subject to the satisfaction prior to or at the Closing of the following conditions:

(a) NO RESTRAINTS. No statute, rule, regulation, order, decree, or injunction shall have been enacted, entered, promulgated, or enforced by any court or Governmental Entity of competent jurisdiction which enjoins or prohibits the consummation of this Agreement and shall be in effect.

(b) LEGAL ACTION. There shall not be pending or threatened in writing any action, proceeding, or other application before any court or Governmental Entity challenging or seeking to restrain or prohibit the

consummation of the transactions contemplated by this Agreement, or seeking to obtain any material damages.

30.2 CONDITIONS TO MIRAGE'S OBLIGATIONS. The obligations of Mirage shall be subject to the satisfaction prior to or at the Closing of the following conditions unless waived by SGO, NetSol Pvt, and NetSol UK:

(a) REPRESENTATIONS AND WARRANTIES OF MIRAGE. The representations and warranties of Mirage set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing as though made on and as of the Closing, except: (i) as otherwise contemplated by this Agreement; or (ii) in respects that do not have a Material Adverse Effect on Mirage or on the benefits of the transactions provided for in this Agreement. SGO, NetSol Pvt, and NetSol UK shall have received a certificate signed on behalf of Mirage by the Vice President, Chief Financial Officer, and Secretary of Mirage to such effect on the Closing.

(b) PERFORMANCE OF OBLIGATIONS OF MIRAGE. Mirage shall have performed all agreements and covenants required to be performed by it under this Agreement prior to the Closing, except for breaches that do not have a Material Adverse Effect on Mirage or on the benefits of the transactions provided for in this Agreement. SGO, NetSol Pvt, and NetSol UK shall have received a certificate signed on behalf of Mirage by the Vice President, Chief Financial Officer, and Secretary of Mirage to such effect on the Closing.

30.3 CONDITIONS TO NETSOL'S OBLIGATIONS. The obligations of SGO, NetSol Pvt, and NetSol UK shall be subject to the satisfaction prior to or at the Closing of the following conditions unless waived by Mirage:

14

(a) REPRESENTATIONS AND WARRANTIES OF SGO, NETSOL PVT, AND NETSOL UK. The representations and warranties of SGO, NetSol Pvt, and NetSol UK set forth in this Agreement shall be true and correct as of the date of this Agreement and as of the Closing as though made on and as of the Closing, except: (i) as otherwise contemplated by this Agreement; or (ii) in respects that do not have a Material Adverse Effect on SGO, NetSol Pvt, and NetSol UK or on the benefits of the transactions provided for in this Agreement. Mirage shall have received a certificate signed on behalf of SGO by SGO and of NetSol Pvt by the Chief Executive Officer and the Chief Financial Officer of NetSol Pvt and of NetSol UK by the Chief Executive Officer and the Chief Financial Officer of NetSol UK to such effect on the Closing.

(b) PERFORMANCE OF OBLIGATIONS OF SGO, NETSOL PVT, AND NETSOL UK. SGO, NetSol Pvt, and NetSol UK shall have performed all agreements and covenants required to be performed by it under this Agreement prior to the Closing, except for breaches that do not have a Material Adverse Effect on SGO, NetSol Pvt, and NetSol UK or on the benefits of the transactions provided for in this Agreement. Mirage shall have received a certificate signed on behalf of SGO by SGO and of NetSol Pvt by the Chief Executive Officer and the Chief Financial Officer of NetSol Pvt and of NetSol UK by the Chief Executive Officer and the Chief Financial Officer of NetSol UK to such effect on the Closing.

(c) GOVERNMENTAL APPROVALS. All Consents of Governmental Entities legally required by SGO, NetSol Pvt, and NetSol UK for the transactions contemplated by this Agreement shall have been filed, occurred, or been obtained, other than such Consents, the failure of which to obtain would not have a Material Adverse Effect on the consummation of the transactions contemplated by this Agreement.

(d) CONSENTS OF OTHER THIRD PARTIES. SGO, NetSol Pvt, and NetSol UK shall have received and delivered to Mirage all requisite consents and approvals of all lenders, lessors, and other third parties whose consent or approval is required in order for SGO, NetSol Pvt, and NetSol UK to consummate the transactions contemplated by this Agreement, or in order to permit the continuation after the Closing of the business activities of NetSol Pvt and NetSol UK in the manner such business is presently carried on by them. Mirage shall have received copies of any necessary written consent(s) to this Agreement and the transactions contemplated herein.

(e) MATERIAL ADVERSE CHANGE. Since the date hereof and through Closing, there shall not have occurred any change, occurrence, or circumstance in SGO, NetSol Pvt, and NetSol UK having or reasonably likely to have, individually or in the aggregate, in the reasonable judgment of Mirage, a Material Adverse Effect on SGO, NetSol Pvt, and NetSol UK.

(f) OPINION OF COUNSEL. Mirage shall have received an opinion, dated as of Closing, from counsel to SGO, NetSol Pvt, and NetSol UK, in form and substance substantially in the form of Exhibit "B" hereto.

15

COVENANTS

31.1 COMPOSITION OF THE BOARD OF DIRECTORS OF MIRAGE. On or before Closing, Mirage shall take all necessary actions to amend bylaws of Mirage to increase the number of members of the Board of Directors of Mirage to a maximum of nine. Upon the Closing, SGO shall appoint 4 member(s) to Mirage Board of Directors. Once the Mirage Board of Directors is fully constituted, meaning 7 have been appointed to the current three members of Mirage, all members shall serve on the Board of Directors from the date of Closing until the Shareholders Meeting scheduled for October 15, 1999. At that time, the majority of Shareholders shall ratify the Board of Directors chosen and elect a new one.

ARTICLE 32
CLOSING AND DELIVERY OF DOCUMENTS

32.1 TIME AND PLACE. The closing of the transactions contemplated by this Agreement shall take place at the offices of Mirage, located at 233 Wilshire Boulevard, Suite 510, Santa Monica, California 90401, on April 17, 1999, or at such other time and place as the Parties mutually agree upon in writing (which time and place are hereinafter referred to as the "Closing").

32.2 DELIVERIES BY SGO, NETSOL PVT, AND NETSOL UK. At Closing, SGO, NetSol Pvt, and NetSol UK shall make the following deliveries to Mirage:

(a) A certificate representing the NetSol Pvt Shares that Mirage is acquiring as set forth in Section 1.1 above;

(b) A certificate representing the NetSol UK Shares that Mirage is acquiring as set forth in Section 1.1 above;

(c) A certificate of good standing for NetSol Pvt;

(d) A certificate of good standing for NetSol UK;

(e) A certificate executed by SGO, NetSol Pvt, and NetSol UK certifying that all SGO, NetSol Pvt, and NetSol UK's representations and warranties under this Agreement are true as of the Closing, as though each of those representations and warranties had been made on that date;

(f) Certified resolutions of the Board of Directors of NetSol Pvt and NetSol UK, in form satisfactory to counsel for Mirage, authorizing the execution and performance of this Agreement;

(g) An opinion of counsel to SGO, NetSol Pvt, and NetSol UK, dated as of Closing, as set forth in Section 3.3(f);

(h) A complete full and final Valuation Report for the combined operations of NetSol Pvt and NetSol UK;

16

(i) Permission for foreign investment shall be obtained under the Foreign Exchange Regulation Act of 1947. Such Entitlement Certificate shall be delivered to Mirage granting it permission to make this acquisition;

(j) SGO shall obtain permission to move shares to non-residents. Pursuant to Foreign Exchange Regulations Act, 1947 under clause (d) subsection 1 of Section 13, this matter shall be resolved;

(k) Board of Directors of Network Solutions (Pvt) Limited resolution authorizing this acquisition as contemplated herein by Mirage; and

(l) Board of Directors of NetSol (UK) Limited resolution authorizing this acquisition as contemplated herein by Mirage;

32.3 DELIVERIES BY MIRAGE. At Closing, Mirage shall make the following deliveries to SGO, NetSol Pvt, and NetSol UK:

(a) A certificate representing the Mirage Shares that SGO is acquiring as set forth in Section 1.2(c);

(b) A certificate executed by Mirage certifying that Mirage's respective representations and warranties under this Agreement are true as of the Closing, as though each of those representations and warranties had been made on that date;

(c) A certificate of good standing for Mirage from the office of the Nevada Secretary of State;

(d) Certified resolutions of the Board of Directors of Mirage signed by at least two of the three directors of Mirage, in form satisfactory to counsel for SGO, NetSol Pvt, and NetSol UK, authorizing the execution and performance of this Agreement;

(e) A Consent Action in Writing by the Majority Shareholders

in lieu of meeting authorizing the execution and performance of this Agreement; and

(f) SGO shall deliver at least Rs. 100,000 through normal banking channels to the credit of existing shareholders in the amount equal to their respective shares representing their par value. Such action shall produce a realization certificate.

ARTICLE 33
INDEMNIFICATION

17

33.1 SGO, NETSOL PVT, AND NETSOL UK'S INDEMNITY.

(a) Upon receipt of notice thereof, SGO, NetSol Pvt, and NetSol UK shall, jointly and severally, indemnify, defend, and hold harmless Mirage from any and all claims, demands, liabilities, damages, deficiencies, losses, obligations, costs and expenses, including attorney fees and any costs of investigation that Mirage shall incur or suffer, that arise, result from or relate to: (i) any breach of, or failure by SGO, NetSol Pvt, and/or NetSol UK to perform, any of their representations, warranties, covenants, or agreements in this Agreement or in any schedule, certificate, exhibit, or other instrument furnished or to be furnished by SGO, NetSol Pvt, and/or NetSol UK under this Agreement; and (ii) the employment of any of NetSol Pvt or NetSol UK's employees which is in violation of any law, regulation, or ordinance of any Governmental Entity.

(b) Mirage shall notify promptly SGO, NetSol Pvt, and NetSol UK of the existence of any claim, demand, or other matter to which SGO, NetSol Pvt, and NetSol UK's indemnification obligations would apply, and shall give them a reasonable opportunity to defend the same at their own expense and with counsel of their own selection, provided that Mirage shall at all times also have the right to fully participate in the defense. If SGO, NetSol Pvt, and NetSol UK, within a reasonable time after this notice, fails to defend, Mirage shall have the right, but not the obligation, to undertake the defense of, and, with the written consent of SGO, NetSol Pvt, and NetSol UK, to compromise or settle the claim or other matter on behalf, for the account, and at the risk, of SGO, NetSol Pvt, and NetSol UK.

33.2 MIRAGE'S INDEMNITY.

(a) Upon receipt of notice thereof, Mirage shall indemnify, defend, and hold harmless SGO, NetSol Pvt, and/or NetSol UK from any and all claims, demands, liabilities, damages, deficiencies, losses, obligations, costs, and expenses, including attorney fees and any costs of investigation that SGO, NetSol Pvt, and/or NetSol UK shall incur or suffer, that arise, result from or relate to any breach of, or failure by Mirage to perform any of its representations, warranties, covenants, or agreements in this Agreement or in any schedule, certificate, exhibit, or other instrument furnished or to be furnished by Mirage under this Agreement.

(b) SGO, NetSol Pvt, and/or NetSol UK shall notify promptly Mirage of the existence of any claim, demand or other matter to which Mirage's indemnification obligations would apply, and shall give it a reasonable opportunity to defend the same at its own expense and with counsel of its own selection, provided that SGO, NetSol Pvt, and NetSol UK shall at all times also have the right to fully participate in the defense. If Mirage, within a reasonable time after this notice, fails to defend, SGO, NetSol Pvt, and NetSol UK shall have the right, but not the obligation, to undertake the defense of, and, with the written consent of Mirage, to compromise or settle the claim or other matter on behalf, for the account, and at the risk, of Mirage.

18

ARTICLE 34
DEFAULT, AMENDMENT AND WAIVER

34.1 DEFAULT. Upon a breach or default under this Agreement by any of the Parties (following the cure period provided herein), the non-defaulting party shall have all rights and remedies given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. Notwithstanding the foregoing, in the event of a breach or default by any party hereto in the observance or in the timely performance of any of its obligations hereunder which is not waived by the non-defaulting party, such defaulting party shall have the right to cure such default within 15 days after receipt of notice in writing of such breach or default.

34.2 WAIVER AND AMENDMENT. Any term, provision, covenant, representation, warranty, or condition of this Agreement may be waived, but only by a written instrument signed by the party entitled to the benefits thereof. The failure or delay of any party at any time or times to require performance of any provision hereof or to exercise its rights with respect to

any provision hereof shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same. No waiver by any party of any condition, or of the breach of any term, provision, covenant, representation, or warranty contained in this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of the breach of any other term, provision, covenant, representation, or warranty. No modification or amendment of this Agreement shall be valid and binding unless it be in writing and signed by all Parties hereto.

ARTICLE 35
MISCELLANEOUS

35.1 EXPENSES. Whether or not the transactions contemplated hereby are consummated, each of the Parties hereto shall bear all taxes of any nature (including, without limitation, income, franchise, transfer, and sales taxes) and all fees and expenses relating to or arising from its compliance with the various provisions of this Agreement and such party's covenants to be performed hereunder, and except as otherwise specifically provided for herein, each of the Parties hereto agrees to pay all of its own expenses (including, without limitation, attorneys and accountants' fees, and printing expenses) incurred in connection with this Agreement, the transactions contemplated hereby, the negotiations leading to the same and the preparations made for carrying the same into effect, and all such taxes, fees, and expenses of the Parties hereto shall be paid prior to Closing.

35.2 NOTICES. Any notice, request, instruction, or other document required by the terms of this Agreement, or deemed by any of the Parties hereto to be desirable, to be given to any other party hereto shall be in writing and shall be given by facsimile, personal delivery, overnight delivery, or mailed by registered or certified mail, postage prepaid, with return receipt requested, to the following addresses:

TO SGO: Mr. Salim Ghauri and Others
Attn: Mr. Salim Ullah Ghauri
1st Floor, C-35, LCCHS
Lahore, Cantt.
Fax: 92425726740

19

With a copy to: _____

TO MIRAGE: Mirage Holdings, Inc.
Attn: Najeeb U. Ghauri, President
233 Wilshire Blvd. Suite 510
Santa Monica, CA 90401
Fax: 310/656-5291

With a copy to: Horwitz & Beam
Attn: Lawrence W. Horwitz
Two Venture Plaza, Suite 350
Irvine, CA 92618
Fax: (949) 453-9416

The persons and addresses set forth above may be changed from time to time by a notice sent as aforesaid. If notice is given by facsimile, personal delivery, or overnight delivery in accordance with the provisions of this Section, said notice shall be conclusively deemed given at the time of such delivery. If notice is given by mail in accordance with the provisions of this Section, such notice shall be conclusively deemed given seven days after deposit thereof in the United States mail.

35.3 ENTIRE AGREEMENT. This Agreement, together with the Schedule and Exhibits hereto, sets forth the entire agreement and understanding of the Parties hereto with respect to the transactions contemplated hereby, and supersedes all prior agreements, arrangements and understandings related to the subject matter hereof. No understanding, promise, inducement, statement of intention, representation, warranty, covenant, or condition, written or oral, express or implied, whether by statute or otherwise, has been made by any party hereto which is not embodied in this Agreement, or in the schedules or exhibits hereto or the written statements, certificates, or other documents delivered pursuant hereto or in connection with the transactions contemplated hereby, and no party hereto shall be bound by or liable for any alleged understanding, promise, inducement, statement, representation, warranty, covenant, or condition not so set forth.

35.4 SURVIVAL OF REPRESENTATIONS. All statements of fact (including financial statements) contained in the Schedule, the exhibits, the certificates, or any other instrument delivered by or on behalf of the Parties hereto, or in connection with the transactions contemplated hereby, shall be deemed representations and warranties by the respective party

hereunder. All representations, warranties, agreements, and covenants hereunder shall survive the Closing and remain effective regardless of any investigation or audit at any time made by or on behalf of the Parties or of any information a party may have in respect hereto. Consummation of the transactions contemplated hereby shall not be deemed or construed to be a waiver of any right or remedy possessed by any party hereto, notwithstanding that such party knew or should have known at the time of Closing that such right or remedy existed.

20

35.5 INCORPORATED BY REFERENCE. The schedules, exhibits, and all documents (including, without limitation, all financial statements) delivered as part hereof or incident hereto are incorporated as a part of this Agreement by reference.

35.6 REMEDIES CUMULATIVE. No remedy herein conferred upon the Parties is intended to be exclusive of any other remedy and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

35.7 EXECUTION OF ADDITIONAL DOCUMENTS. Each party hereto shall make, execute, acknowledge, and deliver such other instruments and documents, and take all such other actions as may be reasonably required in order to effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

35.8 FINDERS' AND RELATED FEES. Each of the Parties hereto is responsible for, and shall indemnify the other against, any claim by any third party to a fee, commission, bonus, or other remuneration arising by reason of any services alleged to have been rendered to or at the instance of said party to this Agreement with respect to this Agreement or to any of the transactions contemplated hereby.

35.9 GOVERNING LAW. This Agreement has been negotiated and executed in the State of California and shall be construed and enforced in accordance with the laws of such state.

35.10 FORUM. Each of the Parties hereto agrees that any action or suit which may be brought by any party hereto against any other party hereto in connection with this Agreement or the transactions contemplated hereby may be brought only in a federal or state court in Orange County, California.

35.11 PROFESSIONAL FEES. In the event either party hereto shall commence legal proceedings against the other to enforce the terms hereof, or to declare rights hereunder, as the result of a breach of any covenant or condition of this Agreement, the prevailing party in any such proceeding shall be entitled to recover from the losing party its costs of suit, including reasonable attorneys' fees, accountants' fees, and experts' fees.

35.12 BINDING EFFECT AND ASSIGNMENT. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, legal representatives, and assigns.

35.13 COUNTERPARTS; FACSIMILE SIGNATURES. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The Parties agree that facsimile signatures of this Agreement shall be deemed a valid and binding execution of this Agreement.

8.14 REPRESENTATION. The parties hereto agree and acknowledge that the law firm of Horwitz & Beam has represented Mirage in preparing this

21

Agreement. All parties to this Agreement have been given the opportunity to consult with counsel of their choice regarding their rights under this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement, as of the date first written hereinabove.

MIRAGE:

MIRAGE HOLDINGS, INC.,
a Nevada corporation

/s/ Najeeb Ghauri

By: Najeeb U. Ghauri
Its: President

SGO:

/s/ Salim Ghauri

Salim Ghauri
Print name here: Mr. Salim Ullah Ghauri

/s/ Nasreen Ghauri

Print name here: Mrs. Nasreen Ghauri

/s/ Shahab Ghauri

Print name here: Mr. Shahab-Ud-Din Ghauri

/s/ Aamrah Shahab

Print name here: Mr. Aamrah Shahab

22

EXHIBIT "A"

LIST OF SHAREHOLDERS ENTERING INTO THIS AGREEMENT

<TABLE>
<CAPTION>

Shareholder Name	Entity in which Shares Held	Number of Shares Held
-----	-----	-----
<S>	<C>	<C>
Mr. Salim Ullah Ghauri	Network Solutions (Pvt) Ltd.	123
Mr. Shahab-Ud-Din Ghauri	-0-	123
Mrs. Aamrah Shahab	-0-	122
Mrs. Nasreen Ghauri	-0-	122

	TOTAL	490

</TABLE>

EXHIBIT "B"

OPINION LETTERS

EXHIBIT C

SGO, NETSOL PVT, AND NETSOL UK DISCLOSURE SCHEDULE

The items set forth below are exceptions to the representations and warranties of SGO, NetSol Pvt, and NetSol UK set forth in Section 2.1 of the Agreement. Any matter set forth herein as an exception to a section of the Agreement shall be deemed to constitute an exception to all other applicable sections of the Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

SECTION EXCEPTION

FOR SGO

Nil

FOR NETWORK SOLUTIONS (PVT) LTD.

Nil

FOR NETSOL (U.K.) LIMITED

Nil

EXHIBIT D

MIRAGE DISCLOSURE SCHEDULE

The items set forth below are exceptions to the representations and warranties of Mirage set forth in Section 2.2 of the Agreement. Any matter set forth herein as an exception to a section of the Agreement shall be deemed to constitute an exception to all other applicable sections of the Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

<TABLE>
<CAPTION>

SECTION	EXCEPTION
<S> 2.2.8	<C> Litigation - A former officer and director of the Company has threatened to sue the Company for wrongful termination. Upon his departure Mr. Champion was given a total of 200,000 shares of restricted stock and 50,000 options. In addition, certain numbers of his shares are subject to a lock-up agreement with the Company. As of the date of this Agreement, no law suites have been filed by Mr. Champion.

CERTIFICATE OF THE SECRETARY
OF
MIRAGE HOLDINGS, INC.

I, NAJEEB U. GHAURI, hereby certify that I am the duly elected, qualified and acting Secretary of MIRAGE HOLDINGS, INC., a Nevada corporation (the "Company"), and I further certify as follows:

Attached hereto as EXHIBIT A is a true, correct and complete copy of resolutions duly adopted by the Board of Directors of the Company by written consent in accordance with applicable law and the Bylaws authorizing the execution and performance of that certain Acquisition Agreement dated April 3, 1998 (the "Agreement"), by and between the Company, on the one hand, and Salim Ghauri and Other ("SGO"), Network Solutions (Pvt) Limited, a Pakistan corporation ("NetSol Pvt"), and NetSol (UK) Limited, a United Kingdom corporation ("NetSol UK"), on the other hand. Such resolutions have not been modified, rescinded or otherwise changed or amended and remain in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have executed this certificate as of this 3rd day of April, 1999.

/s/ NAJEEB GHAURI

NAJEEB U. GHAURI, Secretary

MIRAGE HOLDINGS, INC.
A NEVADA CORPORATION

WRITTEN CONSENT OF THE BOARD OF DIRECTORS
WITHOUT MEETING

Pursuant to the authority granted to the board of directors by the Nevada Revised Statutes, all members of the board of directors of MIRAGE HOLDINGS, INC., a Nevada corporation (this "Company"), do hereby consent to, adopt, ratify, confirm, and approve, as of the date indicated below, the following resolutions, as evidenced by their signatures hereunder:

ACQUISITION

WHEREAS, the undersigned deem it in the best interests of the Company to effectuate a purchase of 49% of the outstanding shares of capital

stock of Network Solutions (Pvt) Limited, a Pakistan corporation ("NetSol Pvt) and 57% of the outstanding shares of capital stock of NetSol (UK) Limited, a United Kingdom corporation ("NetSol UK"), from Salim Ghauri and others ("SGO"), in exchange for 4.2 million shares of this Company's restricted outstanding common stock, for a total of 7.0 million shares of common stock;

WHEREAS, the terms and conditions of the acquisition are set forth in that certain Acquisition Agreement attached hereto and incorporated herein by this reference as Exhibit "A" (the "Acquisition Agreement");

NOW, THEREFORE, IT IS HEREBY, RESOLVED, that either the Chief Executive Officer, President, Chief Financial Officer, Vice President, and/or Secretary of the Company, acting alone or together, each are hereby authorized to execute and deliver, for and on behalf of the Company, the Acquisition Agreement in substantially the form attached as Exhibit "A", with such changes as the officers authorized to execute the documents may approve, together with and including, without limitation, any and all agreements, instruments, and documents, and amendments thereto (collectively, the "Documents") as they may deem necessary or appropriate to consummate the transactions contemplated therein.

RESOLVED FURTHER, that the Company is authorized to perform the Documents executed and delivered in accordance with these resolutions.

NAME AND SYMBOL CHANGE

RESOLVED, that the officers of the Company specified above are authorized to take such actions as they deem necessary to effectuate the name and symbol change of the Company to NetSol International, Inc.

1

[closing date]
Page 2

RATIFICATION

RESOLVED, that the authority given hereunder shall be deemed retroactive and any and all agreements, instruments and documents, and all amendments thereto, and acts authorized hereunder executed, delivered or performed prior to the passage of these resolutions are hereby confirmed, ratified and approved.

RESOLVED FURTHER, that the Secretary of the Company is authorized to certify a copy of these resolutions and deliver the same as evidence of the foregoing authorization to act on behalf of the Company.

The undersigned hereby consent to this action and the resolutions set forth above and direct and authorize that a copy of this Written Consent of Board of Directors be placed by the Company 's secretary with the minutes of the proceedings of the Board of Directors in the official records of the Company.

Dated: April 3, 1999

DIRECTORS:

/s/ Najeeb Ghauri

Najeeb U. Ghauri

/s/ Earl Shannon

Earl T. Shannon

Irfan Mustafa

Irfan Mustafa

2

[closing date]
Page 1

CERTIFICATE OF THE
PRESIDENT, CHIEF FINANCIAL OFFICER,
AND SECRETARY OF
MIRAGE HOLDINGS, INC.

The undersigned hereby certifies that he is the duly elected, qualified and acting President, Secretary and Chief Financial Officer of MIRAGE HOLDINGS, INC., a Nevada corporation (the "Company"), and, as such, is authorized to execute this certificate on behalf of the Company and does further certify as follows:

1. This certificate is being delivered pursuant to Article 3.2(a) and Article 3.2(b) of that certain Acquisition Agreement dated April 3, 1999 (the "Agreement"), by and among the Company, on the one hand, and Salim Ghauri and Other ("SGO"), Network Solutions (Pvt) Limited, a Pakistan corporation ("NetSol Pvt"), and NetSol (UK) Limited, a United Kingdom corporation ("NetSol UK"), on the other hand. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

2. All representations and warranties of the Company set forth in the Agreement are true and correct as of the date of the Agreement and as of the Closing as though made on and as of the Closing, except: (i) as otherwise contemplated by the Agreement; or (ii) in respects that do not have a Material Adverse Effect on the Company or on the benefits of the transactions provided for in the Agreement.

3. The Company has performed all agreements and covenants required to be performed by it under the Agreement prior to the Closing, except for breaches that do not have a Material Adverse Effect on the Company or on the benefits of the transactions provided for in the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this certificate as of the 3rd day of April, 1999.

MIRAGE HOLDINGS, INC., a Nevada corporation

/S/ NAJEEB GHOURI

By: Najeeb U. Ghauri
Its: President, Secretary and Chief Financial Officer

[closing date]
Page 1

CERTIFICATE OF THE OFFICERS
OF
NETWORK SOLUTIONS (PVT) LIMITED

The undersigned hereby certify that they are, respectively, the duly elected, qualified and acting President and Chief Financial Officer of NETWORK SOLUTIONS (PVT) LIMITED, a Pakistan corporation (the "Company"), and, as such, are authorized to execute this certificate on behalf of the Company and do further certify as follows:

1. This certificate is being delivered pursuant to Article 3.3(a) and Article 3.3(b) of that certain Acquisition Agreement dated April 3, 1999 (the "Agreement"), by and among Salim Ghauri and Others ("SGO"), NetSol (UK) Limited, a United Kingdom corporation ("NetSol UK"), and the Company, on the one hand, and Mirage Holdings, Inc., a Nevada corporation, on the other hand. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

2. All representations and warranties of the Company set forth in the Agreement are true and correct as of the date of the Agreement and as of the Closing as though made on and as of the Closing, except: (i) as otherwise contemplated by the Agreement; or (ii) in respects that do not have a Material Adverse Effect on the Company or on the benefits of the transactions provided for in the Agreement.

3. The Company has performed all agreements and covenants required to be performed by it under the Agreement prior to the Closing, except for breaches that do not have a Material Adverse Effect on the Company or on the benefits of the transactions provided for in the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this certificate as of the 3rd day of April, 1999.

NETWORK SOLUTIONS (PVT) LIMITED,

a Pakistan corporation

/S/ SALIM GHAURI

By: Salim Ghauri
Its: President

/S/ SALIM GHAURI

By: Salim Ghauri
Its: Chief Financial Officer

[closing date]
Page 1

CERTIFICATE OF THE OFFICERS
OF
NETSOL (UK) LIMITED

The undersigned hereby certify that they are, respectively, the duly elected, qualified and acting President and Chief Financial Officer of NETSOL (UK) LIMITED, a United Kingdom corporation (the "Company"), and, as such, are authorized to execute this certificate on behalf of the Company and do further certify as follows:

1. This certificate is being delivered pursuant to Article 3.3(a) and Article 3.3(b) of that certain Acquisition Agreement dated April 3, 1999 (the "Agreement"), by and among Salim Ghauri and Others ("SGO"), Network Solutions (Pvt) Limited, a Pakistan corporation, and the Company, on the one hand, and Mirage Holdings, Inc., a Nevada corporation, on the other hand. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

2. All representations and warranties of the Company set forth in the Agreement are true and correct as of the date of the Agreement and as of the Closing as though made on and as of the Closing, except: (i) as otherwise contemplated by the Agreement; or (ii) in respects that do not have a Material Adverse Effect on the Company or on the benefits of the transactions provided for in the Agreement.

3. The Company has performed all agreements and covenants required to be performed by it under the Agreement prior to the Closing, except for breaches that do not have a Material Adverse Effect on the Company or on the benefits of the transactions provided for in the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this certificate as of the 3rd day of April, 1999.

NETSOL (UK) LIMITED,
a United Kingdom corporation

/S/ NAEEM GHAURI

By: Naeem Ghauri
Its: President

/S/ NAEEM GHAURI

By: Naeem Ghauri
Its: Chief Financial Officer

1

[closing date]
Page 1

CERTIFICATE OF
SALIM GHAURI AND OTHERS

The undersigned hereby certify that they are Salim Ghauri and Others, acting in their individual capacities and as shareholders of Network Solutions (Pvt) Limited, a Pakistan corporation and NetSol (UK) Limited, a United Kingdom corporation, and, as such, are authorized to execute this certificate on behalf of the Company and do further certify as follows:

1. This certificate is being delivered pursuant to Article 3.3(a) and Article 3.3(b) of that certain Acquisition Agreement dated April 3, 1999 (the "Agreement"), by and among Salim Ghauri and Other ("SGO"),

Network Solutions (Pvt) Limited, a Pakistan corporation, and NetSol (UK) Limited, a United Kingdom corporation ("NetSol UK"), on the one hand, and Mirage Holdings, Inc., a Nevada corporation, on the other hand. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreement.

2. All representations and warranties of SGO set forth in the Agreement are true and correct as of the date of the Agreement and as of the Closing as though made on and as of the Closing, except: (i) as otherwise contemplated by the Agreement; or (ii) in respects that do not have a Material Adverse Effect on SGO or on the benefits of the transactions provided for in the Agreement.

3. SGO have performed all agreements and covenants required to be performed by it under the Agreement prior to the Closing, except for breaches that do not have a Material Adverse Effect on SGO or on the benefits of the transactions provided for in the Agreement.

IN WITNESS WHEREOF, the undersigned have executed this certificate as of the 3rd day of April, 1999.

SGO:

/s/ Salim Ghauri _____
Print Name here: Salim Ghauri

/s/ Shahab Ghauri _____
Print name here: Mr. Shahab Ud-Din Ghauri

/s/ Nasreen Ghauri _____
Print name here: Mrs. Nasreen Ghauri

/s/ Aamrah Ghauri _____
Print name here: Mrs. Aamrah Ghauri

1

LAW OFFICES OF
HORWITZ & BEAM
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Lynne Bolduc, Esq.
Malea M. Farsai, Esq.

Ralph R. Loyd, Esq.
Patti L.W. McGlasson, Esq.
Bernard C. Jasper, Esq.
K. William Pergande, Esq.
John Y. Igarashi, Esq.

April 3, 1999

MIRAGE HOLDINGS, INC. ACQUISITION AGREEMENT WITH SALIM GHAURI AND OTHERS,
NETWORK SOLUTIONS (PVT) LIMITED, AND NETSOL (UK) LIMITED

CLOSING MEMORANDUM

This Memorandum outlines the action taken in connection with the sale by Salim Ghauri and Others ("SGO") of 49% of the issued and outstanding capital stock of Network Solutions (Pvt) Limited, a Pakistan corporation ("NetSol Pvt") and of 57% of the issued and outstanding capital stock of NetSol (UK) Limited, a United Kingdom corporation ("NetSol UK"), (collectively, the "Shares") to Mirage Holdings, Inc., a Nevada corporation ("Mirage") in exchange for the 4.2 million shares of restricted common stock of Mirage, such sale being made pursuant to an Acquisition Agreement (the "Agreement"), dated as of the date of the Closing as defined in the Agreement, among the Parties. All capitalized terms used herein have that meaning as defined in the Agreement.

1. ACTIONS TAKEN PRIOR TO THE CLOSING.

A. ACTIONS TAKEN BY MIRAGE, SGO, NETSOL PVT, AND NETSOL UK. At a meetings of the respective Board of Directors of each party, the respective Boards of Directors took all corporate action necessary to: (i) authorize the purchase and sale of the capital stock; (ii) authorize the execution and delivery of the Agreement; and (iii) fulfill the conditions precedent of each party as set forth in the Agreement.

B. TIMING. The parties agreed that the transaction would be completed in two separate steps:

i. *THE SIGNING.* The signing of the Agreement and all other documents related thereto would be held on April 3, 1999 (the "Signing Date"), at the offices of the Mirage, 233 Wilshire Boulevard, Suite 510, Santa Monica, California 90401.

ii. *THE CLOSING.* The closing of the Agreement (i.e., the exchange of the capital stock for the cash payment as set forth in the Agreement) will be held as soon as practicable after the execution of the Agreement (the "Closing Date").

2. *THE SIGNING.*

The Signing was held on April 2, 1999 (the "Signing Date"), at the offices of the Mirage, located at 233 Wilshire Boulevard, Suite 510, Santa Monica, California 90401.

At the Signing, each party delivered to the other all required corporate documents and consents as set forth in the Agreement.

Also at the signing, the parties executed and delivered each to the other, unless waived, the following documents:

<TABLE>
<CAPTION>

DOCUMENT	SIGNATORIES	DELIVERY TO
<S> Acquisition Agreement	<C> Mirage SGO NetSol Pvt NetSol UK	<C> Mirage SGO NetSol Pvt NetSol UK
List of Shareholders - Exhibit A	SGO	Mirage
Legal Opinion - Exhibit B	Counsel for SGO, NetSol Pvt, and NetSol UK	Mirage
Certificate of Secretary of Mirage	Najeeb U. Ghauri	Mirage Corporate Records SGO NetSol Pvt NetSol UK
Consent of Mirage Directors	Najeeb U. Ghauri Earl T. Shannon Irfan Mustafa	Mirage Corporate Records SGO NetSol Pvt NetSol UK
Certificate of President, Secretary and Chief Financial Officer of Mirage	Najeeb U. Ghauri	Mirage Corporate Records SGO NetSol Pvt NetSol UK
Certificate of Officers of NetSol Pvt	Officers of NetSol Pvt	NetSol Pvt Corporate Records Mirage

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<S> Certificate of Officers of NetSol UK	<C> Officers of NetSol UK	<C> NetSol UK Corporate Records Mirage
Certificate of SGO	SGO	SGO Records Mirage

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The Signing was then declared completed.

3. THE CLOSING.

At the Closing, SGO delivered to Mirage certificates representing the Shares as designated in Section 1.1 of the Agreement.

At the Closing, Mirage delivered to SGO the Shares as designated in Section 1.2 of the Agreement.

The Closing was then declared completed.

4. ACTION SUBSEQUENT TO THE CLOSING.

Not later than 15 days after the Closing Date, Mirage, pursuant to any and all requirements of the Securities Act of 1933, as amended, and the Securities and Exchange Act of 1934, as amended, shall file any and all required documents with the United States Securities and Exchange Commission.

EXHIBIT 21.1

21.1A list of all subsidiaries of the Company

List of Subsidiaries

- 1. NetSol UK Ltd.*
- 2. Network Solutions Pvt Ltd.*

3. *NetSol (USA) Inc.*

EXHIBIT 24.1

24.1 Consent of Stonefield Josephson & Company

CONSENT OF

STONEFIELD JOSEPHSON, INC., CERTIFIED PUBLIC ACCOUNTANTS

The undersigned independent certified public accounting firm hereby consents to the inclusion of its report on the consolidated financial statements of NetSol International, Inc. for the year ending June 30, 1999, in the Annual Report on Form 10-KSB for NetSol International, Inc.

/S/STONEFIELD JOSEPHSON, INC.

STONEFIELD JOSEPHSON, INC.
Certified Public Accountants
Santa Monica, California
Dated: September 24, 1999

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