



A.C.N.: 115 621 317

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20th February 2014

Directors Report

Annual General Meeting (AGM)

NOTICE IS HERE BY GIVEN that the 2013 AGM of the above company will be held at the Sydney Airport Holiday Inn Hotel, corner of Bourke road & O'Riordan street Mascot, NSW 2020 at 11am on Saturday 22nd March 2014.

(2 minutes walk south on Bourke road from the Mascot Train station or 10 minutes walk north on O'Riordan street from Sydney Domestic Airport) For room reservations call (02) 9330 0600

At the AGM I will be asking for another shareholders to become a part-time/temporary director to assistance me with accounting & legal matters.

Funding Drive:

December funding drive only raised \$7'550, thanks to five shareholders and the temporary loan that was increased to \$25'000, these funds allowed all the overdue & extended standard patents that were in arrears to be renewed in January 2014.

Raising Capital:

I clearly hear the shareholders call from the feedback I received it is obvious that shareholders are not interested in paying more than what shares last traded on the NSXA (national stock exchange). It is obvious my mission to raise \$100'000 selling shares at ten cents (\$0.10) was very ambitious, for this reason I will be acting on my initial instincts when I became a director, in September 2013, that is, existing shareholders will be offered shares from \$0.01 down to \$0.005 (half cent) for investment(s) of \$25'000, this new offer will give loyal shareholders better voting power and appropriately reward them for their loyalty, there will also be a generous two year option to purchase shares at \$0.15 (for every share purchased now), http://www.revetec.com/Share_Purchases/_Existing_Shareholder_Application_Form_20th-Feb-2014_inc.15c_Option.pdf click link to download this limited share offer (**NB:** this offer expires on the close of business 20th April 2014).

It is imperative that shareholders rally and purchase a minimum of \$10'000 within the next 14 days to pay the newly arrived patent invoices (see below). In the absence of shareholder support at the AGM, in four (4) weeks time, shareholders will be asked to consider whether some of Revetec's patents should be offered for sale. In effect this means the company would be partially liquidated. At present the company has a significant amount of tax losses that could benefit a manufacturing entity.

RHL cannot meet fundamental expenses in the absence of Revetec India's support and shareholder apathy. In the absence of a significant change in shareholder interest and the provision of much needed financial support, I can not see RHL seeing out the next six months.



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Patents:

Cullen's our patent Attorneys informed me that for the first time in over five years RHL has its patents up to date. Late payment fees have cost RHL thousands of dollars, the Australian patent alone was costing \$100 every month it was deferred/unpaid. Patents were in arrears before I became a director, the "original patents" now fall due again on 17th July 2014, original patents expire in July 2016, our "improved patents" (X-patents) expire in September 2027 in approx. 14yrs. (*patent matters will be covered in more detail at the 2013 AGM.*)

We currently hold 18 "original patents" and 8 "X-Patents", in January our original patents were paid up to date.

Important Note: Last week we incurred a further \$9'000 in additional patent charges relating to one-off examination reports and responding fees for our new "European X-patent", as well as renewal fees for our "Australian X-patent", "The Republic of Korea X-patents", and we also incurred additional costs due to fluctuations in the Australian exchange rates whilst paying for the "original patent" renewals made in January 2014. **Over half of these bills are due for payment on 3rd & 7th March 2014.**

Auditing:

I became aware a few days prior to 19th Dec 2013 of a matter before the courts ASIC v REVETEC HOLDINGS LIMITED, was due before the Sutherland Court of NSW for not submitting an audit report for the 2012 financial year. I attended court twice on this matter and had the hearing called over to enable RHL to locate a less expensive Auditor. I was informed by our 2012 Accountants it should take approx. 5 hours to Audit the 2012 financial year. Anyone interested ?

New PPG Engine Prototype:

The start of modelling of our paraglider engine has been set back a short time. We initially need to purchase aftermarket Cylinders, Heads, Oil & Water pumps, Chains etc. these parts will cost approx. \$4'000. Without these parts we can not start modelling this engine. This topic will be covered in more detail at the up coming AGM.

Revetec Turkey:

I have had several Australian Farmers wanting to purchase our Diesel engine for pumping water and power generation. Gen-sets are in huge demand world wide (especially in country's like India with limited power production), with our engine's fuel efficiency the savings would be approx. 30% greater than a standard engine. Revetec Turkey will manufacture a X4 Diesel engine for approx. \$15'000, I would be prepared to sell these units at cost if someone is willing to finance the manufacturing.



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Closing Statements:

It is imperative that I receive pledges from shareholders totalling a minimum of \$75'000 on or before the AGM on 22nd March 2014.

Pledges need to cover the following;

1. \$25'000 Repay the temporary loan. (USA and European X-patent used as security)
2. \$9'000 Newly arrived X-patent fees etc. (read Patents: section above)
3. \$3'000 ASIC, Phone and Internet expenses.
4. \$10'000 for the Powered Paraglider (PPG) engine parts (mentioned above), includes Special Billeted Aluminium and Steel etc.
5. \$28'000 to go towards the PPG engine CAD/CAM modelling and CNC machining the first engine, to be manufactured in a timely.

My main focus is to getting at least one of our engine designs into production and being constructively used to prove our technology's reliability, hopefully before the end of 2014.

I have invested a lot of quality time schooling myself on the past & present workings of Revetec. I will remain a dedicated director *working gratuitous for the shareholders* on the basis that shareholders rally to support my efforts, I will continue to be committed to the company.

Note: *This report contains forward-looking statements that are subject to risk factors associated with a Research & Development business. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, manufacturing and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, project delays or advancements, approvals and cost estimates.*

Kind regards,

A handwritten signature in black ink, appearing to read "Dennis Monamy", written over a light grey scribbled background.

Dennis Monamy (CEO - managing director)
Revetec Holdings Limited