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30th April 2014

## **Directors Report**

### **Fundraising Drive**

Revetec Holdings Limited (Revetec) is a leading developer of engines with increased fuel efficiency over existing conventional engines by increasing bottom end mechanical efficiency by replacing an engine's crankshaft with **our unique world patented co-axial contra-rotating trilobate design**, we achieve higher total efficiency (BSFC) of 207g/kW-h or 39.5% efficiency, proving our engines to be the most efficient gasoline engines in the world.

Upon successful fund raising REVETEC intends to implement our technology into a small capacity (approx. 300~400cc) V2 cylinder, lightweight petrol engine. Initially aimed at being used by Powered Paraglider (**PPG**) industry, unlike previous engines this engine will be hard wire with a hour/tacho meter prior to first start, after successful running-in period this prototype will then undergo load-testing on an appropriate size generator. A load test should expose if there are any underlying issues needing to be addressed.

From technical advice passed down from the Inventor Brad Smith, we are not expecting any unknown issues to surface. After successful load testing Revetec will further expand development in a two pronged approach;

1. Start a small production run that markets this engine worldwide to wheeled PPG pilots, this also includes the experimental Aviation market that does not require certification for experimental Aircrafts.
2. Convert this size engine to run on NG (natural gas) or LPG (liquid petroleum gas) and eventually Diesel or a mixture of these fuels. Initial data indicate a diesel engine using our CCE technology will at least deliver BSFC 170g/kWh approx. 50% efficiency (10% greater than Revetec's independently proven petrol efficiency).

**Call to investors and shareholders, Revetec is currently seeking to raise a minimum \$100'000** (one hundred thousand dollars) to enable Revetec to move rapidly into the next phase of development, namely a smaller lightweight engine in the next six months, as well as securing our patents past 2015.

It would be ill-advised not to reserve the first \$30'000 that should essentially go towards paying patents due mid July 2014, thus strengthening Revetec's future, with remaining funds allocated to below engine development.

### **Essential PPG engine expenses projection** (required order and reasoning)

A) Purchase \$3'000 worth of original equipment manufactured (**OEM**) parts to be modelled onto our PPG engine, purchasing these parts will save a large amount of time and money having to re-CAD the existing X4 cylinders and heads as well as time saved in manufacturing these parts. We intend to use complete Cylinders, Pistons, Heads, Water & Oil Pumps, Chains, Magneto, EFI system as well as Intake & Exhaust tails, we have budgeted \$3'000, but may have to spend more building the initial prototype.



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The V2 PPG engine cannot be CAD designed until all the OEM parts have been purchased and accurately measured, only then will we be able to start CAD designing. Hakan Atalan the managing director of Atalan Makine (Revetec Turkey) has confirmed that he and one engineer will undertake one month to CAD and model, with another month for manufacturing simplification and weight reduction, Revetec Turkey has quoted this cost at \$15'000. Revetec feel this is best approach as Revetec Turkey is already very knowledgeable with our Controlled Combustion Engine (**CCE**) technology, this in itself will be saving a lot of time as well as putting this project some 6 months ahead of schedule.

**Simply put, if only 100 people purchase \$500.00 worth of shares each Revetec will have \$50'000, sufficient funds to;**

- Purchasing OEM parts for our first lightweight PPG engine.
- Get the PPG engine and parts CAD modelled including weight reduction work.
- Pay Revetec's 2014~2015 international patent fees.

It is important that investors and shareholders know that as the core of our research and development is complete, currently no wages, salaries or commissions are being paid to any directors, all funds raised are now going towards manufacturing and patent fees, thus strengthening Revetec.

A special thanks to the shareholders that took up the last funding drive, Revetec raised the funds to pay all patent fees until July 2014, this included the conversion of the loan holding patents as security, that loan acquired one of three remaining five million share lots.

## **2012 Auditing**

At Revetec 2012 AGM held March 22<sup>nd</sup> 2014, it was unanimously voted by attending shareholders and proxies that the 2012 Annual Financial Report and the submitted tax return handed down by Revetec previous directors responsible for that fiscal year ended 30 June 2012, be accepted as unaudited and as being accurate. In relation to this matter, I am making enquiring that as it was unanimously and legally voted to accept the 2012 fiscal returns as true and accurate (not extinguishing an wrong doing that may or may not have occurred), that as Revetec is no longer a listed entity, we may not have to undertake an audit for that fiscal year.

In preparation Fraser Johnson (director) has taken all documentations that was handed down on my appointment as director and is currently compiling the hard copies of 2012 fiscal paperwork, if we can save Revetec the expense of Auditing it would obviously be better spent on items mentioned in this report, thus moving Revetec closer to a production engine. However, if Auditing cannot be set aside I will submit the paperwork handed down to a new Auditor in the coming weeks.

Kind regards,

A handwritten signature in black ink, appearing to read "Dennis Monamy", written over a light blue circular stamp or watermark.

Dennis Monamy (managing director)  
Revetec Holdings Limited