



A.C.N.: 115 621 317

Address: 27 The Boulevard, LILYFIELD NSW 2040

Web: www.revetec.com

Email: admin@revetec.com

28th August 2015

Directors Report

RHL 2014 AGM

On 20th June 2015 the annual AGM held of Sydney-based **Revetec Holdings Limited (RHL)** saw existing shareholder Mr William Horton unanimously voted to the board as director, and jointly chaired the board on the day. Apologies were given by directors Mr Fraser Johnson and Mr Simon Thompson for not being able to attend on the day due to prior commitments.

Manufacturing an Industrial size Diesel engine

We are still engaged in ongoing discussions with a very interested party, whose manufacturing operation was relocated back to Australia. We are discussing both the possibility of financing and establishing a licence agreement to design, manufacture, assemble and selling a large capacity (1000kW/1340HP) diesel engine that will be incorporated in a gen-set unit.

This company has an engineering team capable of designing and manufacturing this engine.

The anticipated time to design a scaled up engine is as yet unknown, however I have been informed they are capable of manufacturing, assemble and operate this size engine in half the time it normally takes other companies, so after design work and FEA testing is completed, it is expected to take between 3~6 months to initial start-up, with a transition into a commercial production run shortly thereafter. **NB:** FEA testing does not eliminate the need to test a pre-production engine, however as our designs have been previously tested it should shorten the process.

Becoming a Substantial Shareholder

In the coming weeks, the above mentioned company will be indicating their intent to commit to a substantial investment in RHL, which should see the start of Revetec's first large capacity CCE Diesel engine being designed, manufactured, assembled and operated within the next thirteen (13) months.

WORKING CAPITAL

RHL has sufficient reserved funds to pay for relevant Patent & ASIC fees and any unforeseen small bills for the next 6 months. I am not anticipating having to call on shareholders to pledge funds for shares subscriptions.

However, shares are still available at 1 cents each, in lots of 50,000 shares for \$500.00. Investors are encouraged to complete a share application form, this form can be downloaded from the Investment page on our website: www.revetec.com

The ATO, has been informed of RHL un-audit for 2012 tax returns and nil income and PAY tax period prior to my appointment, and the same for 2013 and 2014 fiscal years. All patent, GST and sundry expenses will be included in 2014 returns or may possibly be deferred until RHL 2015 returns.



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Licence Agreement to Manufacture & Sell Revetec engines.

We are now offering a flexible licence agreement based on a yearly licence fee, plus a royalty fee per manufactured engine based on engine capacity.

Other Matters

I have been unsuccessful in my many requests to get our pre-production 2.4lt X4v2 engine and a prototype boxer engine returned from India, I am of the understanding that these two engines were on loan when shipped on too Ashok Leyland India.

It was reported by Ramesh Santhanam of Ashok Leyland that Mr Rajamurugan Rathinam formally director of [Revetec Technologies \(India\) Private Limited](#) removed RHL X4 engine from Ashok Leyland premises, and to date Rajamurugan has not been willing to communicate or assist with the return of our engines.

We are looking into recovering over \$250'000 owed to RHL, when Revetec Technologies India Pvt Ltd (RTIPL) failure to meet its funding obligations in the contracted and programmed time frame, whereby the board of RHL terminated the Joint Venture agreement between RHL and RTIPL.

We will be in contact with Customs and other government departments in the coming weeks to see if they are able to assist with this matter.

Summary

If the 1000kW engine does not proceed forwards in the coming months, the secondary plan is to start designing a single or twin cylinder Diesel CCE Powered Paraglider (PPG) engine, as we can't see a more affordable nor better market entry point, than a light weight, four stroke CCE engine. I feel with our proven fuel efficiencies and improved low down Torque qualities, this capacity engine would ideally suit the uncertified Aviation sport, either as a new or replacement engine to the PPG market, worldwide.

NB: PPG engines do not require Aviation certification, however weight reduction using specially blends of alloys like Titanium etc. for certain parts will be considered.

However, the overall progress is encouraging and the directors remain confident of a successful outcome in this complex process.

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 - administrator)
Revetec Holdings Limited