



A.C.N.: 115 621 317

Admin Office: PO Box 8203 Gold Coast Mail Centre QLD 9726

Phone: (07) 5531 6059 Fax: (07) 5531 6997

Web: [www.revetec.com](http://www.revetec.com) Email: [admin@revetec.com](mailto:admin@revetec.com)

29<sup>th</sup> May 2009

**RE: Rights Issue to Revetec Shareholders**

Dear Shareholder,

At the start of last year, we sent our X4v2 engine to Orbital Australia for independent testing. The parameters for the testing was to find the most efficient operating RPM range and load, then take readings at two different fuel mixtures to determine the peak fuel efficiency. During that testing we achieved a peak fuel efficiency of 39.5% (BSFC 207g/(kW-h)). After extensive research, this result to our knowledge is the most efficient ever recorded for a petrol engine.

As you know, we are testing the X4v2 engine in Munich. This testing is not just a verification of the Orbital testing; it is far more extensive, which is required for potential clients in China, Germany, and Brazil etc.

The parameters of the testing include:

1. Engine Map Basic Measurement (30 operation points)
2. Measurement
  - 1) Torque
  - 2) Engine Speed
  - 3) Temperatures (five locations)
  - 4) Pressures (five locations)
  - 5) Fuel consumption
  - 6) Emissions (NOx, CO, CO2, THC, O2)
  - 7) Cylinder Pressures (by Piezo transducer in cylinder)
3. Analysis
  - 1) Engine maps for all measured data
  - 2) Thermodynamic analysis (heat release, start of combustion, peak pressure, indicated efficiency, effective efficiency)
  - 3) Engine maps for all calculated data
    - a. AFR
    - b. Efficiency (indicated/effective)
    - c. Friction losses (mean friction pressure)
4. Analysis of Friction Losses
  - 1) Analysis of the friction losses according to the strip method
  - 2) Detailed analysis of:
    - a. Piston group
    - b. Cylinder head (inc. Valve train and camshaft)
    - c. Crankshaft (Trilobes and bearing system)
    - d. Auxiliary components



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5. Computer model build and simulation
  - a) Building a computer model of the engine
    - 1) Inlet manifold design
    - 2) Exhaust manifold design
    - 3) Injector positions
    - 4) Inputting combustion pressure data from hard testing
  - b) Running simulation software
  - c) Analysing data

As you can see, the testing in Munich is far more extensive than the original testing at Orbital. The simulation has been completed, and the results were consistent with the results from the Orbital testing. We have completed approximately 80% of the other tests.

We have been assured that the information which is being extrapolated will provide critical data required in negotiations with all prospective clients.

We confirm that a German Company has made a request for five (5) test engines, and we plan to meet with them upon our return to Germany to discuss their requirements further. We have also had other corporations express an interest in our technology for mass production, the most recent being a firm from Brazil which has requested that our prototype be modified to run on Ethanol.

Information contained in the attached Cleansing Note (please read) has stated that we have had a problem with the funding from the Convertible Note with Doug Lomas, due to the ABC Learning financial collapse. The company is in a situation that we have several serious potential clients for the mass production of our engine. The data from the testing and analysis in Munich is required for negotiations with these parties. We are trying to complete the testing as soon as possible, so we can start negotiations.

Funds raised will be used to complete these tests, ongoing patent costs, as well as being used for operational funds to progress into a production contract. Without funding this process will be delayed or unable to proceed further.

The Directors hope our shareholders understand the situation and are able to support the company, which will help us complete these tests in Munich. We can then start negotiations to progress our world beating technology into mass production. (please find enclosed the rights issue application form and instructions)

Kind Regards,

A handwritten signature in dark ink, appearing to read "Brad D Howell-Smith". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Brad D Howell-Smith  
Chairman  
Revetec Holdings Limited  
PO BOX 8203  
GCMC QLD 9726  
Tel: 07 5531 6059 (Office)  
Tel: 07 5597 7377 (Factory)  
Fax: 07 5531 6997



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To: National Stock Exchange of Australia Limited

Date: 20<sup>th</sup> May 2009

From: Revetec Holdings Ltd

Ref: Cleansing Notice  
**(Amended)**

Dear Manager,

Notice under sections 708AA(2)(f) and 1012DAA(2)(f) of the Corporations Act 2001 as notionally modified by ASIC Class Order 08/35

Revetec Holdings Limited announces that it proposes to make a non renounceable rights issue to shareholders who are recorded as shareholders as at 25<sup>th</sup> May, 2009 of up to 7.0 million shares at an issue price of **2.5 cents** to raise approximately \$175,000.00 (before expenses of the issue). The new shares will be offered on a pro rata basis. The rights issue will commence on 20<sup>th</sup> May 2009 and end on 20<sup>th</sup> June 2009.

As a research and development company, Revetec Holdings Limited is heavily reliant upon its Convertible Note Holder Doug Lomas and the support of its existing shareholders.

Mr Lomas has been unable to comply with the terms of the original Convertible Note and subsequent Variations of the Note as a result of his involvement with ABC Learning and its financial collapse. Mr Lomas continues to fund Revetec, however the timing of drawdowns have been delayed.

Delays in testing in Munich and testing equipment failure at the University has lead to an unforeseen increase in testing costs that have not been met by Edwin Yu and are considered by Mr Yu as being outside his responsibility.



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Revetec Holdings Limited therefore requires access to working capital to progress the commercialization process.

The Board is pleased to confirm that a German Company has made a request for 5 test engines( further discussions are expected to occur in late May,2009) and that various other Corporations have expressed an interest in our technology, the most recent being a firm from Brazil which has requested that our prototype be modified to run on Ethanol.

The funds raised will be used as working capital for the following purposes:

- to complete the current phase of testing in Munich;
- progress various proposed government grant applications;
- meet pending patent renewal costs;
- to promote and market our technology to various government and non government organizations.

Commercialization of any patented product is a lengthy and difficult process that involves much risk for all investors.

The Board believes that finalization of successful detailed testing of our prototype in Munich will confirm proof of concept and allow your company to press forward with the commercialization process in negotiating agreements with interested parties which will in turn allow Revetec to raise further funding if necessary.

Pursuant to section 708AA(2)(f) of the Corporations Act 2001(Cth)(Act) the Company hereby states:

1. The Company will offer the new shares for issue without disclosure to investors under Part 6D.2 of the Act.
2. The Company is giving the notice under section 708AA(2)(f) of the Act.
3. As at the date of this notice the Company has complied with:



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- (a) The provisions of Chapter 2M of the Act as they apply to the Company; and
  - (b) Section 674 of the Act.
4. As at the date of this notice there is no information:
- (a) That has been excluded from a continuous disclosure notice in accordance with the NSX listing rules; and
  - (b) That investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (i) The assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - (ii) The rights and liabilities attaching to the New Shares.
5. The potential effect the Rights Issue will have on the control of the Company and the consequences of that effect are as follows:
- (a) As at the date of this notice the issued capital of the Company is 225,699,657 issued fully paid ordinary shares (Existing Shares).
  - (b) If all of the New Shares are issued by the end of the Relevant Period the Company will have 232,699,657 issued fully paid shares.
  - (c) Regardless of the outcome of the Rights Issue having regard to the number of shareholders and their holdings of Shares, the Board does not anticipate any change the Rights Issue will have any effect on the control of the Company.

Yours faithfully,  
Revetec Holdings Limited

A handwritten signature in dark ink, appearing to read "Bradley Howell-Smith", is written over a light grey circular stamp.

Bradley Howell-Smith  
Chairman

**Rights Issue Application Forms and Instructions**

**SHARE APPLICATION FORM**

**REVETEC HOLDINGS LIMITED**

ACN 115 621 317

To the Directors  
Revetec Holdings Limited  
PO Box 8203  
GOLD COAST MAIL CENTRE QLD 9726

Mr/Mrs/Miss

Holder ID No.:

-----  
Family Name/Company Name

-----  
Given Names/ACN Number if Company

-----  
Address

-----  
(Please complete full name and address)

-----  
Post Code

-----  
Contact Phone Number

-----  
Fax Number

-----  
Email Address

-----  
Number of shares applied for

-----  
Application Money Enclosed (existing shareholders only - \$0.025 per share applied for) \$

Cheque Details:

-----  
Bank

-----  
Branch

-----  
Account No

*(Please insert number of shares applied for and amount of application money enclosed and cheque details)*

I/We whose full name(s) and address(es) appear above hereby apply for the number of shares shown herein  
(or shares as may be allocated to me/us by the Company in respect of this application).

I/We agree to be bound by the Constitution of Revetec Holdings Limited.

**Date:**        /        / 2009

## **IMPORTANT:**

Before completing this Share Application Form applicants should read the Cleansing Notice to which this Application Form relates.

New Shares may be applied for in multiples of [5,000] and minimum application is 5,000 shares (maximum application is 7,000,000 shares). This application should be completed and lodged in accordance with the instructions set out below.

## **INSTRUCTIONS TO APPLICANTS**

### **PAYMENT**

Applications must be accompanied by the application money (in Australian currency). Cheques should be made payable to **Revetec Holdings Limited** and crossed "Not Negotiable". Payment by overseas resident applicants is to be made by a draft in Australian currency payable on a bank within Australia.

### **LODGING OF APPLICATIONS**

Application Forms can be lodged (by 20<sup>th</sup> June 2009) at:

Revetec Holdings Limited  
PO Box 8203  
GOLD COAST MAIL CENTRE QLD 9726