

3 April, 2000

Mr John Harrison
Managing Director
TecEco Pty Ltd
497 Main Road
GLENORCHY TAS 7010

Dear John

I refer to my visit to Hobart in February and the documentation that you provided to me.

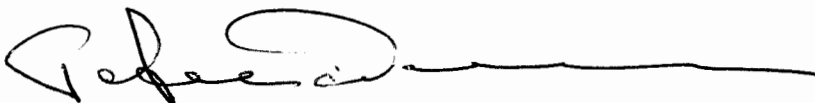
Since returning to Adelaide I have had the opportunity to review the confidential materials in conjunction with our staff.

During my recent business trip to the United States and India, I made extensive enquires from appropriate businesses to try and estimate the likely demand for a magnesium based cement and its subsidiary products. My impression is that there would be great demand for such products assuming competitive pricing, particularly in light of the surplus feed-stock that exists in the United States, India etc.

One of the reasons particularly in the United States for this interest of course is the enthusiasm for alternatives particularly in light of the carbon tax issue which as an issue has now registered with United States businesses. In India I raised this prospect with the Reliance Group and with Nova Steels, in each case they were very interested to receive more information, and expressed great enthusiasm provided the technology added up, which I assured them it did.

I think the outcome of this trip in relation to your business was quite positive and I am looking forward to meeting with you again for further consultations when I am in Hobart in about three weeks time.

Yours sincerely



PETER DUNCAN
Director