

OUR REF: RMW/LD
YOUR REF: CSJ/JXM/105457/JEC

8465

**ROYDS
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Messrs D J Freeman,
Solicitors,
DX No: 103 London

28 April 1998
Sent via fax and by dx
Fax No: 0171 353 7377
No of Pages 2

Dear Sirs,

Re: John Donovan -v- Shell UK Limited

Thank you for your fax of the 27th April.

Regrettably by the time this fax was received we had already served the Writ directly on your Clients at their registered office.

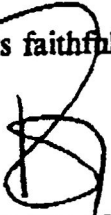
As to your final paragraph the fact is that the press releases are self-evidently in breach of the Funding Deed and there is no room to argue to the contrary. We should add that the press releases are also in breach of the Letter of Agreement (paragraph (i)(b)) and the Mediation Agreement.

Please take this letter as confirmation of our Client's acceptance of your Clients' repudiation of the Agreements referred to above. The continuing obligations provided for thereunder have therefore now fallen away.

Although our Clients are no longer constrained as to what they may say about their previous dealings with your Clients, at present they have no intention of saying any more than is necessary to set the record straight. We have advised our Clients that they are under a duty to mitigate their losses arising from your Clients' breaches of contract and that such statement as they may issue may well serve to assist in this

regard. Clearly any such statement may also help to minimise the damage to Mr. Donovan's reputation and thereby limit the damage he suffers by reason of the libels.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'R. Treadwell', written over the closing 'Yours faithfully,'.

Royds Treadwell