

Nanotrade s.r.o
Mozartova 178/12
Olomouc 7790
Czech Republic

10th May 2011

Dear Mr Torcik,

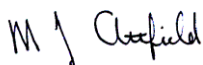
We wish to advise you that Energenics Europe Ltd ("Energenics") formerly Oxonica Energy Limited has several years experience in trialling and normal field operations with its Envirox™ fuel borne catalyst in diesel engines. To this date Energenics has no evidence that Envirox™ causes damage to diesel engines. The attached letter from the Group Technical Engineer of Stagecoach UK Bus dated 19th June 2008 shows that since 2004 the bus operator had accumulated over 1.1 billion kilometres to that date running on Envirox™ without any operational issues due to the use of Envirox™.

Engine manufacturers generally require that diesel fuel must meet the European Standard EN590 to comply with the warranty. Diesel fuel that meets the EN590 standard will continue to do so after treatment with Envirox™ at the recommended level so the engine warranty will not be invalidated. The engine manufacturer's historical position regarding fuel additives in recent years is that should a problem occur and if failure is caused by an additive (according to an independent engineer's assessment), the supplier is held responsible but if the problem is not additive-related then the warranty will cover it.

If, as we hope, you proceed to trial Envirox™ in some of your customer's locomotives and during those trials any diesel engine failure is experienced then we require that an independent engineer, approved by Energenics, be contracted to carry out a failure analysis of such engine. If in the analysis it is decided by the independent engineer that the proper use of Envirox™ is the cause of the engine failure then Energenics will pay the actual reasonable costs properly incurred both of replacement parts and of the labour to fit them. Energenics will not be liable for any indirect or consequential losses, including, but not limited to, loss of profits, howsoever arising.

Energenics maintains product liability insurance cover (currently to the level of £10 million) to cover the costs arising in the preceding paragraph. No claim has been made so far.

Yours faithfully,



Mike Attfield
Chief Executive Officer,
Energenics Europe Ltd