

DON
MARKETING

Promotional Games & Contests

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Mr A Lazenby
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Shell U.K. Limited
Downstream Oil
Shell-Mex House
Strand
London WC2R ODX

22 February 1994

2 Page Fax To:
071 257 5988

Dear Mr Lazenby

I am writing with regard to your letter of 17 February 1993 and our subsequent telephone conversation which also covered the Shell Nintendo promotion.

Firstly, it was interesting to receive confirmation that a "Make Money" game is now being produced. It seems that once again we have little choice but to consider legal action. Fortunately, we have extensive further correspondence and documentation relating to "Make Money" which confirms our proprietary interest. This includes the "Operation Leo" contractual agreement referred to on your Special Field Order No. SFO/000454 dated 15.11.83.

You really seem to be in a state of confusion with regard to the Shell Nintendo promotion. You say that you are involved in drafting a reply to my recent letter to Mr Varney, yet claim you have not had sight of his letters to me. You also seem to be under the impression that we were the instigators of the proposed meeting. You also suggested that a meeting would be a waste of time. Please let me clarify the situation.

The meeting was originally proposed by your Legal Division in a letter to our Solicitors dated 13 October 1993. The offer was renewed in Mr Varney's letter dated 26 November 1993. However, given the impasse which had been reached, it was obviously desirable that new information be provided for presentation during the meeting if any progress was to be achieved.

It was for this reason that we decided to obtain a joint opinion from eminent specialist Counsel, Mary Vitoria and John Baldwin QC so that Shell could have sight of their opinion at the meeting. Their advice took into account an opinion from an independent expert witness. The expert has experience at a very senior level both from the client and agency perspective and is also a former member of the ASA CAP Committee and a past Chairman of the ISP Awards Committee.

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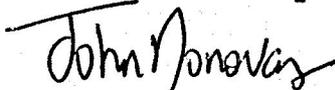
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You twice asked what we would be prepared to settle for. I responded by referring you to our Statement of Claim. However, we would first like to demonstrate to Shell during the meeting that we do have a valid claim. We would also like to see the information Mr Watson promised to make available. We would then hope to move on to discussing a settlement at a later stage in the meeting. We would also be prepared to discuss the "Make Money" situation.

With respect to the advice you have received from your lawyers, I understood from Mr Watson that they had not sought specialist counsel but instead relied on an opinion relating to a different case. I also wonder which version of events was given to your lawyers; the one given to Mr Varney to convey under the authority of his name, or the account you and Mr Watson admitted to me when under the pressure of direct questions.

The latest development has certainly injected some urgency to try to resolve our differences without resorting to litigation.

Yours sincerely



John Donovan
Managing Director

cc Mr D Varney, Managing Director - Shell U.K. Limited