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Dr Chris Fav Chairman & Chief Executive Shell UK Limited Shell-Mex House Strand London WC2R ODX

15 June 1998 6 Pages By Fax Only To: 0171 257 3939

Dear Dr Fay

I am writing to bring to your attention certain sinister developments in recent weeks that have culminated in an anonymous telephone call from a person who has issued ominous threats against my family and I.

A gentleman called Mr Charles Hoots contacted our solicitor, Mr Richard Woodman, on Friday 15th May 1998. He purported to be a journalist representing "The European". Mr Hoots contacted me shortly thereafter, allegedly from Paris. He said that he represented The European. He had visited our website and wanted to write an article about the litigation with Shell. He still needed to speak to "his editors" to obtain their approval but did not anticipate any problems in that regard. He asked to meet me on Monday 18th May. I offered to travel to London but he insisted on coming to Bury St Edmunds so that he could interview me at my office or at my home, if I worked from home.

I purchased The European that weekend, but could find no mention whatsoever of his name. On the Monday morning, I telephoned the London offices of The European to try to find out what time he planned to arrive. No one knew who he was. They checked with their Paris office. I received a telephone call from Edith Coron (from the Paris office). Neither she nor any of her colleagues knew his name. She did say that he could be a freelance, but suggested that I act with caution

Mr Hoots called a few minutes later from Liverpool Street Station to advise me of his arrival time. I subsequently spent several hours with him. I arranged for a former colleague, Mr Sotherton, to be present during the interview, because of his involvement in every one of the meetings that I had with Mr King and Mr Lazenby. Mr Hoots mentioned to Mr Sotherton that he represented The European. However, on being pressed as to his relationship with The European, he said that he is a freelance who writes stories for them. I invited Mr Hoots to have lunch with us. We went to an expensive restaurant. When the waiter brought the bill for £90, Mr Hoots insisted on paying it.

During our conversations with him, I let him have sight of a number of articles and advertisements. Mr Hoots inquired about the identity of a person who appeared with me in a 1984 DM advert. I gave him the gentleman's name, but did not give him a telephone number or any clue as to where he could be reached. I was surprised to receive a telephone conversation from the relevant person a few days later. Mr Hoots had tracked him down.

Once again, he had claimed that he represented The European. Mr Hoots asked a number of questions about Mr Sotherton and myself. Thus, Mr Hoots has introduced himself to at least four different individuals as being a representative of The European.

A few days after Mr Hoots visited St Andrews Castle in Bury St Edmunds (a Business Centre) a gentleman called Mr Christopher Phillips visited the offices and asked questions about Don Marketing. I was not advised about this development until last week. The lady that he spoke to gained the impression, because of his pointed questions about Don Marketing, that contrary to the reason he had given for his visit, he was in fact something to do with the Shell litigation. He did leave a business card with her. On the card, he is described as being a "Director". However, Companies House says that there is no limited company matching the company name printed on the card. A telephone call to the 'phone number printed on the card only deepened the mystery.

Last Tuesday, Mr Woodman received a telephone call from a Mr Daniel Wilson, who claimed that he represented The Express. He said that he had visited our website. He had originally intended to write a story about the way that the internet was used in the "McLibel" case. He now intended to focus on the DM website. The article would be published the following day, Wednesday 10th June. He repeatedly pressed Mr Woodman to answer some questions about the litigation. Mr Woodman refused to do so. Mr Wilson left a telephone number for me to call. When I did so, it became apparent that the number did not exist. I telephoned The Express and spoke to several people. None had ever heard of Daniel Wilson. No article was published about websites in The Express last Wednesday.

Given the continuing intrigue, I decided to write to The European, Their Editorial Manager, Lynn Moorlen, subsequently left a message to say that she wished to speak to me. When I returned her call, Ms Moorlen said that she had established that Mr Hoots had worked for The European, but it was over two years ago when it was under different management. He had no connection with them now and had not been commissioned to write an article. She is very concerned about the activities of Mr Hoots and has instructed her lawyers to take up the matter. Ms Moorlen confirmed along these lines in a letter to me dated 11th June (copy attached). If Mr Hoots did in fact travel over from Paris and stay in London overnight, then, bearing in mind his return trip to Bury St Edmunds and the restaurant bill, he must have spent several hundreds pounds on his investigation. Yet he has not offered the story to the publisher that he claimed to represent.

Yesterday, I received a telephone call from a gentleman who refused to disclose his name. When I stated that I was not prepared to hold a conversation on that basis, he indicated that if I gave him a few minutes, it would become obvious that he has an intimate knowledge of the litigation and associated events. I would learn something to my advantage. Intrigued by his introduction, I listened to what he had to say. It soon became clear that he had read information that had only been published on the website during the last week. He also referred to matters that have not been mentioned in any of the articles published about the Smart claim.

Basically, he claimed that Shell has a team of specialists who are providing input in regard to Shell's defence against the litigation and in regard to associated matters. According to him, they include an investigative resource (instructed by DJ Freeman). He named two of the organisations. He now had my absolute attention, because I know that both have visited our website — one does so on a regular basis. He said that Shell would soon be on the offensive - they are currently considering applying for an injunction to prevent any further publication of the Legal Notices (that are destroying the prospects of further enlargement of the scheme). They will be making counterclaims when the defence is filed.

He said that Shell is incensed with my tactics, the publicity campaign with constant references to a multimillion pounds claim and most of all, with the so-called "elaborate and colourful" websites (a reference to the Daily Telegraph article last Thursday) that are subjecting Shell to public ridicule.

I responded by saying that our approach could not have been fairer or more sensitive to Shell's commercial sensitivities. We had proposed that the matter should be dealt with on a confidential basis. We voluntarily kept matters confidential for over a year whilst DJ Freeman was supposedly gathering all of the evidence and interviewing witnesses. We proposed a form of binding mediation, whereby if an independent adjudicator decided that our claim was without merit, we would not have received a penny. Shell chose to completely ignore the mediation proposals. I also mentioned our suggestion that an independent third party – perhaps an international licensing agency, could recommend a settlement. We would accept their recommendation if Shell was prepared to do likewise. Again, the proposal was ignored. I said that it was unfortunate that matters had got so nasty (and mentioned the headline on the attached article). I also mentioned that we are already committed to further publication of the Legal Notice, with a whole-page advert scheduled to appear in the July edition of Forecourt Trader.

The call then took a sinister turn, because having established a degree of credibility, he said that Shell's patience with me has run out and that for the sake of myself and my family, I would be well advised to withdraw both claims. Otherwise I am on a road to destruction. I asked if he was implying that we are in any danger. He replied that if I continued with the claims, I would face financial destitution because Shell would appeal any decision that went against them. On the other hand, if I persisted in running a publicity campaign alongside the litigation, I would be putting my family and myself into a very dangerous situation. He then put the telephone down.

I would not pay any heed at all to the comments made by the anonymous caller if it was not for the other incidents — especially the involvement of the 6ft 5", "Mr Hoots", who sounds like a character from a James Bond film. Shell did retain an investigative specialist in connection with the previous litigation. They made investigations about me going back over a decade.

In view of the sinister nature of recent events, I have felt it appropriate to notify the Police. They have asked me to make a statement later today and have indicated that they will then investigate the matter. There may be some perfectly innocent explanations for some of these events, including Mr Hoots. I sincerely hope that this proves to be the case. It is difficult to understand why Mr Hoots has repeatedly acted deceptively whilst engaged in carrying out an investigation. He said that he would be contacting Shell to seek their side of the story. I wonder if in fact he has done so? I telephoned your media department this morning to ask if he had. No one in that department would speak to me.

I am not making any allegations whatsoever against Shell in regards to these matters. I am simply advising you of what has occurred.

I sent a copy of the above draft to Mr Woodman earlier this morning for his comments. He telephoned shortly thereafter to advise me that Shell has indeed gone on the offensive, with a hearing in Chambers before a Judge, scheduled for later this month in regards to the libel action, thus coincidentally appearing to bear out to some extent, what the anonymous caller had said. Royds Treadwell had received notification from DJ Freeman on Friday.

Yours sincerely

John Donovan Managing Director

cc. Mark Moody-Stuart, Chairman, Shell Transport & Trading Co plc (Fax: 0171 934 7987)
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