

Shell U.K. Limited

Downstream Oil

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Dear Mr Donovan

SHELL NINTENDO PROMOTION

Thank you for your letter of 12 November 1993 which Dr Fay has passed to me for attention.

I am very concerned that you do not feel that this matter has been dealt with in an open and considered way. On the contrary, before writing my letter to you on 12 July 1993, I asked for a full investigation to be made by Mr Watson and I also consulted with the Company's lawyers as to the basis of your claim.

I am advised that your company and Shell have enjoyed many years of good business relations and it is to be hoped that this relationship will continue in years to come. However, following consultation with our lawyers the Company cannot accept that there is any basis for a claim by your company in respect of the Nintendo promotion.

The draft Statement of Claim was also referred to our lawyers whose opinion is that it does not reveal any basis for a claim. However, they wrote to your Solicitors on a without prejudice basis in order to discuss the matter with a view to settling it, should the meeting reveal any new grounds for an action against Shell. I believe that when this was communicated to you, you declined to attend the proposed meeting. Nevertheless, should you wish, we are still prepared to go over these matters in a without prejudice meeting.

However, as things stand, I am restating, with the benefit of advice from our lawyers that I do not believe that the adoption of the promotion selected by Shell gives rise to any right of action by you and therefore there is no question of submitting the matter for arbitration or other form of negotiation. Any claim which you pursue will be vigorously defended.

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I trust that this letter will put the Company's position in this matter beyond doubt and I hope that the previous good business relationship between yourself and the Company's Marketing Department can be resumed.

Yours sincerely

David Varney.

David Varney
Managing Director