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Your Ref

Our Ref JXM/01105457/ST4

25 June 1999

Dear Sir

John Donovan v Shell UK Limited

We refer to the observations of Mr Justice Laddie noted in the transcript for day 6 between page 63 line 22 and page 64 line 19.

Our client, Shell UK Limited, has instructed us to put forward a proposal for settlement in the terms of the accompanying draft Deed of Compromise. It is our client's wish that this offer of settlement should be treated as an open offer. We therefore make it plain that our client waives any privilege that might otherwise have attached to the offer by reason of Rule 36.19(1) of the Civil Procedure Rules or at common law.

The offer of settlement along the lines indicated in the accompanying draft Deed of Compromise is made with a view to promoting peace between the parties and drawing a line under the disputes which have divided them. It should not be construed as a sign of weakness or lack of determination to proceed if matters cannot be resolved by agreement. Our client considers that an agreement in terms of the draft Deed of Compromise would provide an even-handed basis for a clean break with the past. Numbered clauses 3 to 5 of the draft Deed are intended to provide an orderly framework for the future by confining the compromising parties to neutral and non-inflammatory comments and observations with regard to the nature and effect of the compromise.

We invite you to respond constructively to this proposal before further substantial costs are incurred in connection with the conduct of the present litigation. The potential to save costs decreases with the passage of time. Our client is therefore not prepared to allow the offer of settlement to remain open for acceptance indefinitely and you should proceed upon the basis

Mr Alfred Donovan
Maplebank

25 June 1999

that this offer will cease to be capable of acceptance at 5pm on Tuesday 29 June 1999 unless you hear from us to the contrary.

Please note that we propose to bring this letter and its enclosure to the attention of the court at the next appropriate opportunity.

Yours faithfully

