

15th April 2005

Cynotech Holdings Limited
PO Box 9846
Newmarket
Auckland

**PROPOSED SHAREHOLDERS RESOLUTIONS ALLOTING 1812121
SHARES**

We refer to the proposed resolution of shareholders of Cynotech Holdings Limited (The Company)

Approving the allotment of 1812121 shares to RHC Guy and LK Moore as trustees of the Cleveland

No3 Trust arising from the conversion of 1812121 Convertible Notes issued by the Company and held by Cleveland No3 Trust

Pursuant to Rule 16(g) of the Takeovers Code, we advise that – apart from the agreement between Cleveland No3 Trust and the Company in respect of the matters referred to in paragraphs (a) to (e) of Rule 16 of the Takeovers Code and as set out in the general and specific explanatory notes to the Resolution contained in the Notice – particulars of agreement(s) or arrangement(s) (whether legally enforceable or not) which have been, or are intended to be, entered into Cleveland No3 Trust person relating to the allotment, holding, or control of the voting securities to be allotted, or to the exercise of the voting right in the Company are as follow:

CSL has loaned monies to R. Guy and Cleveland Trust to assist the financing of the shares and convertible notes issued to them in the December 2004 rights issue. Mr Guy and Cleveland Trust have given CSL security over their holding of convertible notes and shares in Cynotech Holdings Ltd

Cleveland No3 Trust



Trustee

