

Newmarket Securities Ltd

PO Box 9846, Newmarket, Auckland

Ph 09-520-6073 Fax 09-912-2124

18th April 2005

Cynotech Holdings Limited
PO Box 9846
Newmarket
AUCKLAND

PROPOSED SHAREHOLDERS RESOLUTION ALLOTING 7,975,286 SHARES

We refer to the proposed resolution of shareholders of Cynotech Holdings Limited (the Company) approving the allotment of 7,975,286 shares to Newmarket Securities Limited (NSL), arising from conversion of 7,975,286 Convertible Notes issued by the Company and held by NSL.

Pursuant to Rule 16(g) of the Takeovers Code, we confirm that – other than arrangements between NSL 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 of Shareholders Meeting – no agreement or arrangement (whether legally enforceable or not) has been, or is intended to be, entered into between NSL and any other person relating to the allotment, holding, control of the voting securities to be allotted, or to the exercise of voting rights in the Company.

It is noted however that because of the commonality in the directorship and shareholding of Cynotech Securities Limited and NSL, it is probable that in many situations they will act in the same way in relation to their respective shareholdings in the Company.

Newmarket Securities Limited

Director