

Friday, February 24, 2006

Newsletter to all Select Design Technologies Limited (SDTL) – Shareholders

Dear shareholder,

It gives me great pleasure to inform you that ***I am back*** as Chief Executive Officer (CEO) of SDTL and responsible for the “day-to-day” business operations of SDTL. Mr. Stockings & Mr. Kogler have resigned. Mr. David Diamond has returned back as Executive Chairman (1st appointed 2000 resigned June 2005, reappointed February 2006).

- I am the original founder / investor & CEO of SDTL in June 1999 to 2003, and the 2nd largest shareholder.
- After leaving SDTL I founded in 2003 “International Innovations Limited” (IIL) which is the owner of a Quick Inductive Shifting System “QISS” actuator designed for SDTL’s Smartmatic transmission many years ago for the “controlling of cone clutches”. A video movie showing QISS can be seen on SDTL’s website www.selectdesign.com.au & also the IIL website www.internationalinnovations.com.au . IIL Executive Directors include European automotive transmission expert Mr. Franz Jegel who lives in Austria. Franz’s engineering company www.ghm-engineering.at consults to the biggest automotive companies in Europe including AVL , ZF, MAN, Magna and many more. Mr. Bernd Pfeifer was Deputy Vice President of Engineering / Marketing at the world’s largest automotive research development laboratory known as “AVL List GmbH” in Graz / Austria. And myself, I am Executive Chairman and CEO. Mr. Hargreaves, Mr. Jegel & Mr. Pfeifer are the three biggest shareholders in IIL with 108 shareholders, and SDTL has 470 shareholders.
- SDTL used the services of “AVL List GmbH” in Graz / Austria in 1999 to 2003 and is how I meet Mr. Pfeifer.
- Mr. Jegel was the consultant to AVL at that time for SDTL’s “Smartmatic” transmission, and how / why QISS was designed by Mr. Jegel (now fully 100% owned by IIL). IIL also owns a power system “EUROAMPS” using “Waste Heat” and has sold a license to Euroenergie in Germany (see IIL website video and information).

****** On the 17th of February 2006 SDTL & IIL signed a License Agreement** to share 50/50 the costs & marketing of transmissions using both SDTL & IIL transmission patents. The benefits of SDTL patents is “cone clutches” have been proven to use 75% LESS axial force to engage than “flat clutches”. QISS is controlled by electro / magnetic system.. SDTL & IIL engineers and patents will now build and market transmissions using our combinations of PATENTS, ENGINEERING EXPERTISE and INDUSTRY CONTACTS for success worldwide!

PLEASE, take the time to subscribe your name and email address on our NEW SDTL WEBSITE www.selectdesign.com.au so our MONTHLY NEWSLETTERS and ANNOUNCEMENTS can be emailed to you, I look forward to keeping you fully informed.

Kindest regards,



Stephen M. Hargreaves
Chief Executive Officer for www.selectdesign.com.au