## AMERICAN PACIFIC CORPORATION

AMPAC

December 20, 1999

MARKNADSDOM 16 Ink 2003 -05- 1 6 Dnr C/2/03 Aktbil / 0

Mr. Managing Director Sprinklerhuset Strömfallsvägen 20 135 49 Tyresö Sweden

Subj: "Halotron" Fire Protection Products

Dear Mr.

It has come to our attention that Sprinklerhuset is currently offering for sale in the commercial market place a product known as "Halotron FS 49 C" (or alternatively known as "Halotron II"). American Pacific Corporation – Halotron Division (formerly Ampac, Inc./Halotron, Inc.), a USA based specialty chemical company, is the owner of the worldwide rights to produce and sell the "Halotron" fire protection products. This was recently confirmed by the American Arbitration Association (AAA), in its July 22, 1999 Partial Award in the matter of Ampac, Inc. vs. Sydsvensk Produktutveckling AB, a Swedish Corporation, and \_\_\_\_\_\_\_, Case Number 81.153.002696 (attached). The decision of the AAA is readily enforceable in Sweden, as well as other countries.

We are aware that despite his conveyance of exclusive rights to this product to us in 1992, Mr.

has continued to attempt to market Halotron fire extinguishing agents to other distributors. In addition, other companies might have fraudulently represented to others that they own rights to Halotron fire extinguishing agents. The attached arbitration award as well as the voluminous literature published in international trade publications since 1993 should make it clear to Sprinklerhuset that American Pacific Corporation, based in Las Vegas, Nevada, USA, is the sole owner of the Halotron fire protection technology and the "Halotron" name. We have created, at great expense, the "Halotron" market through our marketing program over the last six years.

We have observed that Sprinklerhuset, in published literature (see attached excerpt from your internet site), claims that it supplies "Halotron FS 49 C."

As the owner of all rights to Halotron products, we insist that Sprinklerhuset immediately cease all sales and marketing of the Halotron products and use of the Halotron name. If you wish to continue sales of the products, you should contact us directly to discuss the possibility of a license agreement allowing you to sell Halotron FS 49 C. This also applies to all completed or contemplated installations, including those made for the Swedish and Norweigan Defense Forces, and commercial maritime applications. To that end, we request that Sprinklerhuset provide detailed information on all previously

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completed Halotron installations, so that compensatory issues can be discussed and settled.

We fully intend to preserve our rights. The unauthorized distribution by Sprinklerhuset of our technology and products is a violation of law, is detrimental to our company and materially affects our ability to do business in the fire protection industry. Again, we have spent substantial resources establishing the "Halotron" market that Sprinklerhuset appears to be attempting to invade without regard to our rights. Your immediate response to our concerns is required.

If a response is not received by us, on all pending questions, at the address below, by fax or otherwise, before January 3, 2000, we will be forced to pursue our remedies in a different way in order to preserve our rights. This alternative is not our preference, but we really have no other choice if you decide to be non-responsive.

We await your response.

Sincerely,

Executive Vice President

cc: 1

Mr. Göteborg, Sweden , Lagerlöf and Leman Advokatbyrå

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Göteborg 2001-04-02

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Solvay Flour und Derivate GmbH

Attn.

P.O. Box 220

D-30002 Hannover

Tyskland

Personnamn borttagna ur bilagan /ms

With reference to my letter to you of the 28th of March this year as counsel for American Pacific Corporation (AMPAC) I would like to make the following amendment thereto.

AMPAC believes that you might be supplying HFC-134a and/or HFC-125 and/or HCFC-123 to unauthorized manufacturers of "Halotron II" or "Halotron IIB" or equivalent that are operating in bad faith without the consent of AMPAC.

Looking forward to your reply and confirmation as asked for in my letter of the 28th of March.

With kind regards,

