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INSTALLATION AND DEPLOYMENT OF LOCATALITE TECHNOLOGY

This letter is to confirm details of our recent discussion regarding installation and deployment of LocataLite technology.

Locata's radio-positioning technology is a high-accuracy Positioning, Navigation and Timing system designed for professional, high-end engineering applications. As the technology is unique and proprietary, the installation and deployment of LocataLites in positioning networks (LocataNets) requires significant engineering knowledge.
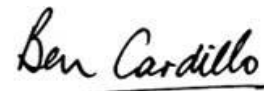
Locata's business model is based on establishing a global network of Locata Technology Integrators ("LTIs") that sell directly to end customers. The only exception is when Locata directly installs a demonstration network that will be used by a prospective LTI that wishes to develop new user applications for its clients.

To be appointed as an LTI requires a prospective LTI to second a number of engineering and field technical staff to undergo extensive technology familiarisation. For example, those engineers are required to work alongside Locata's technical staff on a LocataNet deployment before they are deemed to have acquired sufficient skills to design and install their own networks. Even in those instances, it is standard operating procedure for one of Locata's senior navigation engineers to inspect and approve a new LocataNet before commissioning the network.

Critically, for any LocataNet to operate according to its design specification, each LocataLite in the network must use Locata's approved antenna and the specified shielded LAN cable. Each LocataLite setup is tested for RF radiation losses, etc., as failure to comply with Locata's network specifications may render the network inoperative or result in sub-optimal network performance.

For the avoidance of doubt, a LocataNet and all the LocataLites and antennas that constitute the network are deployed according to a specified network geometry to enable a defined radio-positioning application required by an end-user. For this reason, LocataLites cannot be considered as general purpose RF devices. They can only be used in application-specific networks operating in controlled environments.

Regards

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