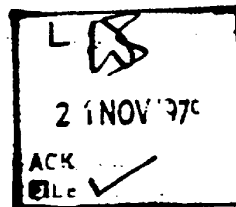


38 REGENT'S PARK ROAD MILLBROOK SOUTHAMPTON Southampton 72466

NEW/LAP

20 November, 1979

Mr. R. M. Gibb,
Imperial Tobacco Limited,
P.O. Box 6500,
Montreal,
H3C 3L6,
Canada.



Dear Bob,

Following our meeting with the people from W.T. during your visit, we undertook to provide IT with some data on which a fresh assessment of the viability of PRT in Canada could be made.

Peter and I have come to the conclusion that at this stage the feasibility study undertaken by WT for B&W will be the best starting point, which is enclosed. This can be backed up by reference to the PRT 'Know Books', Volumes 1-3, which I forwarded to you earlier this year.

From our discussions at Butler's Court we formed the opinion that changes to, say, the Foudrinier or sheet forming part of the process would not provide a significant reduction on either overall capital cost or in conversion cost, unless the process was further changed to eliminate the extraction/impregnation steps.

The elimination of the extraction/impregnation steps is central to the RL process. At this stage it would not seem appropriate to extend that development beyond the present plant size, and the work by the Austrian Monopoly.

Should the current RL plant achieve successful continuous operation then the question could be reviewed. However, it is still problematical whether at the scale you envisage the costs of developing a new process variant rather than applying the present PRT technology would be worthwhile. This has

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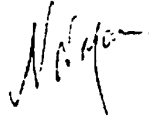
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Mr. R. M. Gibb,
Imperial Tobacco Limited.

20 November, 1979

been underlined by the closing of the Glory Mill facility which has denied us the opportunity to explore and develop alternative paper type processes.

Yours sincerely,



N. E. WILLIS

Encs

CC

L.C.F. Blackman,
A.L. Heard,
P.J. Nicholl.

109841808