



Recoilless Technologies International Corp. Limited

XXI Century Pioneer of Recoilless Technologies

Thursday 1 February 2007

Dear Shareholders,

Following on from the significant progress made in 2006, RTI can look forward to continued and rapid growth in 2007.

RTI took its first major steps towards commercialising its technology in 2006, signing agreements with Tactical Aerospace Group (TAG) to produce an Unmanned Aerial Vehicle prototype and more recently with one of Poland's leading military weapons manufacturers Huta Stalowa Wola (HSW) to produce a recoilless artillery weapon.

RTI's revolutionary Recoilless Technology has come a long way from the days when it was simply a concept, now it is very much a reality, and we have the results to prove it.

Now that we have these agreements with manufacturers, and the promise of more to come, to commercialise this technology, interest in RTI has grown even further.

The challenge we face this year is to keep pace with the growing interest and consolidate on the advancements made with our technology. There is much work to be done, and everyone is working overtime to ensure that we are well positioned to capitalise on the hard work that has taken place over the past six years.

We are now in an exciting period and perhaps the most pleasing thing is that with each day, the application of this technology becomes one step closer to reality. As with many technologies that are revolutionary, there will always be some people, however, sceptical of what is being produced.

The positive news is that these perceptions are quickly starting to change, as RTI sets about proving that our Recoilless Technology is a reality. People, manufacturers and other companies have seen first hand what RTI is capable of and our credibility has grown.

Our achievements, however would not be possible without a committed and driven team. The enthusiasm, knowledge and energy which our current staff display every day is a great sign for the future of RTI. Their continued effort and positive attitude will ensure that challenges will be overcome.

We are on track and this year the versatility of our technology will be showcased when its application to impact tools is revealed. This promises to be just as exciting as the advancements we have made with defence systems and will further cement RTI's position as the world leader in the control and elimination of recoil.

I am looking forward to working for all of RTI's shareholders and staff to realise the potential of this unique technology.

Peter Dunn, AO
Chief Executive Officer