

MR. ROGERS, EXAM. BY MR. MERRICK

1 Q. -- pointing out to him the fact that getting this  
2 amount of monies was going to be a problem?

3 A. Yeah.

4 Q. Now over on page 8, the financial analysis, fourth  
5 paragraph, you say, "There's currently no DRIE budget  
6 allocation for this project and funds would have to be  
7 taken from other DRIE..." et cetera, et cetera. And then  
8 you talk about the financial viability, I guess of this.  
9 I'm assuming from that paragraph that what you're saying  
10 is that this a project that was not particularly viable  
11 on its own and would require some incentive by way of  
12 government assistance. Have I got that right?

13 A. In there -- we have to -- just let me -- just let me  
14 -- I'm trying to find one other thing in this document  
15 before I answer your question.

16 Q. All right.

17 A. Now I think what has happened here is that -- or  
18 what you see here is a document in a state of evolution.  
19 First of all, the financial analysis here which refers to  
20 low levels of return and, in fact, losses, is based on a  
21 volume of 660,000 tonnes of production, and the final  
22 project was based on 975,000 tonnes. So that the first  
23 defect in the whole financial analysis was the fact that  
24 the volumes were almost a third less than was finally  
25 committed in the marketing plan and the contracts with