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This document is an admission document required by the rules of the AIM, a market of the London Stock Exchange plc. This document does not comprise a Prospectus for the purposes of the Prospectus Rules issued by the Financial Services Authority. This document constitutes a prospectus for the purposes of the Isle of Man Companies Act 1931 (the "Act") and for the purposes of the Act is issued in connection with a "private placement" within the meaning of the Isle of Man Companies (Private Placement) (Prospectus Exemptions) Regulations 2000 and, accordingly, is exempt from the provisions of the Act relating to the content of prospectuses and other technical rules relating to prospectuses. Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood, One, St. Paul's Churchyard, London EC4M 8SH for a period of one month from Admission in accordance with Rule 3 of the AIM Rules.

The Directors of the Company, whose names appear on page 10 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for the Ordinary Shares and Warrants issued and to be issued pursuant to the Placing to be admitted to trading on AIM. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UKLA. The rules of AIM are less demanding than those of the Official List of the UKLA. It is emphasised that no application is being made for admission of the Ordinary Shares and Warrants to the Official List of the UKLA. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.** It is expected that Admission will take place, and dealings in the Ordinary Shares and Warrants will commence on AIM, on 12 July 2007.

Your attention is drawn in particular to the section entitled "Risk Factors" in Part II of this document.

PME African Infrastructure Opportunities plc

(Incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 with registered number 120060C)

**Placing of up to 180,450,000 ordinary shares of 1¢ each
at US\$1 per share
(with Warrants attached)**

Admission to trading on AIM

Nominated Adviser

Smith & Williamson Corporate Finance Limited

Financial Adviser, Placing Agent and Broker
Fairfax I.S. PLC

Distribution Adviser

Helvetica (Isle of Man) Company Limited

Fairfax I.S. PLC, which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange, is acting exclusively for the Company and no one else in connection with the Placing and the proposed Admission. Fairfax I.S. PLC will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Fairfax I.S. PLC nor for providing advice in relation to the transactions and arrangements detailed in this document. The responsibilities of Fairfax I.S. PLC as the Company's Broker for the purposes of the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. Fairfax I.S. PLC is not making any representation or warranty, express or implied, as to the contents of this document.

Smith & Williamson Corporate Finance Limited, which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange, is acting exclusively for the Company and no one else in connection with the Placing and the proposed Admission. Smith & Williamson Corporate Finance Limited will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Smith & Williamson Corporate Finance Limited nor for providing advice in relation to the transactions and arrangements detailed in this document. The responsibilities of Smith & Williamson Corporate Finance Limited as the Company's Nominated Adviser for the purposes of the

AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of his decision to acquire Ordinary Shares in reliance on any part of this document. Smith & Williamson Corporate Finance Limited is not making any representation or warranty, express or implied, as to the contents of this document. Helvetica (Isle of Man) Company Limited is licensed to conduct Investment Business by the Isle of Man Government Financial Supervision Commission.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares and Warrants in any jurisdiction in which such offer or solicitation is unlawful. In particular the Ordinary Shares and Warrants offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the “Securities Act”) or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Republic of South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Republic of South Africa or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia, Republic of South Africa or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

No Ordinary Shares have been offered or sold, or will be offered or sold, to the public in any Member State of the European Economic Area which has implemented Directive 2003/71/EC (the “Prospectus Directive”) prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the relevant Member State or, where appropriate, approved by the competent authority in another Member State and notified to the competent authority in the relevant Member State, all in accordance with the Prospectus Directive except: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000; and (ii) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

The Placing Shares described herein may not, directly or indirectly, be offered or acquired in the Netherlands and this document may not be circulated in the Netherlands as part of initial distribution or any time thereafter, except to or by individuals or entities whose ordinary business or profession:

- (a) is to trade or invest in securities; or
- (b) involves the acquisition and disposal of real estate;

in either case within the meaning of Article 1(1) of the Exemption Regulation pursuant to the Act on the supervision of collective investment schemes (Vrijstellingsregeling Wet Toezicht Beleggingsinstellingen).

No copy of this document has been lodged with the Australian Securities and Investments Commission (ASIC). This document may only be issued or passed on to persons to whom it may lawfully be communicated under the Corporations Act 2001 (CA). The Ordinary Shares are offered for issue or sale in Australia only to persons who are professional investors (as defined in the CA) or to other persons to whom the making of the Offer or the issue would not require lodgement of a prospectus with ASIC under Chapter 6D.2 of the CA. Prospective investors may apply for Ordinary Shares only if they are willing to make a representation to the Company as to their status to that effect. This document should not be considered financial product advice to invest in Ordinary Shares made by the Company or any other person connected or associated with the Company. If you apply for Ordinary Shares, you will be required to provide personal information to the Company and the Administrator and Registrar. This information will be collected, held and used in order to assess your application, and if your application is accepted to service your needs as an investor, including to provide the facilities and services you request and carry out appropriate administration.

These materials are supplied to you either on a private basis or in response to your specific request, and not in response to any public marketing by Helvetica (Isle of Man) Company Limited and/or any other entities of the Helvetica Group of companies and/or Fairfax I.S. PLC. You should note that the products to which these materials relate are not authorised by the Securities and Futures Commission in Hong Kong for public marketing in Hong Kong. These materials are for your personal use only and must not be copied or distributed to third parties.

The offer of shares in the Company is restricted in New Zealand to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money. This offering document does not constitute and should not be construed as an offer, invitation, proposal or recommendation to apply for securities in the Company by members of the public in New Zealand. Applications or any requests for information from members of the public will not be accepted.

The distribution of this material is restricted in Singapore to persons who are “institutional investors” as mentioned in section 274 of the Securities and Futures Act (Cap. 289) (“the SFA”) or who are “relevant persons” as defined in section 275(2) of the SFA. These materials are supplied to you either on a private basis or in response to your specific request or previous expression of interest, and not in response to any public marketing or advertisement by Helvetica, Helvetica (Isle of Man) Company Limited and/or any other entities of the Helvetica Group of companies and/or Fairfax I.S. PLC. These materials are for your personal use only and must not be copied or distributed to third parties.

The Company is not and does not qualify as a foreign investment fund under Article 45 of the Swiss Federal Mutual Fund Act of 18 March 1994. Shares may only be offered and this document may only be distributed in Switzerland to investors whose assets are professionally managed provided that no public offer is made. Investors should consult their own professional advisers on the regulatory and tax implications of their acquiring, holding or disposing of Ordinary Shares under the laws of the jurisdiction in which they are liable to taxation.

The Placing Shares have not been and will not be offered or sold to the public in France (“appel public à l’épargne”), and no offering or marketing materials relating to the Placing Shares may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in the Republic of France.

The Placing Shares may only be offered or sold in France to qualified investors (“investisseurs qualifiés”), to a limited group of investors (“cercle restreint d’investisseurs”), and/or to providers of investment services relating to portfolio management for the account of third parties, as defined in and in accordance with articles L.411-1, L.411-2, D.411-1 and D.411-2 of the French Code monétaire et financier.

Prospective investors are informed that:

- (a) this document has not been admitted for clearance to the French financial market authority (Autorité des Marchés Financiers);
- (b) in compliance with articles L.411-1; L.411-2, D.411-1 through D.411-4 of the French Code monétaire et financier, any investors subscribing for the Placing Shares should be acting for their own account; and
- (c) the direct and indirect distribution or sale to the public of the Placing Shares acquired by them may only be made in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 of the French Code monétaire et financier.

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PLACING STATISTICS

Placing Price	\$1.00
Number of Ordinary Shares being issued pursuant to the Placing	up to 180,450,000
Number of Warrants being issued pursuant to the Placing	36,090,000
Estimated expenses of the Placing payable by the Company*	\$7,246,239
Estimated net proceeds of the Placing receivable by the Company*	\$173,203,761
Market capitalisation at the Placing Price following Admission*	\$180,450,000

* assuming the Placing is fully subscribed

EXPECTED PLACING AND ADMISSION TIMETABLE

Payment from placees in uncertificated form through CREST	12 July 2007
Admission to trading on AIM and commencement of dealings	12 July 2007
CREST stock accounts credited (as applicable)	12 July 2007
Despatch of definitive share certificates (as applicable)	Week commencing 23 July 2007

DEFINITIONS

“Act”	the Isle of Man Companies Act 1931;
“Adjusted NAV per Ordinary Share”	as at a particular time, the sum of A and B where: <ul style="list-style-type: none">(i) A is the Net Asset Value at that time calculated on a basis that does not recognise any liability of the Company to the Manager in respect of any performance fee that is, or may become, payable, divided by the number of Ordinary Shares in issue at that time; and(ii) B is the aggregate of the amount of any dividends paid or distributions made by the Company at any time after Admission divided by the time weighted average of the number of Ordinary Shares in issue since Admission to the end of the relevant performance period;
“Administrator”	Anglo Irish Fund Services Limited or such other administrator as may be appointed by the Company from time to time;
“Admission”	the admission of the Ordinary Shares and Warrants, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with the AIM Rules;
“AIM”	a market of the London Stock Exchange;
“AIM Rules”	the rules of AIM;
“Articles”	the articles of association of the Company, a summary of which is set out in paragraph 5 of Part IX of this document;
“Board” or “Directors”	the board of directors of the Company including a duly constituted committee thereof;
“Business Day”	any day on which banks are open for business in the United Kingdom and the Isle of Man;
“Company”	PME African Infrastructure Opportunities plc;
“Conversion”	means the conversion of the C Shares;
“Conversion Date”	means the close of business on such Business Day as may be selected by the Directors provided that such day shall not be more than twenty Business Days after the Calculation Date;
“C Shares”	means the conversion shares of US\$1 each in the capital of the Company;
“C Share Surplus”	means the net assets of the Company attributable to the C Shares (for the avoidance of doubt, including any income and/or revenue arising from or relating to such assets less such proportion of the Company’s liabilities as the Directors shall allocate to the assets of the Company attributable to the C Shares, including an allowance for the fees and expenses of a liquidation or return of capital allocated to the assets of the Company attributable to the C Shares);
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;

“CRESTCo”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST;
“CREST Regulations”	the Uncertificated Securities Regulations 2005 in the Isle of Man;
“Custodian”	Anglo Irish Bank Corporation (I.O.M.) P.L.C. or such other custodian as may be appointed by the Company from time to time;
“Deferred Shares”	means redeemable deferred shares of US\$0.01 each in the capital of the Company arising upon Conversion;
“Distribution Adviser”	Helvetica (Isle of Man) Company Limited;
“Financial Services Authority” or “FSA”	the United Kingdom Financial Services Authority;
“Force Majeure Circumstances”	means any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 85 per cent. of the Net Proceeds have been Invested in accordance with the Company’s investment policy;
“GDP”	Gross Domestic Product;
“Group”	the Company and its subsidiaries;
“Gross Asset Value”	the aggregate value of the assets of the Company on a consolidated basis including net distributable and undistributed income less current liabilities of the Company but excluding any proportion of the principal monies borrowed for investments by the Group that are treated as current liabilities;
“IFRS”	International Financial Reporting Standards;
“Invested”	means when the assets concerned have been expended by or on behalf of the Company and its subsidiaries in the acquisition or making of an investment (whether by subscription or purchase);
“Investment Manager” or “PME Infrastructure Managers”	PME Infrastructure Managers Limited;
“Issue Date”	means the day on which the Company receives the Net Proceeds of the issue of the C Shares;
“Law”	the Isle of Man Companies Acts 1931 to 2004 and subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force;
“London Stock Exchange”	London Stock Exchange plc;
“Management Agreement”	the agreement dated 6 July 2007 between the Company and the Investment Manager as described in paragraph 7.1 of Part IX of this document;
“Memorandum”	the memorandum of association of the Company;
“Net Asset Value” and “Net Asset Value per Ordinary Share”	respectively the net asset value of the Company and the net asset value of an Ordinary Share;

“Net Proceeds”	means the net cash proceeds of the issue of the C Shares (after deduction of all commissions and expenses relating thereto and payable by the Company);
“New Ordinary Shares”	means new Ordinary Shares arising on Conversion which, on issue, shall rank <i>pari passu</i> with the then existing ordinary shares of the Company for the time being in issue;
“Nominated Adviser” or “Smith & Williamson”	Smith & Williamson Corporate Finance Limited;
“Nominated Adviser Agreement”	the agreement dated 6 July 2007 between the Company and the Nominated Adviser as described in paragraph 7.6 of Part IX of this document;
“North Africa”	the northernmost region of the African continent which includes the territories of Algeria, Egypt, Libya, Morocco and Tunisia;
“ODA”	overseas direct assistance;
“OECD”	the Organisation for Economic Co-operation and Development;
“Ordinary Shares”	ordinary shares of US\$0.01 each in the capital of the Company;
“Ordinary Share Surplus”	means the net assets of the Company less the C Share Surplus;
“Placing”	the conditional placing by Fairfax I.S. PLC on behalf of the Company for up to 180,450,000 Ordinary Shares with warrants attached at US\$1.00 per share pursuant to the terms of the Placing Agreement;
“Placing Agent” or “Broker” or “Financial Adviser” or “Fairfax”	Fairfax I.S. PLC;
“Placing Agreement”	the conditional agreement dated 6 July 2007 between the Company, the Directors, the Investment Manager, the Placing Agent, the Nominated Adviser and the Distribution Adviser, relating to the Placing, as described in paragraph 7.2 of Part IX of this document;
“Placing Price”	US\$1.00 per Ordinary Share;
“Placing Shares”	up to 180,450,000 Ordinary Shares to be issued at the Placing Price pursuant to the Placing;
“R” or “Rand”	the lawful currency from time to time of the Republic of South Africa;
“Shareholders”	holders of Ordinary Shares;
“Sub-Saharan Africa”	those countries of the African continent that are not considered part of North Africa;
“UKLA”	the United Kingdom Listing Authority, being the FSA acting in its capacity as the competent authority for the purposes of Part 6 of the Financial Services and Markets Act 2000;
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

“US” or “United States”	United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“US\$” or “\$” or “Dollars”	means United States Dollars, the lawful currency of the United States;
“Warrants”	Warrants to subscribe for Ordinary Shares in the Company;
“Warrantholders”	the holders of Warrants in the Company;
“£”	pounds sterling, the lawful currency from time to time of the United Kingdom.

DIRECTORS AND ADVISERS

Directors

David von Simson (*Chairman*)
Lawrence Kearns
Paul MacDonald
Graça Machel
Brian Myerson

all of the registered office below

Company Secretary

Suzanne McSheffery

Registered Office

Jubilee Buildings
Victoria Street
Douglas
Isle of Man IM1 2SH

Financial Adviser, Broker and Placing Agent

Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London
W1J 5AT

Nominated Adviser

Smith & Williamson Corporate Finance Limited
25 Moorgate
London
EC2R 6AY

Investment Manager

PME Infrastructure Managers Limited
c/o M&C Corporate Services Limited
PO Box 309 GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

Distribution Adviser

Helvetica (Isle of Man) Company Limited
38/40 Victoria Street
Douglas
Isle of Man IM1 2LB

Administrator and Registrar

Anglo Irish Fund Services Limited
Jubilee Buildings
Victoria Street
Douglas
Isle of Man IM1 2SH

CREST Service Provider

Capita Registrars (Jersey) Limited
Victoria Chambers
Liberation Square
113 The Esplanade
St Helier, Jersey JE2 3QA

English Legal Adviser to the Company

Stephenson Harwood
One, St. Paul's Churchyard
London EC4M 8SH

Isle of Man Legal Adviser to the Company

Dickinson Cruickshank
33 Athol Street
Douglas
Isle of Man IM1 1LB

Custodian

Anglo Irish Bank Corporation (I.O.M.) P.L.C.
Jubilee Buildings
Victoria Street
Douglas
Isle of Man IM1 2SH

Auditors

PricewaterhouseCoopers
Sixty Circular Road, 3rd Floor
Douglas
Isle of Man IM1 1SA

PART I

SUMMARY

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO, THE ADMISSION DOCUMENT.

Any investment decision relating to the Placing should be based on the consideration of this Admission Document as a whole.

The Company

PME African Infrastructure Opportunities Plc is a newly incorporated Isle of Man company and has been established to invest in African infrastructure and related opportunities. Its share capital is denominated in Dollars and consists of Ordinary Shares, which will be admitted to trading on AIM, and C Shares. The Ordinary Shares, with Warrants attached on the basis of one Warrant for every five Ordinary Shares, will be issued pursuant to the Placing. The C Shares may be placed as part of a future capital-raising, if required.

Investment Objective

The Company's investment objective is to achieve significant total return to investors through investing in various infrastructure projects and related opportunities across a range of countries in sub-Saharan Africa.

Investment Manager

PME Infrastructure Managers Limited has been appointed by the Company as Investment Manager and will be responsible for the management of the Company's assets.

Investment Strategy

The Company's investment strategy is to identify infrastructure opportunities across the region and the Company will focus on projects involving contracts or concessions with credit worthy clients.

The Company intends to invest in the transportation, telecommunications, energy, water and sanitation and infrastructure-related real estate sectors and to form part of public private partnerships. Investments will be made throughout sub-Saharan Africa with particular focus on investment into existing infrastructure operations and greenfield projects in Angola, Botswana, the Democratic Republic of Congo, Ethiopia, Ghana, Mozambique, Nigeria, South Africa, Tanzania and Zambia.

Market Opportunity

The ability to realise fully the continent's natural resources potential is dependent on infrastructure. The historical under-investment in Africa's infrastructure base is a limiting factor to unlocking the continent's resource potential and the Investment Manager believes that investment in infrastructure projects will present significant opportunities for capital growth and revenue generation. The Investment Manager estimates that in excess of US\$120 billion of infrastructure investment opportunities will be created in the next ten years as a result of infrastructure demands in Africa.

Investment Pipeline

The Investment Manager has identified a number of suitable development opportunities in sub-Saharan Africa in respect of which it has entered into preliminary discussions on behalf of the Company. The Investment Manager estimates that these opportunities in aggregate would require some US\$900 million in equity investment.

The Directors

The non-executive Board consists of David von Simson (Chairman), Larry Kearns, Paul MacDonald, Graça Machel and Brian Myerson. Further details are set out in Part V of this document.

Fees and Expenses

In consideration of the Investment Manager performing asset and portfolio management services, the Investment Manager will be paid a management fee of 1.25 per cent. per annum of the Gross Asset Value of the Company subject to a cap of 3 per cent. per annum of the Net Asset Value of the Company.

The Investment Manager may also receive a performance fee of 20 per cent. of the net income and capital cash returns to the Company (or any subsidiary of the Company) in respect of the Relevant Investment (as defined in the Management Agreement) provided that the Project Test has been passed (after allowing for the payment of the performance fee). For these purposes, the "Project Test" will be passed if the Company (or any subsidiary of the Company) has received in cash the return of all its cash invested in a Relevant Investment (which may include for this purpose cash invested by way of loan) and a return equivalent to an IRR (as defined in the Management Agreement) of 12 per cent. on such cash.

Further details on the performance fee are set out on page 38 of this document.

Distribution Policy

While the projects in which the Company invests are under construction the Company is unlikely to derive any significant income from those projects. Accordingly, it is not expected that the Company will have any profits available for distribution until either the Company is receiving significant revenues from its projects or it realises a profit from the disposal of one or more of its projects or a combination of both.

Once the Company has profits available for distribution the Board will determine its distribution policy at that time. It is the intention of the Board to prioritise the return to shareholders of the capital originally invested.

Borrowings

The Company intends to make use of debt facilities in local or foreign currency as and when required. In effecting local borrowings and using the Company's assets as security for external borrowings, any exchange control regulations applying to the relevant country will need to be complied with and, in certain circumstances, exchange control approval will be required.

The overall level of commercial borrowings on the Company's portfolio, at the date on which any borrowing is incurred, is expected to be a debt:equity ratio in the region of 70:30 although the Directors may from time to time review this ratio in the light of changing market circumstances and the particular investments made by the Company in order to maintain optimum gearing. It is the intention of the Directors that, as far as practicable, all borrowings will be secured against individual projects without recourse to the Company.

Hedging

The Directors do not presently intend to implement a hedging policy.

Risk factors

Potential investors should consider carefully the risk factors set out in Part II of this document, together with all information set out in this document and their own circumstances, before deciding to invest in the Company.

PART II

RISK FACTORS

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in the countries in which it invests as well as overall global financial conditions.

This is a high risk investment and investors may lose a substantial portion or even all of the money they invest in the Company. An investment in the Company is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

Investors should also take their own tax advice as to the consequences of their owning shares in the Company as well as receiving returns from it. No representation or warranty, express or implied, is given to investors as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and neither the Company, the Directors, the Investment Manager, the Nominated Adviser nor the Broker will be responsible for any tax consequences for any such investors.

Valuation risk

In assessing the consideration to be paid for its investment in a project, the Company, amongst other things, relies on market data, industry statistics and industry forecasts consisting of estimates compiled by industry professions, organisations, analysts or publicly available information. Industry publications generally state that their information is obtained from sources they believe to be reliable but that the accuracy and completeness of such information is not guaranteed and that the forecasts or projections they contain are based on a number of significant assumptions. Although the Company will use sources that are reliable, it may not always have access to the underlying information, methodology and other bases for such information and may not have independently verified the underlying information and, therefore, cannot guarantee its accuracy and completeness. Accordingly, errors in any of the assumptions or methodology employed by a third party in preparing a report on which the Company may place reliance may materially adversely affect the Company's valuation and therefore returns on any investment, business, results of operations, financial condition and prospects.

Project liability risk

The Investment Manager will carry out due diligence on proposed investments. Although the Investment Manager will exercise due care and attention in carrying out due diligence on proposed investments, there can be no guarantee that the due diligence process will highlight or eliminate all risks and liabilities (including weaknesses and uncertainties in local legal and regulatory systems) associated with the development of a project, and the project may incur, directly or indirectly, unexpected liabilities, such as environmental problems or operational defects requiring remediation which would adversely affect the return on the Company's investment.

Costs of socio-economic development

The Company and/or projects in which the Company invests, may be expected to contribute to socio-economic development programs such as building schools, building low cost housing and investing in the economy on commercial terms as part of off-set and incentive programs. Although contributing to such socio-economic development programs may result in favourable tax and regulatory treatment for the Company and/or the projects in which it invests, the requirement to invest in socio-economic development programs may have cost implications which could affect the overall returns to the Company. The cost implications of socio-economic development contributions will be taken into account during the feasibility studies performed prior to investing in each project.

Operational risks

Responsibility for individual infrastructure projects will be delegated to a project specific management team who will be responsible for the day to day management of the project and its performance will affect the Company's returns.

A project specific management team may fail to complete a project, mismanage a completed project, or otherwise default in its obligations under any agreements entered into in respect of a project in which the Company has an interest. Any such event could materially and adversely affect the prospects of profitability and/or the levels of profitability of a project.

The contractual arrangements with project specific management teams may not be effective in passing on risks to the project managers, which may result in a reduction in expected revenues for the project and this may result in unexpected costs or a reduction in expected revenues for a project and, accordingly, the Company.

Cost overruns on infrastructure projects

Infrastructure projects are often subject to cost overruns for a number of reasons such as unexpected planning conditions, design and construction complexity, changes to the design scope, exceptional weather conditions, delays in the delivery of materials, construction equipment failure, additional project funding costs and unforeseen ground conditions at a project site.

Any construction cost overrun in any infrastructure project in which the Company invests may be passed on to the relevant project manager only to the extent that such an overrun is a result of the project manager's default and any agreements with project management teams are effective in passing on the risk of cost overruns. If an overrun is the result of a legal or regulatory related delay, the relevant concession agreement will normally provide for compensation which may take the form of an augmented concession period. This may affect the financial condition and results of operations of the Company.

Difficulty of locating suitable investments

The activity of identifying, completing and realising attractive investments may from time to time be highly competitive and involve a high degree of uncertainty. The Company will be competing for investments with institutional infrastructure investors, as well as individuals, financial institutions and other investors. There can be no assurance that the Company will be able to locate and complete investments that satisfy its rate of return objective or realise their values or that it will be able to fully invest its available capital.

Controlling person liability

The Company is expected to have controlling interests in some of its investments through special purpose portfolio companies or other entities. The exercise of control over an entity may impose additional risks of liability for environmental damage, failure to supervise management, violation of government regulations or other types of liability in which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Company might suffer a significant loss.

Non-controlling interests

In certain cases, the Company may hold non-controlling interests in some of its investments and, therefore, may have limited ability to protect its position in such investments.

Management

The continued success of the Company will depend to some extent on the continued services and support of the Investment Manager, the Principle Capital Group, Masazane Capital (Pty) Limited and of individuals who may from time to time be engaged by the Investment Manager to provide services for the benefit of the Company. The loss of those services could have a material adverse effect on the Company's performance.

Furthermore, although it is intended that the Company will principally seek to invest in companies with strong and stable management, there can be no assurance that the existing management team of a portfolio company, or any new one, will be able to operate such company successfully. Furthermore, although the Investment Manager will monitor the performance of each portfolio company, it will primarily be the responsibility of project management teams to operate the business on a day-to-day basis.

Concentration risk

The Company's investment strategy is to invest in infrastructure investments in sub-Saharan Africa. It is intended that the Company will only participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Company may be substantially adversely affected by the unfavourable performance of even a single portfolio investment. Although it is the Investment Manager's intention to diversify the Company's portfolio, there can be no guarantee that the Investment Manager will be able to achieve diversification and failure to do so could adversely affect the performance of the Company.

Performance fees may create incentives for speculative investment

The performance fees payable to the Investment Manager may result in substantially higher payments to the Investment Manager than alternative arrangements in other types of investment vehicles. Performance fees may create an incentive for the Investment Manager to make or recommend riskier or more speculative investments than they would otherwise make in the absence of such fees.

Lack of binding agreements

The Company has not entered into any agreements in relation to the identified pipeline opportunities. The completion of each such acquisition depends upon, among other things, satisfactory completion of due diligence into the acquisition and the execution and delivery of final and binding agreements in a form mutually satisfactory to all the parties. There is no guarantee that the results of due diligence will be satisfactory or that the Investment Manager will be able to negotiate final agreements on acceptable terms.

Gearing and interest rate risk

The Company will use a wide array of funding instruments best suited to achieve the optimal after tax return and minimise credit and liquidity risk. The extent of the borrowings and the terms thereof will depend on the Company's ability to obtain credit instruments and the lenders' estimate of the stability of the free cash flow.

Any delay in obtaining or failure to obtain suitable or adequate financing from time to time may impair the Company's ability to invest and achieve its intended portfolio size within the projected timeframe or at all, which may impact negatively on the Company's investment performance and the return to Shareholders. The Company's borrowings will generally be secured against some or all of the assets held within the Company's subsidiaries, so far as practicable without recourse to the Company.

Gearing increases the returns to the equity providers but also increases the risk of financial loss when the investment severely underperforms. It can also be assumed that a large portion of debt will be raised, based on floating rates increasing interest rate risk that could affect the payback period of equity investors.

AIM

The Ordinary Shares and Warrants will be admitted to AIM and it is emphasised that no application is being made for admission of the Ordinary Shares and Warrants to the Official List of the UKLA. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List of the UKLA. The rules of AIM are less demanding than those of the Official List of the UKLA. Further, the London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Warrants

The Warrants have the potential for higher capital appreciation than the Ordinary Shares but at the same time their market price may be more volatile and there is a risk that they may become valueless.

Investors should be aware that the subscription rights attached to the Warrants are exercisable only during the subscription period at US\$1.25 per Ordinary Share. The exercise of the Warrants will result in a dilution of Shareholders' interests if the Net Asset Value per Ordinary Share exceeds the exercise price payable on the exercise of a Warrant at the relevant time.

The intrinsic value of a Warrant at any time will be the prevailing market price of an Ordinary Share less the subscription price payable per Warrant and, as such, is expected to rise or fall depending on whether the price of an Ordinary Share rises or falls. The market price of a Warrant may be higher than the intrinsic value of a Warrant, reflecting the potential geared returns available from an investment in the Warrants. The market price of the Warrants will be determined by market forces and there is no guarantee that they will have a market value.

In the event of the winding-up of the Company prior to the exercise of the subscription rights conferred by the Warrants, Warrant holders may receive a payment out of the assets which would otherwise be available for distribution amongst the Shareholders. This payment to Warrant holders may not necessarily be an amount equal to the market value of their Warrants.

Any Warrants not exercised on or before the final subscription date for the Warrants will lapse without any payment being made to the holders of such Warrants unless a trustee appointed by the Company determines that the net proceeds of sale of the Ordinary Shares that would be allotted on the exercise of such Warrants after deduction of all the costs and expenses of sale would exceed the costs of subscription.

Any repurchase of Ordinary Shares and/or Warrants may result in a change to the dilutive effect of the Warrants on the Net Asset Value per Ordinary Share.

Dividends

Any dividends will be dependent, *inter alia*, on sufficient distributable reserves being available to the Company and the financial position of the Company and any other relevant factors.

No guarantee as to future performance

There can be no assurance that the Company will be able to achieve the returns referred to in this document or that it will be fully invested within the timescales indicated.

Volatility of the value of the Company's assets

Investors should be aware that the value of the Ordinary Shares and Warrants may be volatile and may go down as well as up and investors may therefore not recover any or all of their original investment, especially as the market in Ordinary Shares and Warrants on AIM may have limited liquidity.

In addition, the price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. These factors could include the performance of the Company's operations, large purchases or sales of

Ordinary Shares and Warrants, liquidity (or absence of liquidity) in the Ordinary Shares and Warrants, currency fluctuations, legislative or regulatory or taxation changes and general economic conditions. The value of the Ordinary Shares and Warrants will therefore fluctuate and may not reflect their underlying asset value. Investors may realise less than the original amount invested.

Long-term nature of investments

Return of capital and realisation of gains, if any, generally will occur only upon the partial or complete disposal of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after such an investment is made. Investments in infrastructure projects are best suited for long-term investors.

Political, economic and social risk

The Company may from time to time make use of guarantees or political risk insurance products provided by entities such as the World Bank to help control losses associated with political risk or certain events in the Company's target countries. There is, however, no guarantee that these products will be available for this purpose or that the Company will use them, which may adversely affect the value of the Company's assets. Factors which will influence the availability and use by the Company of these products include the associated costs and delays of obtaining protection against political, economic and social risks.

In addition, the target countries' economies may differ favourably or unfavourably from other economies in several respects, including the rate of growth of GDP, the rate of inflation, resource self-sufficiency and balance of payments position. The occurrence of local unrest, or external tensions, could adversely affect the region's political and economic stability and, consequently, adversely affect the Company's investments.

Possible adverse economic conditions

The financial operations of the Company may be adversely affected by general economic conditions, by volatile market conditions applicable to markets generally or sub-Saharan African countries specifically or by the particular financial condition of other parties doing business with the Company.

Currency risk

Although the Company's investments will principally be in US Dollars, potential investors may be directly and indirectly exposed to some of the region's local currencies that have, in the past, displayed volatility when compared to the world's main currencies. The Company does not, at present, intend to employ any hedging.

Custody risk

The Company's investments are expected to be principally held through special purpose vehicles ("SPVs") and will not form a part of the assets for which the Custodian is responsible under the terms of the Custodian Agreement. Accordingly, the protection offered by having assets held by the Custodian will not be available in respect of these assets. The Custodian will act as custodian to the Company only, and will have no responsibility for the cash, assets or investments of the SPVs.

Regulatory and tax-related risks

Whilst the Company will use its reasonable endeavours to structure its investments to comply with local laws and regulations, as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that laws and regulations which may adversely impact the Company's ability to realise its investments will not be adopted. In such circumstances, the Company's ability to invest in the target countries' assets without suffering a material and adverse effect on its investments may be affected.

In addition, there may, in certain circumstances, be withholding tax or other taxes on the profits or other returns derived from the projects in which the Company has an investment which may change from time to time and which could have a material and adverse effect on the Company's performance.

The tax regimes applying in the Isle of Man and the countries in which the Company invests may change, thereby affecting the Company's tax treatment in these jurisdictions. The Company and the Investment Manager aim to structure the Company's investments in a manner that is generally tax-efficient for the majority of Shareholders. However, there can be no assurance that the structure of the Company or of any investment will be tax-efficient to any particular Shareholder.

The profitability of the Company will be in part dependent upon the continuation of a favourable regulatory climate with respect to its investments. The failure to obtain or to continue to comply with all necessary approvals, licences or permits, including renewals thereof or modifications thereto, may adversely affect the Company's performance, as could delays in obtaining such consents due to objections from third parties.

In addition, although the majority of returns to the Company are expected to be denominated in US Dollars, where returns to the Company are denominated in local currencies, the presence of exchange control regulations in the target countries may restrict the Company's ability to convert returns into foreign currency.

Shareholder tax

Investors should take their own tax advice as to the consequences of owning shares in the Company as well as receiving returns from it. In particular investors should be aware that ownership of shares in the Company can be treated in different ways in different jurisdictions. Due to the manner in which the Company may finance the acquisition of its investments, a proportion of the income of the Company may be interest income or derived from interest income.

New company

The Company was incorporated on 19 June 2007 and has no operating history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its investment objective. There can be no assurance that the Company will be able to achieve the returns referred to in this document. The Company's board of directors are all non-executive. Greater reliance is therefore placed upon the Investment Manager, which itself is a newly incorporated entity, with no operating history upon which potential investors may base an anticipated performance of the Company.

Information contained in this document relating to the performance of the management team's prior investments is not necessarily indicative of the future performance of the Company. Whilst each member of the management team has worked with one or more other team members on previous investments made, all of the team have not previously worked together as a group.

Forward-looking statements

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividends paid by, the Company to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Net Asset Value, present and future business strategies and income flows and the environment in which the Company will operate in the future.

These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

PART III

THE COMPANY

Introduction

The Company, which has been incorporated in the Isle of Man, has been established to invest in African infrastructure and related opportunities.

Investment Objective

The Company's investment objective is to achieve significant total return to investors through investing in various infrastructure projects and related opportunities across a range of countries in sub-Saharan Africa.

Africa is a rich source of mining resources for large developing and developed economies across the globe. However, the lack of investment in infrastructure has severely hampered Africa's ability to supply these mining resources. The Investment Manager believes that the trend towards commercialisation and privatisation of state-owned assets and economic reforms have increased the attractiveness of African infrastructure as an investment opportunity. The Investment Manager estimates that in excess of US\$120 billion of infrastructure investment opportunities will be created in the next ten years as a result of infrastructure demands in Africa.

Investment Management

PME Infrastructure Managers Limited has been retained to provide investment management services to the Company. Further information on the Investment Manager is set out in Part V of this document.

Investment Strategy

Africa has significant reserves of mining resources and exports of these resources have increased significantly in recent years and are expected to continue to do so. In addition to supplying key metals and minerals to the developed world, the surging raw material needs of newly industrialising, high growth economies have had a profound impact on Africa's strategic importance. This is clear from forecast import requirements from countries like China to service their existing economic expansion and the initiatives undertaken by the Chinese government, at a senior level, to secure access to resources.

The ability to fully realise the continent's natural resources potential is dependent on infrastructure. For example, to take advantage of certain natural resources requires energy to power their extraction and transport systems to export them in a cost effective manner. The historical under-investment in Africa's infrastructure base is a limiting factor to unlocking the continent's resource potential and the Investment Manager believes that investment in infrastructure projects will present significant opportunities for capital growth and revenue generation.

The Company's investment strategy is to identify infrastructure opportunities across the region and the Company will focus on projects involving contracts or concessions with credit worthy clients.

Africa has a substantial shortfall in financing for infrastructure projects. Infrastructure investment has been in decline in sub-Saharan Africa (in real terms) since the late 1980s and current needs reflect, in part, the consequences of this decline. The lack of investment in infrastructure has been influenced by a general lack of government resources, reduced overseas direct assistance and reduced private sector investment due to an underdeveloped private sector and negative perceptions of risk. The table below demonstrates the current percentage of the population of sub-Saharan Africa with access to basic infrastructure as compared to other regions of the world:

<i>Description</i>	<i>Sub-Saharan Africa</i>	<i>World</i>
Sanitation (% urban access)	53%	80%
Sanitation (% rural access)	28.1%	37.8%
Water (% urban access)	80%	95%
Water (% rural access)	42.5%	72.2%
Telephone mainlines (per 1,000 people)	17	180
Fixed line & mobile phone subscribers (per 1,000 people)	142	523
Internet users (per 1,000 people)	29	137
Electric power consumption (kWh per capita)*	550	2,606
Total road network (thousand of km)	959	32,350

* 2004 statistics, all the others 2005

Source: CIA World Fact book

A World Bank study released in November 2006 stated that boosting economic growth in sub-Saharan Africa is dependent, to a large extent, on expanding infrastructure investments. This is one of the most critical areas of action if the continent is to make up for missing two decades of global growth and replicate the models that have lifted millions of people out of poverty in other regions of the developed world.

According to the World Bank's Vice President for the African Region, Gobind Nankani, *"Africa is on the move and is perched on the cusp of breaking out of the long economic stagnation of the 1970s and 1980s. The last ten years have seen renewed growth and improved governance across a number of African States, setting the stage for taking advantage of opportunities that are emerging from a rapidly changing world economy."*

The World Bank estimates suggest that annual capital investment in infrastructure would need to double in order to support the targeted real growth rate in Africa.

Although infrastructure investment in excess of US\$120 billion is required in Africa, investment by the private sector has to date been limited. According to the World Bank, private investment in infrastructure in sub-Saharan Africa between 1990 and 2005 amounted to only US\$36 billion. Although private investment has increased, investment in 2005 still amounted to only US\$5.8 billion. By way of comparison, in developing countries in Europe and Central Asia a total of US\$182 billion was invested between 1990 and 2005 with US\$34.8 billion invested in 2005 alone.

The Company intends to invest in the transportation, telecommunications, energy, water and sanitation and infrastructure-related real estate sectors and to form part of public private partnerships.

The Company may also, with the approval of the Board, invest in projects linked to infrastructure investments made by the Company on an opportunistic basis, as determined by the Investment Manager.

Further detail on the Company's target sectors is set out in Part IV of this document.

The Company intends to target countries in sub-Saharan Africa where investment will be made into existing infrastructure operations and greenfield projects. Sub-Saharan Africa includes the following countries on which the Investment Manager intends to focus: Angola, Botswana, the Democratic Republic of Congo ("DRC"), Ethiopia, Ghana, Mozambique, Nigeria, South Africa, Tanzania and Zambia. In 2005, World Bank statistics estimated the population of sub-Saharan Africa to be 741 million, with a GDP of US\$615 billion and a growth rate of 5.3 per cent.

Further detail on the target countries in sub-Saharan Africa is set out in Part IV of this document.

Diversification

The Investment Manager believes that diversification across a number of countries and infrastructure sectors will contribute to lower investment risk and the Company therefore intends to maintain a diversified portfolio. Accordingly, the Company will not, without Board approval, invest:

- more than 15 per cent. of its net assets (at book cost) in any single investment; or
- more than 40 per cent. of its net assets (at book cost) in any one country; or
- more than 30 per cent. of its net assets (at book cost) in any one industry or economic group.

The Investment Manager anticipates that once the Company is substantially invested, the Company will hold investments in approximately 10 to 15 infrastructure or infrastructure-related projects.

Strategic Management

The Company will, where possible, invest in infrastructure projects and related opportunities through special purpose companies or other entities. The Company will seek to obtain controlling interests or significant minority interests in the projects in which it invests which will carry board representation and/or meaningful shareholder rights.

As infrastructure market opportunities are often in the early stages of development, a number of the Company's infrastructure projects may be focused toward capital growth rather than income generation. Over time, once investments have matured, the Company will seek to repackage or spin-off investments to yield focused investors.

Investments will be geared and the Company will look to work closely with international development agencies whose funding policies can generate attractive synergies while also mitigating political risk. By way of example, the Millennium Challenge Corporation (MCC) is a United States Government entity that has made in excess of US\$3 billion available to the poorest countries in the world, based on their performance against 16 independent and transparent policy indicators related to good governance and economic freedom. Of the 41 countries that have, so far, become eligible for MCC programme assistance, 20 are in sub-Saharan Africa including Ghana, Mozambique, Tanzania and Zambia which are countries that the Company intends to target. In a Compact Agreement signed with the government of Ghana, for example, US\$547 million has been made available to improve agriculture, transportation infrastructure and rural development. This level of investment may create commercial opportunities that will be attractive to the Company since they have the added benefit that the Government must maintain its adherence to the aforementioned policy indicators for the Compact Agreement to remain in force.

Primary exit strategies could include a sale to strategic or financial investors, listing on local, regional and/or international exchanges or a sale to existing shareholders.

Risk Management

The risks perceived in investing on the African continent often deter foreign investors. African governments acknowledge this and have made attempts to reassure foreign investors through guarantee and investment incentive schemes. Over and above these public sector guarantees external guarantees are also available. External guarantees and political risk insurance are provided by organisations such as the Multilateral Investment Guarantee Agency ("MIGA"). MIGA forms part of the World Bank Group and offers protection for currency inconvertibility and transfer restrictions, expropriation risk, war and civil disturbance or contract breach. In 2006, MIGA provided a total of 21 guarantees in sub-Saharan Africa, bringing the total gross exposure of the region to US\$873 million. Tenures of up to 15 years may be available. As part of the due diligence process, prospective investments will be evaluated for geopolitical risk and reliance on private and public sector guarantees and political risk insurance.

The Investment Manager undertakes, and will require each company or entity in which it invests to undertake, that its business will be carried out in such a way that ensures that no payment of value (whether by way of compensation, gift or otherwise) is made or received by the Investment Manager, the Company or any project company or their respective shareholders, officers, employees or affiliates which would improperly induce preferential treatment for those individuals or entities.

Investment Pipeline

The Company will invest in infrastructure and related industries through special purpose companies or other entities in order to minimise tax leakage and to maximise shareholders' return.

Sub-Saharan Africa Opportunities

The Investment Manager has identified a number of suitable infrastructure investment opportunities in various industries across the region. The aggregate equity investment of the opportunities is expected to amount to approximately US\$900 million and high-level details of each project are set out below:

<i>Country</i>	<i>Sector</i>	<i>Total Project Size US\$</i>	<i>Description</i>
Angola	Real Estate	45 million	Housing project in the capital. Parcels of land of various sizes available to be acquired and developed for oil and mining companies who will subsidise housing for both expatriate and local employees
Botswana	Telecoms	200 million	Acquisition of minority stake in only fixed line phone operator (third mobile phone licence awarded to fixed line operator and to be rolled out)
DRC	Telecoms	100 million	Acquisition of new operator with CDMA (data) license, a small network in Kinshasa and two earth stations to facilitate international traffic
Ethiopia	Transportation	160 million	Largest rail network in region. Opportunity to obtain control of 25 year concession
Ghana	Healthcare/ Pharmaceuticals	7 million	Investment in state of the art pharmaceutical manufacturing plant producing generic medicines, including ARVs
Mozambique	Transportation	70 million	Development and operation of toll road from capital to South African border
Mozambique	Transportation	150 million	Invest in an existing rail concession linking the largest natural deep water port on the east coast of Africa to northern Mozambique and Malawi, linking to the Zambian Railways system with onward access to southern DRC and Tanzania
South Africa	Transportation	43 million	Investment in new railway facilities to serve a large multinational mine for the transportation of ferrochrome raw and finished materials
Tanzania	Telecoms	50 million	Invest in newly established mobile phone operator making use of converged technology enabling the supply of services currently not offered by existing operators
Tanzania	Energy	75 million	East African petroleum group headquartered in Tanzania with a physical presence in six countries comprising retails outlets and tankage and cross border operations in many more. Opportunity to acquire a majority stake

Investment Process

The key element in achieving the Company's investment objective is the implementation of a rigorous investment process by the Investment Manager. The investment process will include thorough pre-investment and post-investment procedures.

The Investment Manager is responsible for sourcing investment opportunities through referrals, direct approaches and general and direct strategies employed by the Investment Manager to specific industries. The various pro-active strategies to be employed by the Investment Manager will be complemented by the extensive existing network of contacts of the Investment Manager. A comprehensive list of opportunities will be continuously generated enabling the Investment Manager to access the status of all potential transactions under investigation. The Investment Manager will hold regular internal meetings to monitor the status of potential investments and any issues arising thereon.

If a prospective investment is deemed of sufficient merit, a concise overview of the investment opportunity will be prepared and presented to the board of directors of the Investment Manager. An investment will not be recommended unless its investment rationale can be clearly defined and documented. The decision to pursue any transaction requires majority approval of the board of directors of the Investment Manager or of an appropriate investment committee appointed by the board of the Investment Manager.

If approval is given to pursue an opportunity, the Investment Manager, together with appropriate external experts such as accountants, lawyers and sector specific experts, will perform a detailed due diligence investigation and feasibility study. The Investment Manager will negotiate the terms and structure of a proposed investment with the objective of minimising risk and maximising return. Once a transaction has been negotiated an investment submission will be made to the Board to obtain approval for the investment. The investment submission will detail the investment case, due diligence investigation and feasibility study findings and the terms of the proposed investment. Majority approval from the Board will be required to pursue an investment.

Before any disbursement is made, the Investment Manager will prepare a pre-disbursement report. This report will review any conditions precedent, all legal documentation and any regulatory issues that may impact on the investment decision. The pre-disbursement report aims to identify whether investment terms approved by the Board are identical to those finally agreed. Any material variations would require Board approval.

The Investment Manager will monitor the Company's investments through regular formal and informal interactions with project management teams. The Investment Manager will generally seek to influence strategic decision making. Active investment portfolio monitoring is essential in helping to grow and develop projects in which the Company invests.

As well as approving transactions as appropriate, the Directors will review the Company's investment portfolio on at least a quarterly basis and shall supervise the Investment Manager's adherence with the Company's investment objective and policies.

Should an opportunity to exit an investment present itself, the Investment Manager will prepare and present a realisation report to the Board for discussion and approval.

Distribution Policy

While the projects in which the Company invests are under construction the Company is unlikely to derive any significant income from those projects. Accordingly, it is not expected that the Company will have any profits available for distribution until either the Company is receiving significant revenues from its projects or it realises a profit from the disposal of one or more of its projects or a combination of both.

Once the Company has profits available for distribution the Board will determine its distribution policy at that time. It is the intention of the Board to prioritise the return to shareholders of the capital originally invested.

Valuation Policy

The Directors will appoint an internationally recognised firm of accountants as valuers to perform an independent valuation of the Company's investments on a semi-annual basis. In performing its independent valuation, the appointed firm will follow the valuation guidelines from time to time set by the International Private Equity and Venture Capital Valuation Board, adjusted where appropriate given the special nature of infrastructure investments.

The Net Asset Value will be calculated half-yearly based on the half-yearly valuation of the Company's investments and calculated on the basis of IFRS. This valuation will be announced to Shareholders through a regulatory information service in the preliminary announcement of the Company's final and interim results, the first such announcement being for the period to 31 December 2007.

Financial Information and Reports

The Group's financial statements will be prepared in accordance with IFRS and reported in US Dollars.

The first accounting period of the Company will run until 31 December 2007 and, thereafter, accounting periods will end on 31 December in each year. It is expected that the audited annual accounts will be sent to Shareholders within six months of the year end to which they relate and laid before the Company in general meeting shortly thereafter. In accordance with the Law, the first audited annual accounts will be sent to Shareholders and laid before the Company in general meeting not later than date which is 18 months after date of incorporation. Unaudited half-yearly reports, made up to 30 June, are expected to be announced within three months thereof. The first unaudited half-yearly report will cover the period from 1 January 2008 to 30 June 2008.

The audited annual accounts and half-yearly reports will also be available at the registered office of the Company.

Bank Borrowings

The Company intends to make use of debt facilities in local or foreign currency as and when required. The borrowings of the Group secured against portfolio assets may be in currencies other than US Dollars and may be in local currencies.

In effecting local borrowings and using the Company's assets as security for external borrowings, any exchange control regulations applying to the relevant country will need to be complied with and in certain circumstances, exchange control approval will be required.

The Directors, on the advice of the Investment Manager, will decide on the level and terms of such debt facilities in respect of each project or investment depending on its nature and factors such as expected cashflow and risk.

The overall level of commercial borrowings on the Company's portfolio, at the date on which any borrowing is incurred, is expected to be a debt:equity ratio in the region of 70:30 although the Directors may from time to time review this ratio in the light of changing market circumstances and the particular investments made by the Company in order to maintain optimum gearing. For example, with certain infrastructure projects in sub-Saharan Africa, that are considered critical to a country's economic progress, multilateral agencies, such as the World Bank and Development Finance Institutions, like DFID (British DFI), FMO (Dutch DFI) and DEG (German DFI) will make concessionary funding available at attractive rates and tenures. Since such funding normally requires the host government to enter into contractual undertakings with these institutions, the likelihood of a default is reduced and the risk profile improves. In addition, capital equipment for such projects can often be financed by the vendor, again on attractive terms, with a guarantee from the credit agency of the vendor's home government. Accordingly, in such cases, higher gearing may increase the viability of the project and be justified given the additional risk mitigants.

It is the intention of the Directors that, as far as practicable, all borrowings will be secured against individual projects without recourse to the Company.

Hedging

The investment opportunities stretch across multiple countries with returns in the majority of cases expected to be denominated in US Dollars. In addition, where returns will not be earned in US Dollars, use will be made of local currency denominated debt to offset as far as possible any adverse currency movements. Therefore, the Directors do not presently intend to implement a hedging policy. However, the value of the Company's assets and the amount of profit available for distribution, could still be affected by currency movements. The Company's currency exposure and hedging strategy will be kept under review by the Directors and the Investment Manager.

PART IV

BACKGROUND TO THE INVESTMENT REGION AND SECTORS

Certain information from this section has been sourced from third parties. The Company believes that this information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Sectors

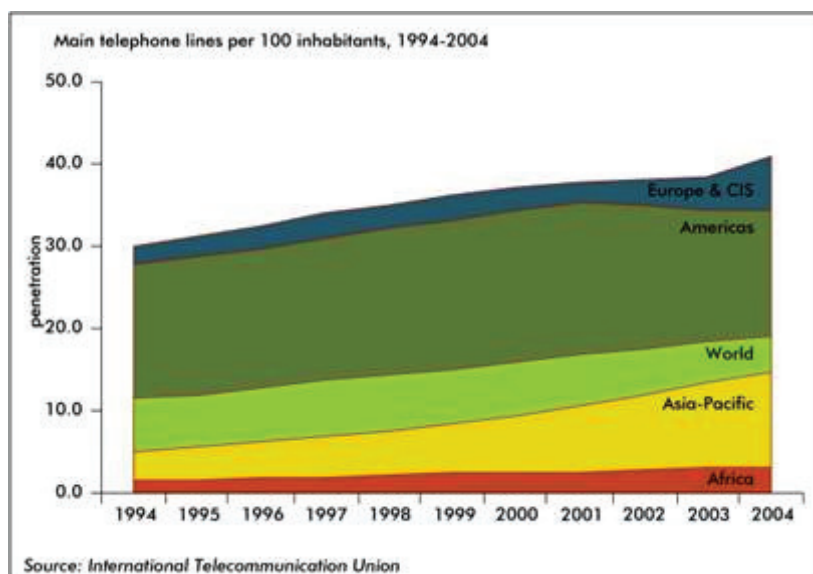
Transportation

Sub-Saharan Africa has a geographic area approximately six times that of the European Union, but a population density of approximately a quarter of that of the European Union. Given the geographic dispersion of its population, heavy reliance is placed on the transportation infrastructure to facilitate delivery to markets. A World Bank study concluded that “Freight costs are therefore a far more restrictive barrier to African exports than tariffs” and “net (freight) payments averaged 42 per cent. (of total export value) for the landlocked countries whose trade must transit neighbouring territories and, therefore, incur additional foreign exchange costs”.

There is a common goal of the majority of African regions to create an integrated market. An example of this is the Southern African Development Community, with 14 member countries including Angola, Botswana, the Democratic Republic of Congo, Mozambique, South Africa, Tanzania and Zambia. The integration of these countries’ markets requires a major upgrade of the current poor transport infrastructure. Spending on transport infrastructure in sub-Saharan Africa has, to date, been low and World Bank statistics show that only US\$3.8 billion was spent between 1990 and 2005, compared to Latin America and the Caribbean where US\$67 billion was spent over the same period. This was confirmed by Bernard Zoba, the African Union’s infrastructure commissioner, in April 2007 “Africa has let itself fall behind in building transport infrastructures, in their interconnection and their quality.” Recent studies show potential financing requirements of in excess of US\$2 billion for transportation infrastructure.

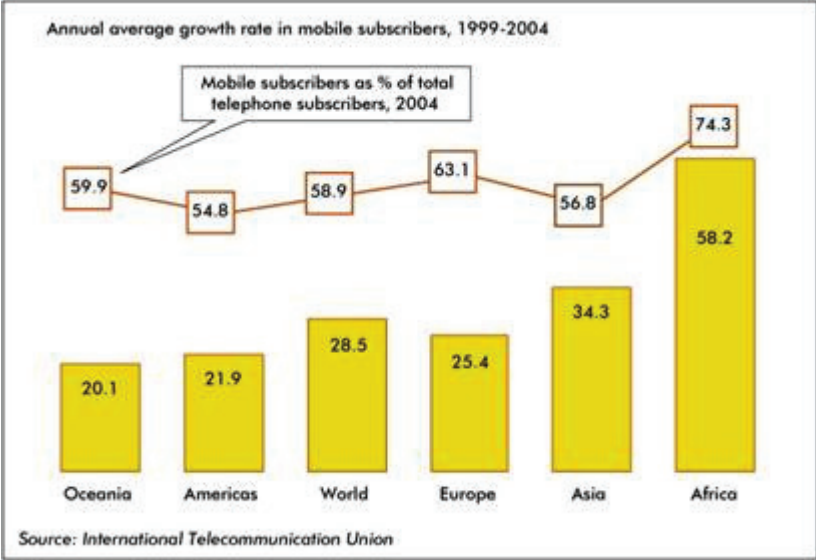
Telecommunications

Given Africa’s large geographic expanse and dispersion of its population, fixed line telecommunications have not succeeded in providing communication services to the majority of the population. Of Africa’s 26 million fixed telephone lines, over 75 per cent. are found in just six of Africa’s 55 nations. In 2004 Africa accounted for 13 per cent. of the world’s population but for only 3.7 per cent. of all fixed telephone line and mobile subscribers worldwide and more than 20 African countries had a national average of fewer than one main line serving every 100 inhabitants. The graph below serves as a comparison between fixed line telecommunications infrastructure in Africa and other regions of the world.

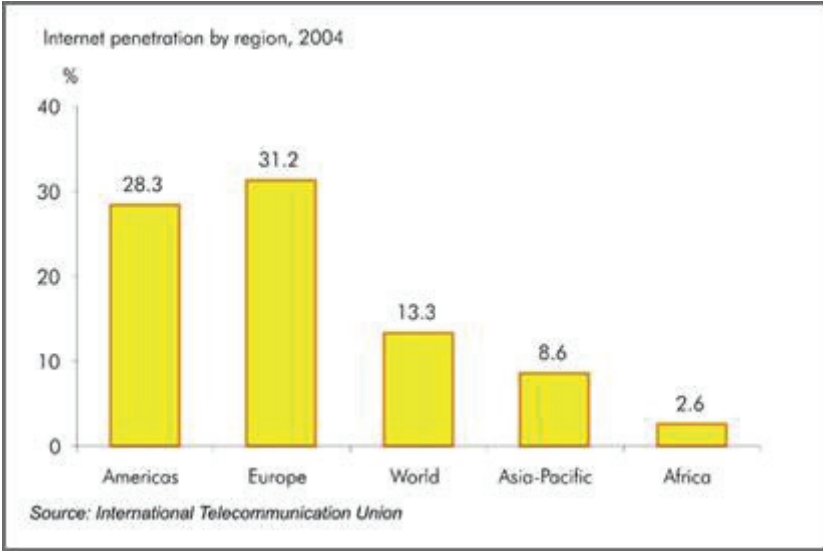


There is a technological disparity within the African continent itself. By way of example, in 2004 Egypt had 17 times the fixed line penetration of Nigeria and sub-Saharan Africa (excluding South Africa) had an average teledensity of 1 per cent. while North Africa had a comparable average teledensity of 10 per cent.

Mobile telecommunications technology has, to a degree, changed the status quo. Of Africa’s 100 million telephone subscribers in 2004, 76 million were mobile subscribers. In the five years to 2004, annual growth in the use of mobile phones was almost 60 per cent. The continent has the highest ratio of mobile to total telephone subscribers in the world and has been referred to as “the least wired region in the world”.



In 2004, less than 3 per cent. of Africa’s inhabitants used the internet, as compared to approximately 50 per cent. of the population of the G8 countries (Canada, France, Germany, Italy, Japan, Russia, the UK and the US). There are more than eight times as many internet users in the US, three times as many internet users in Japan and more than twice as many internet users in Germany than in the entire African continent. The graph below serves as a comparison between internet penetration in Africa and other regions of the world.



Energy

The African continent is rich in natural resources. According to statistics published by British Petroleum, in 2005 the African continent owned approximately 9 per cent., 6 per cent. and 7.2 per cent. of the world’s known reserves for oil, coal and natural gas respectively. However, the continent has significantly higher reserves to production ratios than the rest of the world.

African per capita energy use has remained at less than 10 per cent. of the per capita use in North America since 1970. Although Africa has 13 per cent. of the world's population, it only consumes 3 per cent. of the world's commercial energy. In most sub-Saharan countries, fewer than 10 per cent. of households are connected to an electricity grid.

Despite having access to natural resources, infrastructure remains underdeveloped to an extent that it is greatly impacting the region's social and economic development. Access to electricity in sub-Saharan Africa is low with only 53 per cent. of urban and 8 per cent. of rural populations with access to electricity. Demand, however, is expected to increase with the anticipated industrialisation of the continent, and supplying reliable sources of electricity and constructing oil and gas pipelines present potentially interesting opportunities.

Water and Sanitation

Sub-Saharan Africa has very low drinking water coverage. The World Health Organisation estimated in 2003 that drinking water coverage was 58 per cent. and sanitation coverage was 36 per cent. This presents obstacles to governmental economic and social reforms in the region. Significant effort, resources and investment are required to improve the situation.

Infrastructure – related real estate

As international companies increase their presence in sub-Saharan Africa to extract mining resources, the Investment Manager believes they will be faced with a shortage of both secure housing for their workforce and of industrial buildings to support their operations. Accordingly, the Investment Manager believes there are significant opportunities to develop this real estate for such companies who are likely to seek long term leases at potentially attractive rentals.

In addition, countries such as Angola, the Democratic Republic of Congo and Mozambique are in the process of rebuilding their economies after years of civil war and require significant investment in critical infrastructure projects. Such projects provide opportunities for private capital to finance real estate developments which may be sold or let to large viable enterprises at attractive rates.

Public Private Partnerships

Due to insufficient historical investment, growing pressure on government budgets and general concern about government service quality, Public Private Partnerships ("PPP") have emerged as a viable way to foster development. PPP opportunities are available in a number of sectors but have traditionally been, and are expected to continue to be, focused on infrastructure sectors. The types of PPP opportunities vary and include build-operate-transfer, rehabilitate-operate-transfer and build-own-operate-transfer opportunities. In South Africa alone, investors are expected to have access to at least 23 PPP investment opportunities within the next year. The Botswana Government has commenced a process of privatisation and is in the process of finalising two housing infrastructure PPP projects. The Government has also commenced the process of privatising the state owned fixed line telecommunications provider.

The Region

The Continent

Sub-Saharan Africa has made substantial economic progress over the last 15 years with GDP growth rates consistently above that of the OECD countries since 2001. This has been accompanied by a material decline in volatility of economic growth with 22 countries averaging growth rates of 4 per cent. or better during the past 5 years as compared with only 8 in the first half of the 1990s. Africa's improved economic performance reflects a number of fundamental factors including: better governance, increased trade flows, strong commodity prices, low interest rates, rising aid flows, debt forgiveness and improved integration with the global economy.

The outlook is positive as Africa's natural resource base will remain critical for global growth and the developing Asian economies led by China and India. The infrastructure requirement to support this demand is massive and will provide an attractive range of opportunities across the region. Historical perceptions have resulted in Africa not benefiting to the same extent from the significant decline in risk premium enjoyed by other emerging markets.

By way of example, a decade of comprehensive institutional reform and sound economic management has also been rewarded with solid credit ratings. In August 2005, Standard & Poor's raised South Africa's long-term international credit rating, citing the country's improved economic stability, reduced vulnerability to external shocks, a moderate (and decreasing) debt burden, and strong and stable political institutions. The rating agency upgraded South Africa's long-term foreign currency rating from BBB to BBB+ equal to that of Poland, and a notch above Mexico. The local credit rating was increased to A+. Rival agency Fitch had South Africa on a positive ratings watch at that time, while Moody's upgraded South Africa's credit rating in January 2005.

The continent's potential is striking:

- it has more land mass than the United States, China or Europe but accounts for only 2 per cent. of global GDP and 3 per cent. of global investment flows;
- it offers unsurpassed mineral wealth including near-global monopolies of platinum, chromium and diamonds a high proportion of the world's gold, cobalt and manganese reserves and extensive reserves of bauxite, coal, uranium, copper nickel and oil; and
- it has significant biomass potential which is likely to become increasingly important given rising pressures on land and water supplies and the increasing demand for foodstuffs and renewable bio-energy.

The World Bank estimates that Asia now receives 27 per cent. of Africa's exports, triple the amount in 1990 and on a par with Africa's exports to the US and EU. This is primarily focused around mineral extraction but is expanding to include the supply of non-traditional goods such as processed commodities, light manufactured products and household consumer goods to Chinese and Indian firms and consumers. Furthermore, there has been increasing investment focus on the internal consumer market of some 741 million people. This has been demonstrated across a number of industries and in the substantial growth in mobile phone use across the region. As the *Economist* notes for companies willing to invest in Africa: "Successful businesses can expect to enjoy comfortable margins, rewarding them for time and investment. SABMiller's best operating margins are in Africa; MTN's (mobile phones) are over 42 per cent."

FDI flows into Africa rose to US\$31 billion in 2005, up from US\$17 billion in 2004, and are set to increase again from this level. Of equal importance, these investments are succeeding. For example, the Public-Private Infrastructure Advisory Facility or PPIAF notes that between 1990 and 2005, of the 276 infrastructure projects invested in throughout 47 sub-Saharan countries by way of Private Participation Investment, only 5 per cent. of investment commitments were impacted by cancellation or subsequent distress compared to 11 per cent. in similar infrastructure projects in East Asia and Pacific.

Africa's infrastructure backlog is estimated to be in excess of US\$100 billion. Infrastructure development has been made a priority by international development agencies who previously favoured investment in the social sectors. This is expected to expand significantly the range of opportunities and funding available to equity investors with an appetite for the region.

Angola

Angola is slowly recovering following the end of its 27-year civil war in 2002. Much of the country's infrastructure remains damaged or undeveloped as a result of the war. However, a post-war reconstruction boom and resettlement of displaced persons has led to high rates of growth in construction and agriculture over recent years. Oil and gas currently account for 51.7 per cent. of GNP and for 92 per cent. of exports. This industry has also been the main contributor of FDI with a total of US\$8 billion invested in oil by international conglomerates which include Energy Africa, Chevron, Texaco, Agip and Elf. FDI, in sectors other than oil and gas, is paramount to rebuilding Angola and the Investment Manager believes that with its poor existing infrastructure attractive opportunities for development are available. Based on their access to investment professionals in Angola and established networks in both the public and private sector, the Investment Manager believes that they will be able to identify and execute such opportunities.

Botswana

Formerly the British protectorate of Bechuanaland, Botswana adopted its new name upon independence in 1966. Four decades of uninterrupted civilian leadership, progressive social policies, and significant capital investment have created one of the most dynamic economies in Africa. Mineral extraction, principally diamond mining, dominates economic activity, though tourism is a growing sector due to the country's conservation practices and extensive nature reserves. Botswana has one of the world's highest known rates of HIV/Aids infection, but also one of Africa's most progressive and comprehensive programmes for dealing with the disease. (*Source: CIA World Factbook 2006.*)

Botswana's nominal GDP was estimated at P44, 327 million in 2004/05 and P39, 881 in 2003/04 (P = pula, the local currency). The mining industry, principally diamond mining, continues to contribute significantly to economic activity and accounted for 33 per cent. of GDP in 2004/05. Botswana is the world's largest gem diamond producer, with output reaching a record 31 million carats in 2004, about one quarter of the world's production in terms of value. Mining's dominance of the production side persists despite the government's continuous efforts to diversify the economy. The sector accounts for about 3 per cent. of formal employment. The sector's output growth rates are volatile. Mining's contribution to GDP and employment numbers have risen marginally since 1999.

The country is politically and financially stable and, when coupled with some of the lowest corporate tax rates in the region (at 15 per cent.), this creates an attractive environment for investors. From a sovereign rating perspective, Botswana is seen as stable with a Standard and Poor rating of A which is the highest on the African continent.

The Investment Manager has a strong track record of investing in the country and has a developed network with private and public entities and strong deal execution capability given the country's proximity to South Africa.

Democratic Republic of the Congo ("DRC")

The economy of the Democratic Republic of the Congo, formerly known as the Republic of Zaire – a nation endowed with vast potential wealth - has declined drastically since the mid-1980s. The war, which began in August 1998, dramatically reduced national output and government revenue and increased external debt. Stability started to return to the country in 2002 with a peace accord signed at the end of 2002. Agriculture, which includes forestry, livestock and fishing, is the largest economic sector in the DRC. Mining is potentially the largest sector, but due to a lack of infrastructure and civil war has been unable to reach its full potential. The country has large mineral deposits such as copper, cobalt, coltan, diamonds, gold, zinc, uranium, tin, silver, coal, manganese, tungsten, cadmium and crude oil. Nationalisation policies, coupled with a lack of investment by the private and public sector, have seen output decline steadily over the past two decades. The transport infrastructure is dilapidated and requires significant investment. Given the country's size and significant economic potential a reliable transport infrastructure is essential for the country's economic growth.

In 2005, FDI totalled US\$230 million driven predominantly by the resources sector. In an effort to attract foreign investment the government has approved a new investment code and a new mining code together with a new commercial court. The Investment Manager anticipates that several opportunities may emanate from the DRC and believes that the ability to exploit these opportunities exists given its developed network of contacts in the public sector.

Ethiopia

The landlocked country of Ethiopia is situated in the horn of Africa and is one of the poorest countries in the world beset by frequent drought and food shortages. Ethiopia's economy is focused on agriculture which accounts for approximately half of GDP, 60 per cent. of exports and 80 per cent. of total employment. Coffee is one of the country's main exports but historically low prices have reduced the industry's margin. The country has one of the lowest road and rail densities on the continent which could represent opportunities for investment in transport infrastructure.

Ghana

Ghana was the first sub-Saharan country in colonial Africa to gain its independence and was also the first to institute structural reforms. Ghana's experience has mirrored that of most sub-Saharan countries. Relative economic underperformance post-independence gave way to structural adjustment policies in

the 80s and 90s. The rapid progress made in consolidating fiscal policy has been of key importance to the country's recent economic success with the fiscal deficit of 8 per cent. of two years ago reduced to between 2 per cent. to 3 per cent. of GDP. The economy is focused on subsistence agriculture which accounts for 34 per cent. of GDP and employs 60 per cent. of the work force. Export commodities include gold, cocoa, timber and diamonds. However, it has been the telecommunications sector that has been the largest beneficiary of FDI, followed by the energy sector. Despite the investment both teledensity and mobile penetration remain relatively low at 1.43 per cent. and 12.68 per cent. respectively compared to the European Union with a teledensity of 49 per cent. and mobile penetration of 96 per cent.

Mozambique

Although crippled by civil war for over a decade, the country is slowly on the way to recovery. Since the democratic elections held in December 2004 there has been substantial economic reform, with various Government incentives and guarantees introduced to stimulate foreign investments. The Mozambique Government has benefited from debt relief from China and the IMF, reducing debt to more acceptable levels. Debt relief coupled with an increase in FDI, the result of an investor friendly environment, have assisted the government in increasing its reserves.

FDI in 2006 totalled approximately US\$2 billion. The largest single foreign investment made to date has been for the completion of an aluminium smelter in Mozambique to the value of US\$1.2 billion, which was put into production in 2000.

The country has three ports, namely Maputo (capital), Beira and Ncala. The strategic importance of the ports is set to increase given the growing economies of neighbouring landlocked countries such as Zambia, Malawi and parts of the DRC. Transport infrastructure around the ports remains below standard. The Investment Manager has a developed network of contacts in both the public and private sectors in Mozambique.

Nigeria

Nigeria benefits from large oil reserves which have attracted the majority of its FDI inflows and is currently the largest oil producer on the African continent. The country's former military rulers failed to diversify the economy away from its oil sector and oil currently provides 20 per cent. of the country's GDP and accounts for 95 per cent. of the country's exchange earnings. Despite its oil reserves, 60 per cent. of the population (in 2000) lived below the poverty line. The population is reliant on agriculture; the agriculture sector employs 70 per cent. of the labour force and accounts for 17 per cent. of GDP. The mobile telecommunications sector has thrived during the past two years. Investors such as MTN have had success in the country and their subscriber base has grown to 8.4 million in 2005 from 0.3 million in 2002, representing a 47 per cent. market share. Since Nigeria has a population of 130 million, relatively low mobile penetration and positive GDP growth forecasts, growth may be expected in this sector which may present an investment opportunity over the medium term.

South Africa

The South African economy has grown robustly in recent years as reflected by a GDP growth rate of 4.8 per cent. in 2004 and 5.1 per cent. in 2005. The economy has delivered 80 months of non-stop expansion, of which 30 months showed annualised GDP growth of over 4 per cent. The South African government has supported this growth through sustained fiscal discipline and market-oriented policies. This base has allowed the South African government to commit significant funding to infrastructure development to meet the needs of the emerging middle class.

Against this background, the government forecasts that GDP growth will reach at least 6 per cent. between 2010 and 2014 (*Source: Deputy President Phumzile Mlambo-Ngcuka*). South Africa is the "gateway" to Africa and is the region's economic powerhouse. It contributes 25 per cent. of the entire continent's GDP, 40 per cent. of total industrial output, 45 per cent. of mineral production and over 50 per cent. of total electricity generation. The economic transformation within South Africa since its move to democracy has been profound allowing it to move from a primarily resource based economy to one where over 90 per cent. of GDP (in 2006) is derived from tertiary sectors such as manufacturing, finance and other services (*Source: Statistics South Africa report*).

South Africa offers a combination of highly developed first world economic and legal infrastructure alongside a vibrant growing emerging market economy. In particular, South Africa benefits from:

- a stable political system and sustained economic growth;
- strong investment ratings (Moody's Baa1; S&P BBB+; Fitch BBB+) when compared to other developing countries such as Brazil (S&P BB; Fitch BB);
- inflation and interest rates near 24 year lows;
- substantial foreign exchange reserves (estimated at US\$24.1 billion for 2006) and low external debt (18.8 per cent. of GDP in 2006) (*Source: AFDB/OECD 2007*); and
- a sophisticated and transparent legal framework based on Roman-Dutch law.

The economy is underpinned by impressive levels of both internal and foreign investment. Foreign direct investment in 2005 amounted to US\$6.4 billion, ahead of India at US\$8 billion (*Source: UN Council for Trade & Development – UNCTAD*). In the budget statement released in March 2006, the government committed US\$53 billion of capital to infrastructure projects over a period of five years.

The country is rich in natural resources and it has advanced telecommunications, transport and energy provision infrastructure (electrical power is provided at one of the cheapest rates in the world) and the agricultural sector is also highly developed. In addition to growing internal consumer demand, South Africa has excellent access to other fast growing markets in other parts of Africa and Asia as well as long established links with several of Europe's main markets. The 1996 constitution enshrines a modern and sophisticated legal framework based on Roman-Dutch law. There are limited restrictions on foreign ownership of assets or on the repatriation of profits. The government's macro-economic policies are aimed at achieving a competitive, outward-orientated growth platform. Taxes have been reduced, tariffs lowered and the budget deficit brought under control (0.5 per cent. of GDP for 2006).

Tanzania

The United Republic of Tanzania includes the Indian Ocean islands of Pemba and Zanzibar and contains Africa's highest point, Kilimanjaro, and the mainland territory formerly known as Tanganyika. Tanzania's abundant resources offer many opportunities for development although the economy is currently still heavily reliant on agriculture. Agriculture accounts for nearly 45 per cent. of GDP, employs 80 per cent. of the total workforce and accounts for 75 per cent. of exports.

Following the introduction of sustained appropriate economic policies, Tanzania was granted substantial debt relief in 2001. The debt reductions have enabled the implementation of the nation's Poverty Reduction Strategy. The long term objective of the strategy is to reduce the number of people living below the poverty line to below 24 per cent. by 2010. The government is also committed to the stimulation of foreign investments through granting guarantees and incentives. The incentives pertain mainly to tax breaks and specific incentives in the mining and petroleum related industries. A total of US\$240 million was invested in 2006 with the mining sector the largest recipient of FDI.

Zambia

The territory formerly known as Northern Rhodesia is a landlocked country in Southern Africa that borders the north of Zimbabwe. Despite the ongoing economic instability in Zimbabwe, the economic situation in Zambia seems to be unaffected. The government has introduced incentive packages aimed specifically at establishing a profitable environment for increased industrial growth, export promotion and private sector development. Standard Chartered Bank research forecasts GDP growth of between 5 per cent. to 7 per cent. until 2010 and inflation at a historical low rate. The growth is driven by the resource sector, which includes copper and cobalt mining and processing. Mineral resources yet to be exploited include gold, diamonds, marble and granite. Other sectors of the economy include agriculture, manufacturing and tourism.

Key macro economic and infrastructure facts across the region

The table below contains macro economic and infrastructure-related statistics across countries in sub-Saharan Africa compared to the United Kingdom.

	Angola	Botswana	DRC	Ethiopia	Ghana	Mozambique	Nigeria	South Africa	Tanzania	Zambia	UK
Population	12,127,071	1,639,833	62,660,551	74,777,981	22,409,572	19,686,505	131,859,731	44,187,637	37,445,392	11,502,010	60,609,153
Area – sq km	1,246,700	600,370	2,345,410	1,127,127	239,460	801,590	923,768	1,219,912	945,087	752,614	244,820
GDP – \$ Billion	51.95	19	44.6	71.63	59.15	29.32	188.5	576	29.25	11.51	1,903
GDP per Capita – US\$	4,300	11,400	700	1,000	2,600	1,500	1,400	13,000	800	1,000	31,400
Real GDP Growth – 2006 (est)	17%	6.0%	6.5%	8.50%	5.70%	6.5%	5.30%	5.0%	5.9%	6.0%	2.7%
Public debt (as % of GDP)	33%	7%	NA	78%	39%	23%	10%	33%	31%	66%	42%
Inflation	13.2%	11.4%	9%	10.5%	10.9%	13%	10.5%	5%	5.9%	8.8%	2.3%
Sovereign Rating	Not Rated	A (S&P)	Not rated	Not Rated	B + (Fitch)	B (Fitch)	BB – (Fitch)	BBB+ (Fitch)	Not rated	Not rated	AAA (Fitch)
Industry growth	13.50%	6.3%	NA	6.70%	3.80%	3.4%	-1.60%	7.1%	8.4%	10.1%	0%
Proven Oil reserves million bbl (est)	25,000	–	1,538	0	8	–	36,250	7.84	–	–	7,335
Oil Production bbl / day	1,600,000	–	21,090	0	7,477	–	290,000	229,900	–	140	2,075,000
Paved road density – km/1000 people	0.44	5.44	0.04	0.09	0.15	0.29	0.46	1.66	0.18	1.75	6.4
Rail density – km/1000 people	0.23	0.54	0.08	0.01	0.04	0.16	0.03	0.47	0.1	0.19	0.28
Teledensity (main lines/100 people)	0.778	8	0.01	0.82	1.43	0.35	0.93	10.7	0.4	0.823	54
Mobile Penetration	9%	50%	4%	0.55%	2.68%	6%	16.36%	77%	5%	8%	101%

Source: CIA World Factbook 2006

PART V

MANAGEMENT, ADVICE AND ADMINISTRATION

Board of Directors

The Company has been established with a board of five, all of whom are non-executive and all of whom, with the exception of Brian Myerson and Larry Kearns, are independent of the Company's service providers. Details of the Directors are as follows and full lists of their other directorships and any partnership interests are set out in paragraph 4.14 of Part IX of this document. A majority of the Directors are resident outside the United Kingdom:-

David von Simson (aged 56, Non-Executive Chairman)

David von Simson is a co-founder of Europa Partners Limited, a London based investment bank and was formerly a managing director of Warburg Dillon Read (now UBS). He was successively chief executive, then chairman, of SBC Warburg France, which was a leading foreign-owned investment banking, stockbroking and fund-management group in France.

Before joining Warburg Dillon Read in 1995 (when Swiss Bank Corporation acquired S.G. Warburg), he was co-head of corporate finance at Swiss Bank Corporation in London. Prior to joining Swiss Bank Corporation in 1985, he was an executive director of Hill Samuel & Co. Limited. He has also served as a non-executive director of companies, including Gardner Merchant Services Group plc, a leading food services provider in the U.K. He was founding chairman of InTechnology plc, which was admitted to trading on AIM in 2000. He also serves as non-executive chairman of the AIM quoted Prospect Epicure J-REIT Value Fund plc.

David has an honours degree in Law from Oxford University.

Lawrence Albert Kearns, (aged 59, Non-Executive Director)

Larry is Chairman of Anglo Irish Bank Corporation (I.O.M.) P.L.C. and its subsidiaries in the Isle of Man. Prior to that he was Managing Partner of Ernst & Young in the Isle of Man from 1990 to 2002. After the sale of Ernst & Young fiduciary business in 2002 to Anglo Irish Trust Co Ltd, he became an executive director of that company. On his retirement in 2004 he assumed the position of Chairman. Following a management buyout in December 2006, Anglo Irish Trust Co Ltd was acquired by Equiom Limited, of which Larry is the chairman. Larry was Chairman of the Isle of Man Society of Chartered Accountants in 1988 and President of the Chamber of Commerce from 1991-1993.

Paul Martin MacDonald (aged 54, Non-Executive Director)

Paul McDonald qualified as a chartered accountant in 1979. He worked for Pilkington plc for sixteen years, the last seven of these in Germany. In Germany he was managing director for Pilkington Deutschland GmbH (holding company) and managing director at both Flachglas AG (glass manufacturer) and Dahlbusch AG (property and holding company). For the last eight years Paul has been active in the private equity market and has been successful in developing a number of companies covering a number of industries including Sirona Beteiligungs GmbH (Germany), a leverage buyout from Siemens.

Graça Simbine Machel (aged 61, Non-Executive Director)

Graça Machel is a renowned international advocate for women and children's rights and has been a social and political activist over many decades. She is President of the Foundation for Community Development (FDC), a not for profit organisation she founded in 1994. FDC makes grants to civil society organisations to strengthen communities, facilitate social and economic justice and assist in the reconstruction and development of post war Mozambique.

Over the years, Mrs. Machel has gained international recognition for her achievements. Her many awards include the Laureate of Africa Prize for Leadership for the Sustainable End of Hunger from the Hunger Project in 1992 and the Nansen Medal in recognition of her contribution to the welfare of refugee children in 1995. She has received the Inter Press Service's (IPS) International Achievement Award for her work on behalf of children internationally, the Africare Distinguished Humanitarian Service Award and the North-South Prize of the Council of Europe, amongst others.

Graça Machel has served on the boards of numerous international organisations, including the UN Foundation, the Forum of African Women Educationalists, the African Leadership Forum and the International Crisis Group. Amongst her many current commitments, she is Chair of the Global Alliance for Vaccines and Immunization Fund, Chancellor of the University of Cape Town, South Africa and Panel Member of the African Peer Review Mechanism.

Brian Alan Myerson, (aged 48, Non-Executive Director)

Brian Myerson is chief executive officer of Principle Capital Group, which he founded in November 2004, and joint chairman of the Investment Manager.

Brian co-founded Active Value in 1993 and through the Active Value and Principle Capital Group has been a pioneer in activist investing in the UK, Continental Europe and South Africa. Brian is South African and retains strong links to South Africa and he is joint chairman of Proteus Property Partners Limited, investment manager of South African Property Opportunities plc, an AIM listed fund investing in South African real estate. Proteus is a joint venture in which the Principle Capital Group, the Dunkeld Trust and Masazane Capital (Pty) Limited are major shareholders. Further details on the joint venture are set out below under the section relating to the Investment Manager.

Brian has been on the boards of several listed UK companies, including Liberty plc (2000 to date), Greycoat plc (1994 to 1996), Marylebone Warwick Balfour Group plc (“MWB”) (2002 to 2005), where he was chairman. He was also a non-executive director of Sage Group, a JSE-listed South African life assurance and financial services business from 2003 to 2004 as representative of a consortium that led Sage’s financial restructuring in 2003.

Brian holds a Bachelor of Commerce degree and LLB from the University of Witwatersrand in Johannesburg.

Corporate Governance

The Directors recognise the importance of sound corporate governance and intend to comply with the Quoted Companies Alliance’s Corporate Governance Guidelines for AIM Companies. In particular, the Directors are responsible for overseeing the effectiveness of the internal controls of the Company designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable and that the assets of the Company are safeguarded.

The Board will establish an audit committee with formally delegated duties and responsibilities, comprising not less than two offshore directors of the Board. The audit committee will meet at least twice a year and will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies.

The Board will also establish remuneration, management engagement and nomination committees with formally delegated duties and responsibilities, comprising not less than two offshore members of the Board. The role of the committees will be, *inter alia*, to monitor and review with the Board the performance of the Investment Manager, the terms of the Management Agreement and the framework for the remuneration of the non-executive directors, if applicable. Brian Myerson will not be appointed to the management engagement committee.

The fees payable to the Chairman have been set at £35,000 per annum and the fees payable to other directors at £30,000 per annum. Brian Myerson has agreed to waive the fees to which he would otherwise be entitled as a director of the Company.

The Investment Manager

PME Infrastructure Managers Limited is a joint venture between the Principle Capital Group, Dunkeld Trust (“Dunkeld”), Sonrise Investment Limited and Unicos Partners LLP. In addition, Masazane Capital (Pty) Limited (“Masazane”) will provide support to the Investment Manager and Brian Smith, its founder, is the joint chairman of the Investment Manager.

The Principle Capital Group is a group of companies specialising in alternative investment management, the holding company of which, Principle Capital Holdings S.A., is listed on AIM. With offices in London, Geneva and Cape Town, the Principle Capital Group is headed by Brian Myerson who, over the last 18 years, has been actively involved in alternative investment strategies, with a particular focus on activist investing of which he and his co-founders in the Principle Capital Group have been pioneers in the UK. The Principle Capital Group is the majority shareholder of the Proteus Property Group, which manages South African Property Opportunities plc, an AIM listed company that invests in South African real estate. As well as Brian Myerson, three of Brian Myerson's co-founders in the Principle Capital Group, James Peggie, Brian Padgett and Leonard O'Brien as well as a senior South African investment associate, Trevor Rolfe, will be involved on a regular basis working for and advising PME Infrastructure Managers.

The Dunkeld Trust is an investment company which develops and holds interests in fund management operations and other investments. It partnered with the Principle Capital Group in establishing South African Property Opportunities plc and is a major shareholder in the Proteus Property Group.

Sonrise Investment Limited is an investment company which is ultimately owned by the Sonrise Trust, the beneficiary of which is Richard Bouma and his family.

Masazane is a South African advisory and investment boutique providing mergers and acquisitions, equity and debt capital markets advisory services. Masazane was founded by Brian Smith, former head of JPMorgan's Financial Institutions Group based in Johannesburg. Masazane is also a major shareholder in the Proteus Property Group alongside the Principle Capital Group. In 2006 Alan Norman, a former senior corporate financier at Absa Corporate & Merchant Bank, joined as a partner in Masazane. Brian, Alan and a senior South African investment associate, Pieter Odendaal, will be involved on a regular basis working for and advising PME Infrastructure Managers.

Unicos Partners LLP is a holding company for a number of asset management and financial advisory companies as well as investment manager companies. The activities of the subsidiaries of Unicos Partners LLP include asset management services and wealth management services and in respect of the investment management companies' fund management.

The key individuals at the Investment Manager with responsibility for discharging the Investment Manager's duties under the Management Agreement are:

Brian Myerson (Joint Chairman)

Details on Brian Myerson are set out on page 34 of this document.

Brian Smith (Joint Chairman)

Brian Smith formed Masazane Capital in September 2005. Since its inception, Masazane has taken on a number of prestigious clients. Prior to forming Masazane, Brian was head of JPMorgan's Financial Institutions Group based in Johannesburg with responsibility for all activities across all product groups including mergers and acquisitions, debt capital markets, derivatives and treasury services. Brian has been involved in a number of notable transactions in this area including:

- Lead adviser for Barclays Bank PLC in acquiring control of Absa Limited, South Africa's largest bank;
- Empowerment transactions for Absa, Sanlam, Standard Bank, Nedbank and Liberty Life; and
- Several debt capital market transactions including the first ever issue of Tier III bank capital in South Africa for Standard Bank, first ever issue of Tier II insurance capital for Liberty Life and several mortgage securitisations for SA Home Loans.

Brian was also a board member of, and oversaw JPMorgan's investment in, SA Home Loans, an independent retail mortgage provider with a mortgage book of over £3.75bn. Brian is also joint chairman of Proteus Property Partners Limited. He is a Chartered Accountant, having qualified at KPMG, and holds a Bachelors Degree in Business Science and a Masters in Commerce from the University of Cape Town.

Richard Bouma (CEO)

Richard Bouma is the former Head of Corporate and Institutional Banking for sub-Saharan Africa at HSBC. He is a highly experienced emerging markets corporate and investment banking professional, whose career both at Bank of America and HSBC spanned over 25 years. Since leaving HSBC, he has managed and advised a number of businesses operating in the mobile telecommunications sector in sub-Saharan Africa, including most recently in the DRC and Tanzania.

Richard's career at HSBC began in 1987 where he was responsible for HSBC Equator Bank's aviation loan and lease portfolio and he subsequently held a number of high-level roles, including establishing Equator Bank's regional headquarters in South Africa in 1994 and managing the bank's investment banking team. In 1999, he was appointed MD of the Corporate Finance & Advisory Division of HSBC in South Africa where he was responsible for the group's corporate finance operations throughout sub-Saharan Africa and subsequently held the positions of Head of Investment Banking for sub-Saharan Africa and Head of Business Development for sub-Saharan Africa before his final role as Head of Corporate and Institutional Banking for sub-Saharan Africa. Prior to HSBC, Richard worked for Bank of America between 1979 and 1987, coordinating the development and implementation of a strategic plan for sub-Saharan Africa and subsequently, as Manager of the Africa Regional Office, was responsible for all cross border activities in the region with staff in London and Paris. Over the period, he was also responsible for Bank of America's subsidiaries and affiliates in the Middle East and Africa, representing the bank as either vice chairman or director of a total of nine local entities in eight countries.

Richard's background prior to Bank of America was in real estate with Savills, the real estate investment advisory group, as a surveyor in London and Paris and he remains a Member of the UK's Royal Institution of Chartered Surveyors. He holds an MBA from INSEAD, France.

The following individuals will be involved on a regular basis working for and advising PME Infrastructure Managers. PME Infrastructure Managers also intends to engage further executives as necessary and will engage outside expertise in relation to the specific needs of each project:

Brian Padgett

Brian Padgett is a director of Principle Capital Holdings S.A. He is joint head of fund management within the Principle Capital Group and is based in Geneva, Switzerland. His services are provided to Principle Capital through the Silex Group of which he is joint managing director. Brian is a non-executive director of Epicure Berlin Property Company Limited, investing in Berlin real estate opportunities and is a director of Proteus Property Partners. Through the Silex Group he also advises on and manages many complex investment structures as well as providing financial services to a number of wealthy South African families. He has extensive experience of investing in the South African market. Prior to co-founding the Principle Capital Group, he was joint head of fund management in the Active Value Group, which role he now holds for Principle Capital. Prior to Active Value, he was chief financial officer of ABSA Financial Services (Jersey) Limited, the offshore division of ABSA Bank Limited. Brian graduated from London University in 1989 and is a qualified Chartered Accountant.

Alan Norman

Alan Norman is a former senior corporate financier at Absa Corporate & Merchant Bank. Alan joined Senbank in 1987, gaining five years' experience in all aspects of corporate finance before moving into a private equity fund aligned with the Monitor Group. Alan subsequently rejoined Absa Corporate Finance in 1996. Alan's most recent transactions include the sale of an equity stake in Telkom, Group 5 and Kumba to empowerment consortia. Alan has also been involved in empowerment transactions in African Life, Afgem Limited and Teba Limited. Alan acts as a *pro bono* adviser to a number of empowerment groups and development trusts and foundations, assisting in their investment activities.

Pieter Odendaal

Pieter Odendaal is a corporate advisor and private equity specialist working for Masazane in Johannesburg. His career began working for Deloitte as a Financial Institutions Consultant and in 1999 he joined Anglo American as a corporate financier. Thereafter, he joined the South African private

equity group Peregrine, which was part of the then McCarthy Bank and subsequently joined African Alliance as CEO of the Lobaka Private Equity Fund, based in Botswana. He has also consulted extensively in a corporate advisory capacity, including as a consultant to Deloitte Innovation, the United Nations (on Africa-wide procurement and funding solutions), to South Africa's Gauteng Provincial Government Transport Department, to Eskom Enterprises (part of Eskom, South Africa's only electricity producer) and to South Africa's Department of Land Affairs as well as businesses within the mining, telecommunications, energy, petrochemical and transportation sectors.

Pieter is a Chartered Accountant and Chartered Financial Analyst and holds a Bachelor of Commerce in Accounting (Cum Laude) from the University of Pretoria.

Trevor Rolfe

Trevor Rolfe is an investment associate with the Principle Capital Group based in its Cape Town office, which he joined in 2007. Between 2005 and 2007 he was Head of Equity Origination and Investment Banking at Old Mutual Specialised Finance in Cape Town, where he was responsible for investment origination, transaction negotiation and execution as well as third party advisory services. Prior to joining Old Mutual, Trevor was a director of corporate finance at Ernst & Young in Johannesburg, where he was responsible for the mergers and acquisition team. From 1998 to 2004, Trevor worked in corporate finance in London firstly with Charterhouse Bank and later with UBS Investment Bank, where he was a director in the UK mid-market corporate finance team responsible for advising FTSE 250 clients on a broad range of corporate finance activities, including acquisitions, disposals, restructurings and IPOs. He qualified as a Chartered Accountant with KPMG and holds a Bachelor of Commerce degree from the University of Cape Town.

James Peggie

James Peggie has a legal background in mergers and acquisitions. He is a director of Principle Capital Advisors Limited based in London, where he takes responsibility for the corporate finance, legal and transactional aspects of Principle Capital's investment projects. He has extensive experience of the South African investment markets and has advised on a number of corporate transactions and property related investments in South Africa. He is also a director of Proteus Property Advisors (Pty) Limited, the South African based investment adviser to Proteus Property Partners. Prior to co-founding the Principle Capital Group, he was responsible for the corporate finance, legal and transactional affairs of the Active Value Group, which role he holds for Principle Capital. He is a qualified solicitor and prior to joining Active Value, he worked in the corporate finance division of Sinclair Roche & Temperley (now Stephenson Harwood), an international law firm. James graduated from Oxford University in 1992 and in 1994 from The College of Law (with Distinction). James is also a non-executive director of Liberty plc, the owner of London's famous store.

Leonard O'Brien

Leonard O'Brien is a director of Principle Capital Holdings S.A. He is joint head of fund management within the Principle Capital Group and is based in Geneva, Switzerland. His services are provided to Principle Capital through the Silex Group of which he is joint managing director. Leonard is a non-executive director of Epicure Berlin Property Company Limited, a fund investing in Berlin real estate opportunities, which through the Silex Group he also advises on and manages its investment structures. Leonard is also a non-executive director of Speymill Deutsche Immobilien Company plc, a fund investing in wider German real estate opportunities, which is listed on the AIM market of the London Stock Exchange. He is also a director of Proteus Property Advisors (Pty) Limited. Through Silex he provides financial services to a number of wealthy South African families and has extensive experience of investing in the South African market. Prior to co-founding the Principle Capital Group, he was joint head of fund management in the Active Value Group, which role he holds for Principle Capital. Prior to joining Active Value he held positions as a Membre de Direction of Barclays Bank (Suisse) SA, Geneva and with the Stonehage Financial Services Group (incorporating the Chesterfield Group). Leonard graduated from Dublin City University in 1992 and is a qualified Chartered Accountant.

Management Fee and Performance Fee

In consideration for the Investment Manager performing asset and portfolio management services, the Investment Manager will be paid a management fee of 1.25 per cent. per annum of the Gross Asset Value of the Company subject to a cap of 3 per cent. per annum of the Net Asset Value of the Company.

Performance fees

The Investment Manager may also receive a performance fee from the Company determined as follows:

The Investment Manager will be due a performance fee of 20 per cent. of the net income and capital cash returns to the Company (or any subsidiary of the Company) in respect of the Relevant Investment (as defined in the Management Agreement) provided that the Project Test has been passed (after allowing for the payment of the performance fee). For these purposes, the "Project Test" will be passed if the Company (or any subsidiary of the Company) has received in cash the return of all its cash invested in a Relevant Investment (which may include for this purpose cash invested by way of loan) and a return equivalent to an IRR (as defined in the Management Agreement) of 12 per cent. on such cash. For the avoidance of doubt, the Investment Manager shall be entitled to that part of the performance fee that would not reduce the IRR return on cash invested in the Relevant Investment to below 12 per cent.

80 per cent. of the performance fee calculated will be payable to the Investment Manager within 30 days of the receipt of the relevant returns by the Company (or its relevant subsidiary). The balance will be paid at the same time into an escrow account (the "Escrow Fund") invested in money market deposits (unless otherwise agreed between the Investment Manager and the Company).

At the end of the financial period ending on 31 December 2010 and at the end of each financial period thereafter (or on a termination of the Management Agreement) the Total Return (as defined in the Management Agreement) will be calculated and the total performance fee due ("TPFD") calculated as 20 per cent. of the Total Return multiplied by the weighted average number of Ordinary Shares in issue during the period, provided that the Total Return (multiplied by such number of Ordinary Shares) exceeds the NAV Test, being the gross proceeds of the Placing Shares increased at a rate of 12 per cent. per annum on an annual compound basis from the date of Admission to the Relevant End Date. For the purposes of calculating whether the NAV Test has been exceeded, the Total Return will be calculated by reference to the returns to the Company generated from the date of Admission until the Relevant End Date only.

If the aggregate amount of the performance fee previously paid to the Investment Manager plus the amount in the Escrow Fund is less than the TPFD, the Investment Manager will be paid the amount in the Escrow Fund. If the aggregate amount of the performance fee previously paid to the Investment Manager is less than the TPFD by less than the amount in the Escrow Fund, the Investment Manager will receive a payment from the Escrow Fund of such amount as is necessary to bring the total payments to the Investment Manager up to the equivalent of the TPFD. If the aggregate amount of the performance fee previously paid to the Investment Manager is more than the TPFD, the Investment Manager will receive no further payment (and no clawback of performance fees previously paid will be made) and the Escrow Fund shall be carried forward to the next financial period.

On termination of the Management Agreement other than on a liquidation of the Company where the assets of the Company are realised (or substantially all realised) for cash, the Company will for the purposes of calculating the TPFD be treated as if all assets had been sold by the Company at open market value, determined in accordance with the Company's normal valuation policy, and the proceeds had been paid to the Company. Valuations of the assets shall be carried out by an independent valuer selected by the Board and approved by the Investment Manager within one month of the valuation being published (such approval not to be unreasonably withheld).

The Investment Manager undertakes that it shall disclose and account to the Company promptly for any other profit, commission or payments (which may include introductory fees, transaction fees, portfolio monitoring fees and advisory fees) received or to be received by it or its affiliates in relation to any investments or potential investments for the Company.

Other Operating Expenses

The Company will bear its ongoing operational expenses. These expenses include, but are not limited to:

- (a) audits, taxation and accountancy fees of the Company and legal expenses incurred by the Company and expenses which are properly and reasonably incurred by the Investment Manager in connection with the corporate existence of the Company or arising out of the relationship of the Company with its shareholders and third parties and all other professional and other charges in respect of services rendered to the Company;
- (b) accountancy, legal and other professional fees and other expenses incurred in connection with the corporate and financial structure of the Company and the admission of any share or loan capital of the company to AIM;
- (c) expenses of and incidental to producing, printing or posting or otherwise dispatching the annual accounts of the Company;
- (d) expenses of every nature of or incidental to deposits or loans made or proposed to be made by the Company;
- (e) stamp and any other duties, taxes, governmental charges, brokerage, transfer fees, registration fees and other charges payable in respect of the acquisition or realisation of any investments;
- (f) interest on any charges, expenses of arranging, and arising out of, all borrowings made or proposed to be made by the Company;
- (g) taxes and corporate fees payable by any member of the Company's group;
- (h) the travel and other reasonable expenses incurred by members of the Board in carrying out the business of the Company;
- (i) all travel and other expenses reasonably incurred by the Investment Manager on behalf of any member of the Company's group;
- (j) expenses of convening and holding meetings of Shareholders;
- (k) expenses of preparing, printing and/or filing all reports and other documents relating to the Company including placement memoranda, explanatory memoranda, marketing documents, annual, semi-annual and extraordinary reports required to be lodged with all authorities having jurisdiction over the Company;
- (l) expenses of making any capital distribution; and
- (m) insurance premia (including insurance for members of the Board).

Administrator and Registrar

Anglo Irish Fund Services Limited is a private limited company incorporated with number 112244C on 23 November 2004 with unlimited duration under the Law. The Administrator, which is a privately owned company, has been appointed by the Company as its administrator. The Administrator is responsible for providing administrative, accounting and secretarial services required in connection with the Company's operations, including assistance in the preparation of annual and semi-annual financial statements for the Company, calculation and publication of the Company's Net Asset Value, and registrar and transfer agency services.

The Administrator is the holder of an investment business licence issued under Section 3 of the Investment Business Act 1991 of the Isle of Man and, as such, is an authorised person licensed to conduct investment business by the Isle of Man Government Financial Supervision Commission. The Administrator is also the holder of a Corporate Service Provider License issued under Section 3 of the Corporate Service Provider Act 2000 of the Isle of Man and, as such, is licensed as a corporate service provider by the Isle of Man Government Financial Supervision Commission.

The Administrator will have no decision-making discretion relating to the Company's investments. The Administrator is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for the accuracy of any information contained in this document.

The Administrator will be entitled to receive a fee of 10 basis points per annum of the net assets of the Company between £0 and £50 million; 8.5 basis points per annum of the net assets of the Company between £50 million and £100 million and 7 basis points per annum of the net assets of the Company in excess of £100 million, subject to a minimum monthly fee of £4,000 and a maximum monthly fee of £12,500 payable quarterly in arrears. The Administrator is also entitled to an inception fee on a time and charges basis subject to a minimum fee of £10,000.

The Administrator shall assist in the preparation of the annual and semi-annual financial statements of the Company for which it shall receive an additional fee of £1,750 per set.

The Administrator shall provide general secretarial services to the Company for which it shall receive a minimum annual fee of £5,000. Additional fees, based on time and charges, will apply where the number of Board meetings exceeds four per annum. For attendance at meetings not held in the Isle of Man, an attendance fee of £750 per day or part thereof will be charged.

The Administrator expects to review and, subject to written agreement between the Company and the Administrator, may amend the foregoing fees six months after the date of Admission and annually thereafter.

Further details of the agreement between the Company and the Administrator are set out in paragraph 7.3 of Part IX of this document.

Custodian

Anglo Irish Bank Corporation (I.O.M) P.L.C. is a public limited company incorporated with number 37910C on 21 March 1988 under the Law. The Custodian is wholly owned by Anglo Irish Bank Corporation plc and has been appointed as the Company's custodian and banker. The Custodian is responsible for providing custodial and banking services to the Company.

The Custodian is the holder of a banking licence issued under Section 6(1) of the Banking Act 1998 (as amended) of the Isle of Man and, as such, is an authorised person licensed to conduct banking and investment business by the Isle of Man Government Financial Supervision Commission.

Pursuant to an agreement between the Company, the Investment Manager and the Custodian, the Custodian will be responsible for all cash, debt securities and other assets of the Company but not for real property or for the cash or assets of any special purpose vehicles used to hold investments in real property or infrastructure projects. Those assets held by the Custodian will be held to the order of the Company. It is likely that the majority of the Company's assets will be held via special purpose vehicles, for which there will be no Custodian.

The Custodian may appoint sub-custodians, agents or delegates (together "Sub-Custodians") provided that the Custodian shall exercise reasonable care in the selection of a suitable Sub-Custodian and will only be liable to the Company for losses resulting from the liquidation, bankruptcy or insolvency of such persons if it has been negligent in the selection and continued appointment thereof. The Custodian shall not be liable in the event of the loss of any assets held by a Sub-Custodian provided that such Sub-Custodian exercised reasonable care in the provision of custodial services in accordance with the standards prevailing in the relevant market and acted without fraud or wilful default.

The Custodian will have no decision-making discretion relating to the Company's investments. The Custodian is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for the accuracy of any information contained in this document.

The Custodian will be entitled to receive from the Company a fixed monthly fee of £875 per month payable quarterly in arrears.

The Custodian expects to review and, subject to written agreement between the Company and the Custodian, may amend the foregoing fees six months after the date of Admission and annually thereafter.

Further details of the agreement between the Company, the Investment Manager and the Custodian are set out in paragraph 7.4 of Part IX of this document.

CREST Service Provider

The Company has appointed Capita Registrars (Jersey) Limited to provide CREST services in respect of the Company. Further details of the agreement between the Company and the CREST Service Provider are set out in paragraph 7.5 of Part IX of this document.

Conflicts Management

The Investment Manager will manage its duties to the Company and to other funds for whom it and its affiliates may act pursuant to the terms of the Management Agreement and any other contracts which it may have entered into with such other funds. The Management Agreement contains provisions dealing with conflicts management. Should a development opportunity meet the investment objective and criteria of both the Company and any other fund managed by the Investment Manager, such opportunities will be allocated between them subject to the Investment Manager's allocation process. The Investment Manager's allocation process is designed to reduce potential conflicts of interest and is intended to ensure that all clients, including the Company, will have fair access to new investment opportunities made available to clients.

The Investment Manager has contractually agreed with the Company that, until at least 80 per cent. (or such other level as may be agreed by the Board) of the proceeds raised pursuant to the Placing has been invested on behalf of the Company, it will not, without the Company's prior consent, carry on or be concerned or interested or engaged as principal or adviser in any infrastructure project acquisition or development contemplated in respect of sub-Saharan African assets (save in respect of transactions entered into prior to the date hereof) without offering the Company a right of first refusal in respect of the same. The Directors may in certain circumstances agree to waive the restriction on the Investment Manager to seek the Company's prior consent and offer the Company a right of first refusal in respect of infrastructure projects in sub-Saharan Africa.

Any form of future co-investment by the Investment Manager with respect to the Company's investments shall not be in respect of selected investments in portfolio companies only but shall be made in respect of all of the Company's investments through an investment in the Company's Ordinary Shares.

PART VI

PLACING, ADMISSION AND RELATED MATTERS

The Placing

Fairfax and the Distribution Adviser have undertaken to use their reasonable endeavours as agents for the Company to place up to 180,450,000 Ordinary Shares (with warrants attached on a 1 for 5 basis) at US\$1.00 per Ordinary Share acting as broker for the Company. The Distribution Adviser has agreed to provide advice to all the parties to the Placing Agreement in relation to the Placing. The Placing, which is not underwritten, is conditional upon, *inter alia*, the admission of the Ordinary Shares and Warrants to trading on AIM.

Under the Placing Agreement, which may be terminated in certain circumstances (including *force majeure*) prior to Admission, the Company, the Directors and the Investment Manager have given certain warranties and indemnities to Fairfax, the Nominated Adviser and the Distribution Adviser concerning, *inter alia*, the accuracy of the information contained in this document.

The share capital of the Company is denominated in Dollars and comprises Ordinary Shares, which are freely transferable, and C Shares. The Ordinary Shares, with Warrants attached on the basis of 1 Warrant for every 5 Ordinary Shares, will be issued pursuant to the Placing, which itself is conditional upon the admission of the Ordinary Shares and Warrants to trading on AIM by 12 July 2007, or such later time as Fairfax and the Company may agree, but in any event by no later than 10 August 2007.

Fractions of Warrants will not be issued and entitlements will be rounded down to the nearest whole number. A summary of the rights attaching to the Ordinary Shares is set out under "Articles of Association" in Part IX of this document. The rights attaching to the Warrants are set out under "Terms and Conditions of the Warrants" in Part VII of this document.

The Placing is intended to raise up to US\$180,450,000 before expenses. Assuming the Placing is fully subscribed, the expenses of the Placing are estimated at approximately 4.02 per cent. of the funds raised.

The Placing Shares will be issued credited as fully paid and will, when issued, rank in full for all dividends and other distributions declared, paid or made on the Ordinary Shares after Admission.

Based on current market conditions and in the absence of unforeseen circumstances, the Investment Manager anticipates that the Company should be substantially invested or committed for investment within 12 months of Admission, although there can be no guarantee of this.

Dealings in the Ordinary Shares and Warrants on AIM are expected to commence on 12 July 2007 and in the case of placees requesting their Ordinary Shares and Warrants in uncertificated form, it is expected that the appropriate CREST accounts will be credited with the Ordinary Shares and Warrants comprising their placing participation with effect from that date. In the case of placees requesting their Placing Shares in certificated form it is expected that certificates in respect of such shares will be despatched by post within 10 days of the commencement of dealings. Pending despatch of definitive share certificates or crediting of CREST accounts, the Company's registrars will certify any instrument of transfer against the register. The Ordinary Shares and Warrants will trade separately.

Further Issues

A further capital-raising may take place in the future. This may take the form of a placing of further Ordinary Shares or by means of a 'C' share issue by the Company which will, subject to certain conditions, be converted into Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares then in issue. Further warrants may also be issued. The Company's Articles, a summary of which is set out at paragraph 5 of Part IX of this document, have been drafted to reflect this possibility.

Purchases of Ordinary Shares by the Company

The Company may purchase Ordinary Shares in the market in order to address any imbalance between the supply of and demand for Ordinary Shares and to increase the net asset value per remaining Ordinary Share. So as to allow for this, the Company proposes (subject to approval of the High Court of Justice of the Isle of Man) to cancel all of its share premium account, thereby creating a special reserve which may be treated as distributable profits for all purposes, including making purchases of Ordinary Shares.

Resolutions have been passed at an extraordinary general meeting of the Company on 6 July 2007 authorising the cancellation of all of the share premium account of the Company following completion of the Placing and granting the Company authority to make market purchases of fully paid Ordinary Shares provided that the maximum number of Ordinary Shares authorised to be purchased shall be 14.99 per cent. of the issued ordinary share capital of the Company issued pursuant to the Placing. A renewal of the authority to make purchases of Ordinary Shares will be sought from Shareholders at each annual general meeting of the Company. No purchases of Ordinary Shares can be made by the Company until the cancellation of the share premium account has been approved by the Court (and the terms of any undertaking regarding creditors required by the Court have been complied with) or the Company has sufficient distributable profits to finance such purchases. Purchases of Ordinary Shares will be made within guidelines established from time to time by the Board. The timing of any purchases will be decided by the Board and may include, subject to the approval of the UKLA, purchases made during London Stock Exchange close periods prior to the announcement of annual and interim results.

Purchases will be made only through the market for cash at prices below the most recently calculated net asset value per Ordinary Share which will result in an increase in the net asset value per share of the remaining Ordinary Shares. Such purchases will be made only in accordance with the rules of the UKLA which currently provide that the price to be paid must not be more than five per cent. above the average of the market values of the Ordinary Shares for the five business days before the purchase is made. Ordinary Shares which are purchased by the Company will be cancelled.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Articles permit the holding of Ordinary Shares and Warrants under the CREST system. All the Ordinary Shares and Warrants will be in registered form and no temporary documents of title will be issued.

The Company has applied for the Ordinary Shares and Warrants to be admitted to CREST and it is expected that the Ordinary Shares and Warrants will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that Admission will become effective and dealings in Ordinary Shares and Warrants will commence on 12 July 2007. Accordingly, settlement of transactions in Ordinary Shares and Warrants following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and holders of Ordinary Shares and Warrants who wish to receive and retain share certificates will be able to do so.

Anti-Money Laundering Procedures

Due to anti-money laundering requirements operating within various jurisdictions, including the Isle of Man and the UK, the Administrator and Fairfax may require evidence of identification from applicants and/or persons on whose behalf an application is made in the initial placing of shares.

The Administrator and Fairfax, on behalf of the Company, reserve the right to request such information as is necessary to verify the identity of an initial applicant. In the event of delay or failure by the applicant to produce any information requested for verification purposes, the application may be

refused and any subscription monies returned to the bank account from which they were remitted. No Ordinary Shares will be allotted to an applicant until the identity of the applicant has been verified to the satisfaction of the Administrator or Fairfax.

Risk Factors

Certain risk factors in relation to the Company and its business are brought to your attention in Part II of this document.

Taxation

Information regarding United Kingdom, Isle of Man and South African taxation with regard to potential Shareholders is set out in Part VIII of this document. No other taxation advice is being provided to Shareholders in this document. If you are in any doubt as to your tax position, you should consult your professional adviser immediately.

Further Information

Your attention is drawn to the additional information set out in Part IX of this document.

PART VII

TERMS AND CONDITIONS OF THE WARRANTS

The Warrants will be issued in registered form and each will entitle the holder to subscribe for 1 Ordinary Share at a price of US\$1.25. Warrants will be freely transferable, will be listed on AIM and may be held in certificated form or uncertificated form (that is in CREST).

The Warrants will be constituted by, and will be issued subject to and with the benefit of, a Deed Poll of the Company dated 6 July 2007 (the "Warrant Instrument"). Holders of Warrants will be bound by and deemed to have notice of all matters, terms and conditions set out in the Warrant Instrument.

The terms and conditions attached to the Warrants, and which are included in the Warrant Instrument, are as follows:

1 Subscription Rights

- (a) A registered holder for the time being of a Warrant shall have rights ("Subscription Rights") to subscribe for Ordinary Shares of 1¢ each in the Company ("Shares") in cash on 30 April in any of the years 2008 to 2012 (both inclusive) (or, if later, on the date in any such year being 30 days after the date on which copies of the audited accounts of the Company for its then immediately preceding financial year are despatched to shareholders) (the "Subscription Dates"), for all or any of the number of Shares for which he is the registered holder of the right to subscribe at the price of US\$1.25 per Share (the "Subscription Price") payable in full on subscription. If the Company shall change its accounting reference date from 31 December, there shall be substituted for the said 30 April the date falling four months after the new accounting reference date. The number and/or nominal value of Shares to be subscribed and the Subscription Price will be subject to adjustment as provided in paragraph 2 below. The Warrants registered in the name of the holder may be held in certificated form by which they will be evidenced by a Warrant Certificate issued by the Company (a "Warrant Certificate") or may be held in uncertificated form in accordance with the CREST Regulations and practices instituted by the operator of the relevant system.
- (b) In order to exercise Subscription Rights in whole or in part the holder of a Warrant held in certificated form must lodge the Warrant Certificate (or such other document as the Company may, in its discretion, accept) on or within 28 days prior to the relevant Subscription Date (but not later than 3.00 p.m. on that date) at the office of the registrars for the time being of the Company, having completed the notice of exercise of Subscription Rights on the reverse thereof (or accompanied by such other written notice as the Directors may, in their discretion, approve) and specifying the number of Warrants in respect of which the Subscription Rights are exercised and accompanied by a remittance for the Subscription Price of the Shares in respect of which the Subscription Rights are exercised. Once lodged, a notice of subscription shall be irrevocable, save with the consent of the Directors. Compliance must also be made with any statutory requirements for the time being applicable.

In order to exercise Subscription Rights in whole or in part the holder of a Warrant held in uncertificated form must send (or, if they are a CREST sponsored member, procure that the CREST sponsor sends) the appropriate instruction to CRESTCo at such time as to ensure that the Subscription Rights which are being exercised are settled no later than 5:00 p.m. on the relevant Subscription Date. The holder of a Warrant held in uncertificated form must also deposit at the office of the registrars for the time being of the Company no later than 5:00 p.m. on the relevant Subscription Date the remittance for the Subscription Price of the Shares in respect of which the Subscription Rights are exercised. Compliance must also be made with any statutory requirements for the time being applicable. Warrantheolders should note that CRESTCo does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with the instruction and its settlement. It is the responsibility of each Warrantheolder to ensure that all necessary action is taken to settle prior to 5:00 p.m. on the relevant Subscription Date.

Remittance shall be made by a cheque denominated in Dollars and payable to the Company. Alternatively, a Warrantholder may arrange for the telegraphic transfer of the aggregate Subscription Price, including all bank charges and fees for such service, to the account of the Company.

The Directors may require, as a condition of such exercise, such other certifications as to nationality or residence as they deem necessary or desirable for the best interests of the Company.

- (c) Shares issued pursuant to the exercise of Subscription Rights will be allotted not later than 14 days after receipt of a completed notice of exercise of a Subscription Right and the requisite payments and, in the case of certificated Shares, certificates in respect of such Shares will be dispatched (at the risk of the person(s) entitled thereto) not later than 28 days after the receipt of a completed notice and the requisite payments to the person in whose name the Warrants are registered at the date of such exercise (or, if more than one, to the first named of them, which shall be sufficient despatch for all) or to such other person(s) (not being more than four in number) as may be named in the form of nomination available for the purpose from the registrars of the Company for the time being. In the event of a partial exercise of the Subscription Rights by a person holding Warrants in certificated form comprised in a Warrant Certificate, the Company shall at the same time issue a fresh Warrant Certificate in the name of the holder for the balance of his Subscription Rights remaining exercisable.
- (d) Not earlier than 8 weeks nor later than 4 weeks before 30 April in each of the years 2008 to 2012 the Company shall give notice to the holders of the outstanding Warrants reminding them of their Subscription Rights.
- (e) Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the relevant Subscription Date but subject thereto will rank in full for all dividends and other distributions declared, made or paid on the Shares and otherwise rank *pari passu* in all respects with the Shares of the Company in issue at that date provided that on any allotment falling to be made pursuant to paragraph 3(d) or (e) below the Shares so to be allotted shall not rank for any dividend or other distribution declared, made or paid by reference to a record date prior to the date of allotment.
- (f) The Company shall apply for the Shares allotted pursuant to any exercise of Subscription Rights to be admitted to trading on AIM and shall use all reasonable endeavours to obtain the admission thereof not later than 14 days after receipt of a completed notice of exercise of a Subscription Right and the requisite payments.
- (g) If immediately after any Subscription Date and after giving effect to the Subscription Rights exercised on that date, Subscription Rights under the Warrants shall have been exercised in respect of 75 per cent. or more of the Shares to which such rights relate the Company shall be entitled, on giving not less than 14 days' notice in writing to the holders of the Warrants then outstanding, to appoint a Trustee, who provided that in such Trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall, within the period of 14 days following the giving of such notice, either exercise such Subscription Rights that have not been exercised on the immediately preceding Subscription Date on the terms on which the same could have been exercised and sell in the market the Shares acquired on such a subscription or accept any offer made to the Warrantholders or to the Trustee (on behalf of the Warrantholders) for the purchase of the Warrants. Such Trustee shall distribute *pro rata* the proceeds less such subscription costs and such other costs and expenses to the persons entitled thereto as soon as practicable after such sale, provided that entitlements of under US\$10 shall be retained for the benefit of the Company.
- (h) Within seven days following the final Subscription Date, the Company will appoint a Trustee who, provided that in such Trustee's opinion the net proceeds of sale after deduction of all costs and expenses incurred by him will exceed the costs of subscription, shall, within the period of 14 days following the final Subscription Date, exercise such Subscription Rights as have not been exercised on the terms on which the same could have been exercised on the final Subscription Date and sell in the market the Shares acquired on such subscription. Such Trustee shall distribute, *pro rata*, the proceeds less such subscription costs and such other costs and expenses

to the persons entitled thereto within two calendar months of the final Subscription Date, provided that entitlements of under US\$10 will be retained for the benefit of the Company. Subject thereto, all Subscription Rights shall lapse 14 days after the final Subscription Date.

- (i) The Trustee referred to in paragraphs (g) and (h) above shall have no liability of any nature whatsoever where he has acted honestly and reasonably and shall have no responsibility for the safe custody of, or to earn any interest on, any unpaid or unclaimed money.

2 Adjustment of Subscription Rights

The Subscription Price (and the number of Warrants outstanding and the number and/or the nominal value of the Shares to be subscribed for upon exercise of the Warrants) shall from time to time be adjusted in accordance with the provisions of this paragraph 2.

- (a) If and whenever there shall be an alteration in the nominal amount of the Shares as a result of a consolidation or sub-division, the Subscription Price in force immediately prior to such alteration shall be adjusted by multiplying it by a fraction of which the numerator shall be the nominal amount of one such Share immediately after such alteration and the denominator shall be the nominal amount of one such Share immediately prior to such alteration, and such adjustment shall become effective on the date the alteration takes effect.
- (b) If and whenever the Company shall allot to the Shareholders any Shares credited as fully paid by way of capitalisation of reserves or profits (other than Shares paid up out of distributable reserves and issued in lieu of a cash dividend), the Subscription Price in force immediately prior to such allotment shall be adjusted by multiplying it by a fraction of which the numerator shall be the aggregate nominal amount of the issued Shares immediately before such allotment and the denominator shall be the aggregate nominal amount of the issued and allotted Shares immediately after such allotment and such adjustment shall become effective as at the date of allotment of such Shares.
- (c) If on a date (or by reference to a record date) before the expiry of 14 days from a Subscription Date, the Company makes any offer or invitation to Shareholders (whether by way of a rights issue or otherwise but not being an offer to which paragraph 3(d) below applies or an offer made in connection with scrip dividend arrangements), or any offer or invitation (not being an offer to which paragraph 3(e) applies) is made to Shareholders otherwise than by the Company, then the Company shall, so far as it is reasonably able, procure that at the same time the same offer or invitation is made to the then Warrantholders as if their Subscription Rights had been exercisable and had been exercised on the date immediately preceding the record date for such offer or invitation on the terms (subject to any adjustment made previously pursuant to paragraphs 2(a) to (f)) on which the same could have been exercised if they had been exercisable on that date, provided that, if the Directors so resolve in the case of such offer or invitation made by the Company, the Company shall not be required to procure that the same offer or invitation is made to the then Warrantholders but the Subscription Price shall be adjusted: (i) in the case of an offer of new Shares for subscription by way of rights at a price less than the market price at the date of announcement of the terms of the offer, by multiplying the Subscription Price in force immediately before such announcement by a fraction of which the numerator is the number of Shares in issue on the date of such announcement plus the number of Shares which the aggregate amount payable for the total number of new Shares comprised in such rights issue would purchase at such market price and the denominator is the number of Shares in issue on the date of such announcement plus the aggregate number of Shares offered for subscription; and (ii) in any other case, in such manner as the auditors for the time being of the Company (the "Auditors") shall report in writing to be, in their opinion, fair and reasonable. Any such adjustments shall become effective, in the case of (i) above, as at the date of allotment of the new Shares which are the subject of the offer or invitation and, in the case of (ii) above, as at the date determined by the Auditors. For the purposes of this paragraph "market price" shall mean an average of the mean of the quotations as derived from the Official List of the UK Listing Authority for one Share for the five consecutive stock exchange dealing days ending on the dealing day immediately preceding the day on which the market price is to be ascertained, making an appropriate adjustment if the Shares to be issued pursuant to the offer or invitation do not rank, on some or all of the relevant dealing days, *pari passu* as to dividends or other distributions with the Shares in issue on those days.

- (d) If and whenever the Company shall make a distribution to Shareholders of capital profits or capital reserves, except by means of a capitalisation issue in the form of fully paid shares, or reduces its share capital involving a repayment of capital to Shareholders, the Subscription Price in force immediately prior to any such event shall be adjusted in such manner as the Auditors shall report in writing to be, in their opinion, fair and reasonable and with effect from such date as shall be determined by the Auditors.
- (e) No adjustment shall be made to the Subscription Price pursuant to paragraphs 2(a), (b), (c) or (d) above (other than by reason of and to reflect a consolidation of Shares as referred to in paragraph 2(a) above) if it would result in an increase in the Subscription Price and, in any event, no adjustment shall be made if such adjustment would (taken together with the amount of any adjustment carried forward under the provisions of this paragraph 2(e)) be less than 1 per cent. of the Subscription Price then in force and on any adjustment the adjusted Subscription Price will be rounded down to the nearest 1 pence. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.
- (f) Whenever the Subscription Price is adjusted in accordance with paragraphs 2(a) to (e) above (other than by reason of and to reflect a consolidation of Shares as referred to in paragraph 2(a) above), the Company shall, subject as provided below, issue, for no payment, additional Warrants to each Warrantholder at the same time as such adjustment takes effect. The number of additional Warrants to which a Warrantholder will be entitled shall be the number of existing Warrants held by him multiplied by the following fraction:

$$\frac{X-Y}{Y}$$

where:

X = the Subscription Price immediately before the adjustment; and

Y = the Subscription Price immediately after the adjustment.

Fractions of Warrants will not be allotted to Warrantholders but all such fractions will be aggregated and, if practicable, sold in the market. The net proceeds will be paid to the Warrantholders entitled thereto, save that amounts of less than US\$10 will be retained for the benefit of the Company. In relation to such additional Warrants, Warrant Certificates (for Warrantholders holding Warrants in certificated form) or CREST accounts (for Warrantholders holding Warrants in uncertificated form) will be issued/credited within 21 days of the relevant adjustments taking effect.

The Company may, following such an adjustment to the Subscription Price, elect to adjust the subscription terms of existing Warrants (as opposed to issuing additional Warrants) so that the number and/or nominal value of Shares to be subscribed for on any subsequent exercise of the Warrants will be increased or, as the case may be, reduced in due proportion (fractions being ignored on an aggregated basis) so as to maintain the same cost of exercising the Subscription Rights of each Warrantholder. Such adjustment shall be determined by the Directors of the Company and the Auditors shall confirm that, in their opinion, the adjustments have been determined in all material respects in accordance with the provisions of the Warrant Instrument.

- (g) Whenever the Subscription Price is adjusted in accordance with this paragraph 2 by reason of a consolidation of Shares as referred to in paragraph 2(a) above, the number of Shares for which each Warrantholder is entitled to subscribe will be reduced accordingly.
- (h) The Company shall give notice to holders within 28 days of any adjustment made pursuant to paragraphs 2(a) to (g) above and within such period, in respect of any additional Warrants, either despatch Warrant Certificates to those Warrantholders holding Warrants in certificated form or credit the CREST accounts of Warrantholders holding Warrants in uncertificated form.

- (i) If a Warrantholder shall become entitled to exercise his Subscription Rights pursuant to paragraph 3(e) below, the Subscription Price payable on such exercise (but not otherwise) shall be reduced by an amount determined by the Auditors in accordance with the following formula:

$$A=(B+C)-D$$

where:

- A = the reduction in the Subscription Price;
- B = the Subscription Price which would, but for the provisions of this paragraph 2(i), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (g) above) if the Subscription Rights were exercisable on the date on which the Company shall become aware as provided in paragraph 3(f) below;
- C = the average of the mean of quotations as derived from the Daily Official List of the UK Listing Authority for one Warrant for the five consecutive London Stock Exchange dealing days ending on the dealing day immediately preceding the date of the announcement of the offer referred to in paragraph 3(e) below (or, where such offer is a revised offer, the original offer) or, if applicable and earlier, the date of the first announcement of the intention to make such offer or original offer or of the possibility of the same being made; and
- D = the average of the mean of quotations as derived from the Daily Official List of the UK Listing Authority for one Share for the five consecutive dealing days referred to in the definition of C above

provided that:

- (i) the Subscription Price shall not be reduced so as to cause the Company to be obliged to issue Shares at a discount to nominal value and, if the application of the above formula would, in the absence of this sub-paragraph 2(i)(i), have reduced the Subscription Price to below the nominal value of a Share, the number of Shares to be subscribed for pursuant to paragraph 3(e) below shall be adjusted in such manner as the Auditors shall report to be appropriate to achieve the same economic result for the Warrantholders as if the Subscription Price had been reduced without regard to this sub-paragraph 2(i)(i);
- (ii) the Subscription Price shall not be reduced where the value of D exceeds the aggregate value of B and C in the above formula;
- (iii) notwithstanding (ii) above, the Subscription Price shall be further adjusted to take account, to the extent that it is not already reflected in the market value of the Warrants, of the time value of money in such manner as the Directors of the Company shall determine, subject to the Auditors having reported that in their opinion, in all the circumstances, such adjustments are fair and reasonable.

The notice required to be given by the Company under paragraph 3(e) below shall give details of any reduction in the Subscription Price pursuant to this paragraph 2(i).

- (j) For the purpose of determining whether paragraph 3(g) below shall apply and, accordingly, whether each Warrantholder is to be treated as if his Subscription Rights had been exercisable and had been exercised as therein provided, the Subscription Price which would have been payable on such exercise shall be reduced by an amount determined by the Auditors in accordance with the following formula:

$$A=(B+C)-D$$

where:

- A = the reduction in the Subscription Price;

- B = the Subscription Price which would, but for the provisions of this paragraph 2(j), be applicable (subject to any adjustments previously made pursuant to paragraphs 2(a) to (g) above) if the Subscription Rights were exercisable immediately before the date on which the order referred to in paragraph 3(g) below shall be made or on which the effective resolution referred to in that paragraph shall be passed (as the case may be);
- C = the average of the mean of quotations (as derived from the Daily Official List of the UK Listing Authority) for one Warrant for the five consecutive stock exchange dealing days ending on the dealing day immediately preceding the date of the presentation of the petition for such order or of the notice convening the meeting at which such resolution shall be passed (as the case may be) or, if applicable and earlier, the date of the first announcement of the presentation of such petition or the convening of such meeting (as the case may be) or that the same is proposed; and
- D = the amount (as determined by the Auditors) of the surplus available for distribution in respect of each Share, taking into account for this purpose the Shares which would arise on exercise of all the Subscription Rights and the Subscription Price which would be payable on the exercise of such Subscription Rights (subject to any adjustments previously made pursuant to paragraphs 2(a) to (g) above but ignoring any adjustment to be made pursuant to this paragraph 2(j)).

The provisos set out in paragraph 2(i) above shall apply *mutatis mutandis* to any adjustment made in accordance with this paragraph 2(j).

- (k) Where an event which gives or may give rise to an adjustment to the Subscription Price occurs whether in such proximity in time to another such event or otherwise in circumstances such that the Company in its absolute discretion determines that the foregoing provisions need to be operated subject to some modification in order to give a result which is fair and reasonable in all the circumstances, such modification shall be made in the operation of the foregoing provisions as may be advised by the Auditors to be in their opinion appropriate in order to give such a result.

3 Other Provisions

So long as any Subscription Rights remain exercisable:

- (a) The Company shall not (except with the sanction of an extraordinary resolution of the Warrantholders):
 - (i) make any such offer or invitation as is referred to in paragraph 2(c) above, on or by reference to a record date falling within the period of six weeks ending on a Subscription Date;
 - (ii) in any way modify the rights attached to its existing Shares as a class (but nothing herein shall restrict the right of the Company to increase or to consolidate or sub-divide its share capital), or create or issue any new class of equity share capital (as defined in section 744 of the Companies Act 1985 of England and Wales) which carries rights as regards voting, dividend or return of capital more favourable than those attaching to the Shares;
 - (iii) amend the provisions of its Articles of Association to permit any surpluses arising on the realisation of investments to be distributed as dividend;

and so that nothing herein shall prevent the Company from purchasing its Shares in accordance with the Law on such terms as the Company shall determine.

- (b) The Company shall not issue any Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2(b) above if as a result the Company would on any subsequent exercise of the Subscription Rights be obliged to issue Shares at a discount.
- (c) The Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable.

- (d) If at any time an offer or invitation is made by the Company to the holders of the Shares for the purchase by the Company of any of its Shares, the Company shall simultaneously give notice thereof to the Warrantholders and each such holder shall be entitled, at any time whilst such offer or invitation is open for acceptance, to exercise his Subscription Rights on the terms on which the same could have been exercised on the last preceding Subscription Date (subject to any adjustment pursuant to paragraphs 2(a) to 2(g) above) so as to take effect as if he had exercised his rights immediately prior to the record date of such offer or invitation.
- (e) If at any time an offer is made to all holders of Shares (or all holders of Shares other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such persons or companies as aforesaid, the Company shall give notice to the holders of the Warrants of such vesting within 7 days of its becoming so aware, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise his Subscription Rights on the terms on which the same could have been exercised on the last preceding Subscription Date (subject to any adjustment pursuant to paragraphs 2(a) to 2(g) above and subject to paragraph 2(i) above) and so that failing such exercise within such period such rights shall lapse upon the expiry of such period; the publication of a scheme of arrangement providing for the acquisition by any person of the whole or any part of the issued share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 3(e) and references herein to such an offer shall be read and construed accordingly. For the purposes of this paragraph 3(e), if a person becomes a Warrantholder at any time during the additional exercise period no notice shall be given to such holder but such holder shall be entitled to exercise his Subscription Rights during the period in which other holders are able to exercise their Subscription Rights.
- (f) If under any offer as referred to in paragraph 3(e) above the consideration shall consist solely of the issue of Shares of the offeror and the offeror shall make available an offer of warrants to subscribe for Shares in the offeror in exchange for the Warrants, which offer the financial advisers to the Company (acting as experts and not as arbitrators) shall consider to be fair and reasonable (having regard to the terms of the offer and to the terms of paragraph 2(i) and any other circumstances which may appear to such financial advisers to be relevant), then a Warrantholder shall not have the right to exercise his Subscription Rights on the basis referred to in paragraph 3(e) above and subject to the offer as referred to in paragraph 3(e) above becoming or being declared wholly unconditional and the offeror being in a position to acquire compulsorily the whole of the then issued share capital of the Company not already owned by it, and/or any company controlled by it and/or any persons acting in concert with it, any Director of the Company shall be irrevocably authorised as attorney for the Warrantholders who have not accepted the offer of warrants to subscribe for shares in the offeror in exchange for the Warrants:
- (i) to execute a transfer thereof in favour of the offeror in consideration of the issue of warrants to subscribe for shares in the offeror as aforesaid, whereupon all the Warrants shall lapse; and
 - (ii) to do such acts and things as may be necessary or appropriate in connection therewith.
- (g) If an order is made or an effective resolution is passed for winding-up of the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by an extraordinary resolution of the holders of the Warrants), each holder of a Warrant shall (if, in such winding-up and on the basis that all Subscription Rights then unexercised had been exercised in full and the Subscription Price therefor had been received in full by the Company, there would be a surplus available for distribution amongst the holders of the Shares which, on such basis, would exceed in respect of each Share a sum equal to the Subscription Price) be treated as if immediately before the date of such order or resolution his Subscription Rights had been exercisable and had been exercised in full, on the terms on which the same could have been exercised on the Subscription Date (subject to any adjustment pursuant to paragraphs 2(a) to 2(g) and 2(j) above), and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the

Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Share equal to the Subscription Price (subject to any adjustment as aforesaid). Subject to the foregoing all Subscription Rights shall lapse on liquidation of the Company.

- (h) The Company shall not grant (or agree to grant) (except with the sanction of an extraordinary resolution of the holders of the Warrants) any option in respect of, or create any rights of subscription for, any Shares or issue any loan capital carrying rights of conversion into, Shares if the price at which any such option or rights is exercisable is lower than the Subscription Price for the time being.

4 Modification of Rights

All or any of the rights for the time being attached to the Warrants and all or any of these terms and conditions may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of an extraordinary resolution of the Warrantholders provided that no such alteration or abrogation may be effected which is detrimental to the rights or interests of Shareholders except with the sanction of an extraordinary resolution of Shareholders. All the provisions of the Articles of Association for the time being of the Company as to general meetings shall *mutatis mutandis* apply as though the Warrants were a class of shares forming part of the capital of the Company but so that:

- (a) the necessary quorum shall be the holders (present in person or by proxy) entitled to acquire one-third of the nominal amount of the Shares attributable to such outstanding Warrants;
- (b) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Share for which he is entitled to subscribe;
- (c) any Warrantholder (present in person or by proxy) may demand or join in demanding a poll; and
- (d) at any adjourned meeting those holders of Warrants (present in person or proxy) shall be a quorum (whatever the number of Warrants held or represented by them).

Any such alteration or abrogation approved as aforesaid shall be effected by deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument. Modifications to the Warrant Instrument which are (i) of a formal, minor or technical nature, or (ii) made to correct a manifest error, or (iii) made in order to permit the holding and transfer of the Warrants in uncertificated form, and which (in each such case) do not adversely affect the interests of the Warrantholders, may be effected without the sanction of an extraordinary resolution by deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument and notice that such a modification has been made shall be given by the Company to the Warrantholders with the next annual or interim report.

5 Transfer and Transmission

- (a) Each Warrant will be registered and will be transferable in whole by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors, except that no transfer of a right to subscribe for a fraction of a Share may be effected.
- (b) Subject as provided in paragraph 5(a) above, the provisions of the Articles of Association for the time being of the Company relating to the ownership, registration, transfer and transmission of Shares and the issue of certificates shall *mutatis mutandis* apply to the Warrants.

6 Purchase of Warrants by the Company

The Company shall have the right to purchase Warrants in the market, by tender or by private treaty but:

- (a) such purchases will be limited to a maximum price per Warrant which, in the case of purchases through the market, will not exceed 5 per cent. above the average of the middle market quotations (as derived from the Daily Official List of the AIM Listing Authority) for the 5 consecutive dealing days ending on the dealing day immediately preceding the date on which the purchase is made; and
- (b) if such purchases are by tender such tender will be available to all holders of Warrants alike.

All Warrants so purchased shall forthwith be cancelled and will not be available for re-issue or re-sale.

7 Issue of ‘C’ Shares

- (a) Notwithstanding the provisions of paragraph 3 above, a qualifying ‘C’ share issue (as defined below) shall not constitute an alteration or abrogation of the rights attached to the Warrants (and shall not require the sanction of an extraordinary resolution of the Warrantholders) even though it may involve the modification of the rights attached to the existing Ordinary Shares of the Company or the creation of a new class of equity share capital if the Directors are of the opinion (having regard to all the circumstances) that such issue should not have any material dilutive effect on the fully diluted net asset value attributable to each Ordinary Share.
- (b) For this purpose, a ‘qualifying ‘C’ share issue’ means an issue by the Company of shares which will, in accordance with the Articles of Association of the Company, be converted into Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares then in issue (other than, if the case requires, as regards dividends and other distributions declared, paid or made in respect of the financial year in which the conversion takes place) and may include the issue in connection therewith of warrants and any matters reasonably incidental to the process by which such shares are converted to Ordinary Shares, including but not limited to the creation, issue, sub-division, consolidation, redesignation, purchase, redemption or cancellation of any share capital of the Company.

8 General

- (a) The Company will concurrently with the issue of the same to the Shareholders send to each Warrantholder (or in the case of joint holders to the first-named) a copy of each published annual report and accounts of the Company, together with all documents required by law to be annexed thereto, and a copy of every statement, notice or circular issued by the Company to Shareholders.
- (b) For the purposes of these terms and conditions, “extraordinary resolution of the Warrantholders” means a resolution proposed at a separate meeting of the Warrantholders duly convened and held and passed by a majority consisting of not less than three-fourths of the votes cast whether on a show of hands or on a poll.
- (c) For the purposes of these terms and conditions, “business day” means a day (other than a Saturday) on which banks in London and the Isle of Man are open for business.
- (d) Any determination or adjustment made pursuant to these terms and conditions by the Auditors shall be made by them as experts and not as arbitrators and any such determination or adjustment made by them shall be final and binding on the Company and each of the holders of the Warrants.
- (e) The provisions of the Articles of Association for the time being of the Company insofar as they apply or refer to the Warrants or Warrantholders shall have effect. The Company may, in accordance with its Articles of Association, purchase its own Shares.
- (f) References in these particulars to the Companies Act 1985 of England and Wales or any provisions thereof shall include a reference to any statutory modification or re-enactment thereof.
- (g) If any events referred to in paragraphs 3(d) and 3(e) above shall occur prior to the first Subscription Date, the paragraph concerned shall be read and construed in relation to that event as if the words “first Subscription Date” were substituted for the words “last preceding Subscription Date”.
- (h) The exercise of subscription rights by the holder of Warrants or a beneficial owner of Warrants who has a registered address in Canada or who is a US Person, or the right of such a holder or beneficial owner of Warrants to receive the new Shares falling to be issued to him following the exercise of his subscription rights, will be subject to such requirements, conditions, restrictions, limitations or prohibitions as the Company may at any time impose, in its absolute discretion, for the purpose of complying with the securities laws of Canada or the United States (including, without limitation, the Securities Act (as amended), United States Investment Company Act of 1940 (as amended) (the “1940 Act”) and any rules or regulations promulgated under such Acts). As used herein, “US Person” has the meaning given by Regulation S under the Securities Act (as amended).
- (i) These terms and conditions shall be governed by and construed in accordance with the law of the Isle of Man.

PART VIII

TAXATION

The following information, which relates only to UK and Isle of Man taxation, is applicable to the Company and to persons who are resident or ordinarily resident in the UK and who hold Ordinary Shares as investments. It is based on the law and practice currently in force in the UK and the Isle of Man. It applies only to persons holding shares as investments and may not apply to certain classes of persons such as securities dealers. The information is not exhaustive and, if potential investors are in any doubt as to the taxation position, they should consult their professional advisers without delay. Investors should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and it may alter the benefits of investment in the Company.

UK Taxation

The Company

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the UK and so that the Company does not carry out any trade in the UK (whether or not through a permanent establishment situated there). On this basis, the Company should not be liable for UK taxation on its income and gains, other than certain income deriving from a UK source.

The Directors intend to manage the Company's affairs such that it should not be regarded as a collective investment scheme for the purposes of Section 235 Financial Services and Markets Act 2000. On this basis a shareholding in the Company should not be regarded as a material interest in an offshore fund for the purposes of Sections 756A to 764 (as amended by the Finance Act 2005) of the Income and Corporation Taxes Act 1988 (the "Taxes Act"). Therefore, any gains realised on such holdings should not be subject to tax as income under that legislation.

Taxation of Dividends

Shareholders who are resident in the UK or carrying on a trade in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on dividends paid by the Company whether directly or by way of reinvestment of income.

Taxation of Capital Gains

Base Cost of Ordinary Shares and Warrants

The acquisition cost attributable to Ordinary Shares and Warrants issued under the Placing must be apportioned between the Ordinary Shares and the Warrants because they represent separate assets for UK taxation purposes. That apportionment will have to be made on a basis that HM Revenue & Customs considers to be "just and reasonable". The Directors have been advised that, under current HM Revenue & Customs practice, that basis should not be significantly different from the ratio which the market value of the Ordinary Shares bears to the market value of the Warrants on each of the first days on which the Ordinary Shares and Warrants are dealt in separately. The acquisition cost attributable to Ordinary Shares and Warrants acquired in the secondary market following the Placing will be based on the price paid.

The Warrants will be wasting assets for the purposes of United Kingdom taxation of chargeable gains. Therefore, Warrant holders may not be able to claim the full acquisition cost of Warrants (as discussed above) in determining any capital gain on disposal of Warrants and may, depending on circumstances, be subject to a chargeable gain even where Warrants are sold at less than the acquisition cost.

Exercise of Warrants

A Warrant holder who exercises a Warrant will not make a disposal for the purposes of the taxation of chargeable gains and no chargeable gains will arise at that time. Instead, in computing the chargeable gain when the Ordinary Shares acquired on exercise of the Warrant are later disposed of, the full acquisition cost of the Warrant (determined as noted above) will be added to the amount paid for the Ordinary Shares acquired on exercise of the Warrants.

The date of acquisition of Ordinary Shares acquired on exercise of Warrants, for the purposes of taper relief (for Shareholders who are individuals), will be the date of acquisition of the Ordinary Shares themselves and not the date of acquisition of the Warrants from which they were derived.

Disposal of Ordinary Shares and Warrants

In the case of those Shareholders and Warrantheolders who are individuals or otherwise not within the charge to corporation tax, depending on personal circumstances, capital gains tax may be payable on a disposal of Ordinary Shares or Warrants. Taper relief may be available to reduce the amount of any chargeable gain on disposal but taper relief will not create or increase a capital loss. No indexation allowance will be available to such holders. Individual Shareholders are entitled to an annual exemption from capital gains.

Shareholders within the charge to UK corporation tax may be subject to corporation tax on capital gains in respect of any gain arising on a disposal of Ordinary Shares. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Ordinary Shares but indexation will not create or increase a capital loss. Where a Warrantheolder exercises a Warrant and subsequently disposes of the Ordinary Shares acquired, indexation will apply separately to the cost of acquisition of the Warrant and the exercise price.

For Warrantheolders within the charge to UK corporation tax, the rules in relation to the taxation of derivative contracts may apply to the Warrants, depending on the accounting treatment applied to the Warrants by the relevant Warrantheolder. If the Warrants are treated as capital assets by the Warrantheolder, the Warrantheolder may be subject to corporation tax on capital gains in respect of any gain arising on a disposal of the Warrants. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Warrants but indexation will not create or increase a capital loss.

Other tax considerations

It is not expected that the Company would be regarded as a close company if it were resident in the UK. Therefore, capital gains realised by the Company should not be attributed to Shareholders under Section 13 of the Taxation of Chargeable Gains Act 1992.

The attention of individuals ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, which may render such individuals liable to tax on the income of the Company (taken before any deduction for interest) in certain circumstances.

Stamp Duty and Stamp Duty Reserve Tax

The following comments are intended as a guide to the general UK Stamp Duty and Stamp Duty Reserve Tax ("SDRT") position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. No UK Stamp Duty or SDRT will be payable on the issue of the Placing Shares or Warrants. UK Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5 of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Ordinary Shares or Warrants executed within, or in certain cases brought into, the UK. Any agreement to transfer Ordinary Shares or Warrants, including any transfer effected through CREST, should not be subject to UK SDRT, provided that neither Ordinary Shares nor Warrants are registered in any register of the Company kept in the UK.

Non-UK Shareholders

Shareholders and Warrantheolders who are not resident or ordinarily resident in the UK (or temporarily non-resident) and do not carry on a trade, profession or vocation through a branch or agent in the UK with which the Ordinary Shares or Warrants are connected will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Ordinary Shares or Warrants. Such Shareholders and Warrantheolders should consult their own tax advisers concerning their tax liabilities.

Self-Invested Personal Pension Schemes ("SIPPs")

Subject to restrictions on the purchase of shares by a sponsoring employer, Ordinary Shares and Warrants may be held for the purposes of a SIPP where such shares are considered suitable investments by the scheme administrator. Inclusion of Ordinary Shares and Warrants in a SIPP is subject to their being considered suitable investments by the scheme administrator and may be subject to limits on the percentage interest in the Company that would result following acquisition.

Any person who is in any doubt as to his/her tax position or requires more detailed information than the general outline above should consult his/her professional advisers.

Isle of Man Taxation

The statements set out below are intended only as a general guide to certain aspects of current Isle of Man tax law and practice as at the date of this document. The summary does not purport to be a complete analysis of all Isle of Man tax issues for the Company or the holders of Ordinary Shares or Warrants. Prospective purchasers of Ordinary Shares or Warrants are advised to consult their own tax advisers on the taxation consequences of the acquisition, ownership and disposal of Ordinary Shares or Warrants.

Tax residence in the Isle of Man

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man.

Capital taxes in the Isle of Man

The Isle of Man has a regime for the taxation of income, but there are no capital or stamp taxes in the Isle of Man (save for capital duty as described below). No Isle of Man stamp duty or stamp duty reserve tax will be payable on the issue or transfer of, or any other dealing in, Ordinary Shares.

The Company is liable to capital duty in the Isle of Man. Capital duty is currently payable on incorporation or on any increase in the nominal value of the authorised share capital of the Company at the rate of £15 per £1,000 (or part thereof) of authorised share capital over £2,000 subject to a minimum of £125 and a maximum aggregate amount of £5,000 for each company.

Zero rate of corporate income tax in the Isle of Man

The Isle of Man now operates a zero rate of tax for most corporate taxpayers. This will include the Company. Under the new regime, the Company will technically be subject to taxation on its income in the Isle of Man, but the rate of tax will be zero; there will be no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company.

The Company will be required to pay an annual corporate charge in the Isle of Man. The current level of the corporate charge is £250 per annum.

Notwithstanding the zero rate of corporate tax, there are measures in place to ensure that Isle of Man resident shareholders are subject to Isle of Man income tax on their share of undistributed corporate profits by means of a “distributable profits charge” that is payable by certain companies in certain circumstances. However, upon Admission, the Company will obtain the benefit of an exemption from this regime that is afforded to companies whose shares are traded on a recognised stock exchange.

Deductions in respect of Isle of Man employees

The application of the zero rate of corporate income tax described above does not affect the liability of a company to deduct and account for income tax under the Isle of Man Income Tax (Instalment Payments) Act 1974 or national insurance contributions, if applicable, although this is not expected to be relevant to the Company as it does not have, nor does it currently intend to engage, any Isle of Man employees.

EU Savings Directive

Directive 2003/48 of the European Union on the taxation of savings income seeks to bring about the effective taxation of interest payments in a beneficial owner’s member state of tax residence through the automatic exchange of information on cross border interest payments to individual beneficial owners. During the transitional period set out in the Directive, three member states (namely Austria, Belgium and Luxembourg) shall not be required to exchange information but shall apply a withholding tax to savings income covered by the Directive. The Isle of Man has entered into agreements with all the EU member states to apply a retention tax during the transitional period in the same manner as the withholding tax under the Directive and, thereafter, to apply automatic exchange of information. These measures now apply in the Isle of Man, but the Directive does not currently extend to dividend payments.

Isle of Man probate

In the event of the death of a sole holder of Ordinary Shares, an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man Government.

The foregoing summary does not address tax considerations which may be applicable to certain Shareholders under the laws of jurisdictions other than the UK and the Isle of Man. The Company has no present plans to apply for any certifications or registrations, or to take any other actions under the laws of any jurisdictions which would afford relief to local investors therein from the normal tax regime otherwise applicable to an investment in Ordinary Shares or Warrants. It is the responsibility of all persons interested in purchasing the Ordinary Shares or Warrants to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of the Ordinary Shares or Warrants.

PART IX

ADDITIONAL INFORMATION

1 Directors Responsibility

The Directors, whose names are set out on page 10 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Company

- 2.1 The Company was incorporated with limited liability in the Isle of Man under the Law with registered number 120060C on 19 June 2007. The Company has an unlimited life.
- 2.2 The Company's registered office and its principal place of business are in the Isle of Man and are located at Jubilee Buildings, Victoria Street, Douglas, Isle of Man, IM1 2SH. Its telephone number is +44 (0)1624 698000.
- 2.3 Save for its entry into the material contracts summarised in paragraph 7 of this Part IX and certain non-material contracts, since its incorporation, the Company has not carried on business nor incurred borrowings.
- 2.4 For statutory purposes under the provisions of the Law, and in accordance with the Articles, the Company may not proceed to allotment unless a minimum of two shares have been subscribed for.

3 Share Capital

- 3.1 At incorporation the authorised share capital of the Company was US\$10 million divided into 500 million Ordinary Shares of US\$0.01 each and 5 million C shares of US\$1 each of which two Ordinary Shares were issued as subscriber shares to the two subscribers to the Memorandum and Articles of Association. Neither the Law nor the Articles impose pre-emption rights on the issue of new shares. Accordingly, at incorporation, the Directors were generally and unconditionally authorised to allot securities in the Company up to the authorised but unissued share capital of the Company and such power was not limited in duration.
- 3.2 The authorised share capital and the maximum issued share capital of the Company (all of which will be fully paid-up) immediately following the Placing will be as follows:

	<i>Authorised</i>		<i>Issued*</i>	
	<i>No. of Shares</i>	<i>US\$ Nominal</i>	<i>No. of Shares</i>	<i>US\$ Nominal</i>
Ordinary Shares	500,000,000	5,000,000	180,450,000	1,804,500
C Shares	5,000,000	5,000,000	—	—

* Assuming the Placing is fully subscribed.

- 3.3 By an ordinary resolution dated 6 July 2007 the Company took authority, in accordance with section 13 of the Companies Act 1992 of the Isle of Man, to make market purchases of fully paid Ordinary Shares, provided that the maximum number of Ordinary Shares authorised to be purchased shall be 14.99 per cent. of the issued ordinary share capital of the Company issued pursuant to the Placing. The Company is permitted to fund the payments for purchases of Ordinary Shares in any manner permitted by section 15 of the Companies Act 1992 of the Isle of Man. Such authority shall expire at the first annual general meeting of the Company unless such authority is varied, revoked or renewed prior to such date by a special resolution of the Company in general meeting.

- 3.4 By a special resolution dated 6 July 2007 it was resolved that, conditional on the Placing becoming unconditional and the approval of the High Court of Justice of the Isle of Man, the amount standing to the credit of the share premium account of the Company following completion of the Placing be cancelled and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the books of account of the Company which shall be able to be applied in any manner in which the Company's profits available for distribution are able to be applied, including the purchase of the Company's own shares and payment of dividends. In deciding whether to give its confirmation, the court will be concerned to protect the interests of any creditors of the Company as at the date the reduction takes effect. The court will require all such creditors to have been paid or to have consented to the reduction. Until the court has confirmed the reduction of the share premium account (and the terms of any undertaking regarding creditors required by the court to be complied with), the Company will only be able to distribute dividends and to repurchase Ordinary Shares out of existing distributable profits. There can be no assurance that the court will confirm the reduction of the share premium account.
- 3.5 In accordance with the power granted to the Directors by the Articles, it is expected that the Ordinary Shares to be issued under the Placing will be allotted (conditional upon Admission) pursuant to a resolution of the Board to be passed shortly before Admission. There are no provisions of Isle of Man law equivalent to Sections 89 to 96 of the Companies Act 1985 of England and Wales which confer pre-emption rights on existing Shareholders in connection with the allotment of equity securities for cash.
- 3.6 The liability of Shareholders is limited to the amount payable in respect of Ordinary Shares held.
- 3.7 The Ordinary Shares carry the right to vote at general meetings, to dividends, and to the surplus assets of the Company on a winding-up, as further described in paragraph 5 below. The C Shares and Deferred Shares carry the rights as to voting, dividends and to the return of assets on a winding up as further described in paragraph 5 below.
- 3.8 Save pursuant to the Placing, since the date of incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- 3.9 Save for the Warrants, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 3.10 As of the date of this document, the Company has no listed or unlisted securities not representing share capital.

4 Directors and other interests

- 4.1 The maximum amount of remuneration payable to the Directors permitted under the Articles is £300,000 per annum.
- 4.2 The Directors were appointed as non-executive Directors by letters dated 2 July 2007 that state that appointment and any subsequent termination or retirement shall be subject to the Articles. Save as described above, there are no existing or proposed service contracts between any the Directors and the Company.
- 4.3 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 4.4 Save for Brian Myerson's interest as a director of the Investment Manager and for Lawrence Kearns' interest as a director of the Administrator and Custodian (as disclosed in paragraph 4.6 of this Part IX), no Director has any interest in any transactions which are or were unusual in their nature or significant to the business of the Company and which have been effected by the Company since incorporation and remain in any way outstanding or unperformed.

- 4.5 No Director (nor any member of a Director's family) has had a related financial product (as defined in the AIM Rules) referenced to Ordinary Shares.
- 4.6 Lawrence Kearns, a non-executive director of the Company, is also a non-executive director of Anglo Irish Bank Corporation (I.O.M.) P.L.C. and Anglo Irish Fund Services Limited, companies which have been appointed to act as Custodian and the Administrator respectively to the Company. To the extent that the Board may vote on any decision relating to the appointment or removal of the Administrator or Custodian, Mr Kearns will abstain from voting.
- 4.7 Based on the intention of the Directors (and persons connected with the Directors) to subscribe under the Placing, the Directors (and persons connected with the Directors) are expected to hold, following Admission the number of Ordinary Shares and Warrants set out below:-

<i>Name</i>	<i>Ordinary Shares*</i>		<i>Warrants*</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
David von Simson	100,000	0.055	20,000	0.055

In accordance with the lock-in arrangements contained in the AIM Rules, the Directors have agreed not to dispose of their securities for a period of one year from the date of Admission. Save as set out above, no Director has any interest, whether beneficial or non-beneficial, in the share capital of the Company nor has any person connected with any Director (so far as is known, or who could with reasonable diligence be ascertained by each Director) an interest in the share capital of the Company or with any options in respect of such capital.

- 4.8 The Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control of the Company.
- 4.9 The Company will purchase directors and officers liability insurance for the benefit of the Directors.
- 4.10 No Director has any unspent convictions relating to indictable offences, has been bankrupt or has made, or been the subject of, any individual voluntary arrangement.
- 4.11 Save as disclosed below, none of the Directors has been a director of any company at the time of or within twelve months preceding the date of its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors. None of the Directors has been a partner of any partnership at the time of or within twelve months preceding the date of its compulsory liquidation, administration or partnership voluntary arrangement or the receivership of any assets of such partnership nor have any of their assets been the subject of receivership.
- 4.12 None of the Directors has been publicly criticised by any statutory or regulatory authority or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 4.13 There is no Directors shareholding qualification under the Articles or otherwise.
- 4.14 The directorships held by each of the Directors over the five years preceding the date of this document and the partnerships in which they have been partners in the five years preceding the date of this document are as follows:

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Larry	Ace (Four) Limited	142 Canary Central Limited
Kearns	Ace (One) Limited	A I Nominees Limited
	Ace (Three) Limited	A.R.D. Properties Limited
	Ace (Two) Limited	Aberoy Investments Limited
	Ace Dunfermline Limited	Academy Limited
	Ace East Grinstead Limited	Adare Limited
	Ace Hartlepool Retail Limited	Aderinola Limited
	Ace Peterborough Limited	Advocate Limited
	Ace Reading Limited	Aeroturbines Limited
	Active Commercial Enterprises Plc	Afrinvest Holdings Limited
	Active Commercial Estates Plc	Agape Limited
	AgriMark Limited	Agents Transecon (Axiom) Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
	Albergo Limited	Ahlmar Investments Limited
	Anglo Irish Bank Corporation (I.O.M) P.L.C.	Airone Shipping Limited
	Anglo Irish Fund Services Limited	Alborn Limited
	Aston Partners Limited	Alderbrook Limited
	Bifrost Limited	Aldridge Limited
	Buskett Limited	Alex Limited
	Cambridge Place C.D.O. (Isle of Man) Limited	Allenwood Limited
	Chelsfield Limited	Allsafe Consultants Limited
	Chemical Plant Manufacturing Limited	Almark Limited
	Clucas Plc	Alpha Prime Properties Limited
	Corina Limited	Altman Investments Limited
	Cresta Limited	Alyssum Limited
	Douglas Development Partnership	American Machinery Company Limited
	Equiom Trust Company Limited	Amicus Limited
	Everard Castle Corporation	Anglo Irish Aircraft Leasing Limited
	Fordex Limited	Anglo Irish Corporate Services Limited
	GAM MP Asia Pacific Equity Inc.	Anglo Irish Yacht Leasing Limited
	GAM MP European Equity Inc.	Antares Shipping Limited
	GAM MP Liquidity Plus Inc.	Antelope Limited
	GAM MP European Long / Short Inc.	Antrim Limited
	GAM MP Relative Value Inc.	Appin Investments Limited
	GAM MP US Equity Inc.	Aqua Alta Paladin
	GAM MP US Equity Relative Return Inc.	Ariston Limited
	GAM Multi-Commodities Inc.	Armadillo Limited
	GAM Multi- North America Inc.	Armfield Limited
	GAM Multi-Japan Inc.	Armsart Limited
	Gazebo Investments Limited	Artilleries E45 Limited
	Gibbs Technologies Limited	Arvan Limited
	Greenpoint Investments Limited	Arwenack Limited
	Haslam Limited	ASG Limited
	Krypton Contract Cleaning Limited	Ashdon Limited
	Loxwood Limited	Asian Village Casino
	Oubliette Ltd	Antigua Limited
	Plexor Limited	Asian Village Corporation
	Private Investment Portfolio Plc	Antigua Limited
	Property Investment Portfolio Plc	Asian Village Limited
	Restart Holdings Limited	Asia-Pacific Link Limited
	Restart Limited	Asset ECU & DM Bond Fund Limited
	Sardinella Limited	Asset International Bond Fund Limited
	Sefton Properties (Duke Street) Limited	ASSL Limited
	Skanco Business Systems Limited	Aten Advisory Limited
	Skanco Consultancy Limited	Athol Properties Limited
	Snaker Properties Limited	Atlantic Limited
	Speymill Macau Property Company PLC	Atlantic Settlements Limited
	Tatlow Limited	ATP Oil Company Limited
	W. H. Woods (Isle Of Man) Limited	Aurora Limited
		Aurum Consulting Limited
		Automotive Resource Consultants Limited
		Autoria LLC
		Avalon Limited
		Avanta Managed Offices Limited
		Avergrove Limited
		Averthorn Limited
		Awrad Co. Limited
		Ayres Properties Limited
		Azak Limited

Name

Current Directorships/Partnerships

Past Directorships/Partnerships

Aztec Limited
Aztech Information Systems Limited
Balcombe Limited
Balfron Properties Limited
Bali Investments Limited
Balkan Advisory Company Limited
Ballacregga Estates Limited
Ballapaddag Farm Produce Limited
Ballyedmond Limited
Balmore Properties Limited
Balsam Limited
Balthane Studios Limited
Baltic Crew International Limited
Bancroft Limited
Baracot Limited
Barberry Investments Limited
Barrule Properties Limited
BCC Trust Corporation Limited
Beamworld Limited
Bear Industries Limited
Bearsdon Limited
Beauval Limited
Beckdale Limited
Bedale Investments Limited
Bell Limited
Benfica Limited
Beris Limited
Bernardi Limited
Bertone Limited
Best Films (I.O.M.) Limited
Bettus Limited
Beulah Limited
Bexton Limited
Biz Group Limited
Blenbury Investments Limited
Bluedale Limited
Bluehaven Estates Limited
Bobbins Limited
Boch Limited
Bolina Limited
Bolzano Limited
Bonanza Tropical Fruit Limited
Bondone Limited
Bonita Limited
Bowery Properties Limited
Bowfield Group Limited
Bracknell Limited
Breda Investments Limited
Brenhill Limited
Brionnais Shipping and
Transport Consultancy Limited
Britannia Escrow Limited
Britannia Holiday Services Limited
British Autotech Limited
Britz Enterprises Limited

Name

Current Directorships/Partnerships

Past Directorships/Partnerships

Broadsword Limited
Buckden Limited
Bullwood Limited
Burrell Corporation Limited
CAG Limited
Calendar Marketing Limited
Camberwood Investments Limited
Campsie Fells Limited
Candida Limited
Canita Limited
Cannonbury Investments Limited
Canyacht Limited
Caphee Real Estate Limited
Capital Advisory (Poland) Limited
Carden Limited
Carenza Limited
Carlethan Limited
Carpon Advisory Services Limited
Castille Properties Limited
CEF Consulting Limited
CEM&F Advisors Limited
Centennial Investments Limited
Centre European Strategy Limited
Channel Maritime Limited
Charnock Limited
Chayne Limited
Chelsdfield Limited
Chemical Plant Manufacturing Limited
Cherrywood Limited
Chesterfield Limited
Chiswick Limited
Cinderhills Limited
Cisey Acquisitions Limited
Clemthorn Limited
Clonmellon Limited
Close Enterprises Limited
Club Olympus Management Limited
Colosseum Properties Limited
Comber Limited
Commercial Property Investments Limited
Company Transactions Advisor Limited
Computer Associates Limited
Consani Trading Limited
Coquina Limited
Coralmar Limited
Corpus Consultants Limited
Cosdon Limited
Coverdale Limited
Craighead Limited
Creative Online Media (I.O.M.) Limited
Crewkerne Limited
Crimond 2000 Limited
Crossford Investments Limited
Crossharbour Investments Limited
Cuthy Corporation Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Danric Limited
		Daramat Limited
		Dataq Limited
		David Kramers Company Limited
		Dazar Unlimited
		Deanpark Limited
		Demarco Limited
		Denbigh Developments Limited
		Dendrobium Limited
		Design Ideas Limited
		Development Services Limited
		Dili Limited
		Dill Limited
		Dino Limited
		Dodman Limited
		Drummond Limited
		Dry Bulk Chartering Limited
		E.C. 91 Limited
		E.H. Holdings Limited
		Eagle Properties Limited
		Earlsdon Investments Limited
		East Africa Development Company Limited
		Eastlake Investments Limited
		Eastwood Farms Limited
		Ebanol Corporation Limited
		ECG (BVI) Limited
		Eden Park Limited
		Effra Properties Limited
		Electric Sun Limited
		Electro Technology Systems Limited
		Elldun Design Limited
		Elldun Holdings Limited
		Elinside Limited
		Emerald Limited
		Emerging Investments Limited
		Emeritus Limited
		Emes Limited
		Enfield Advisory Limited
		Epeco Limited
		Ernold Limited
		Ernst & Whinney Mediterranean Limited
		Ernst & Young AABS Limited
		Ernst & Young Holdings Limited
		Ernst & Young Personnel Limited
		Ernst & Young Services Limited
		Ernst & Young Vneshconsult Holdings Limited
		Espace Productions Limited
		Espada Limited
		European Aeroleases Limited
		Everglades 2 Investments Limited
		Everglades Investments Limited
		Evrasia Bunker Limited
		Evromig Limited

Name

Current Directorships/Partnerships

Past Directorships/Partnerships

F.R.C. Investments Limited
FABUS Limited
Fawo Limited
Ferante Limited
Ferguson Limited
Fernworthy Investments Limited
Fidelio Investments Limited
Fidget Limited
Filbee Limited
Finca Santa Maria De Mijas,
Societe Anonyme
Fingal Investments Limited
First Choice Administration
(I.O.M.) Limited
First Venture Capital Limited
Fizz Investments Limited
Flanders Limited
Flaxon Investments Limited
Flitsby Limited
Focus 2000 Limited
Food Database Advisory Services
Limited
Force Majeure Consulting Limited
Forest View Limited
Founders Limited
Frambury Limited
Freestone Limited
Futurian Limited
G.S. Consulting House Limited
Ganges Investments Limited
Gazebo Investments Inc.
GBM Limited
Gemroc Limited
General Construction Limited
General Support Management Limited
Gibson & Gibson Recruitment
Consultants Limited
Gilly Simpson Interior Design Limited
Gladwell Limited
Glanmore Milton Keynes Limited
Glenburn Limited
Gleniffer Limited
Glenwood Limited
Goethe Management (I.O.M.) Limited
Goldco Limited
Golden Atlantic Holidays Limited
Gorsley Investments Limited
Grant Thornton Trid Limited
Green Marine Offshore Limited
Green Reefers Limited
Greensun Company Limited
Greenwell Limited
Greenwich Mean Time Holdings Limited
Gringotts Limited
Grisham Limited

Name

Current Directorships/Partnerships

Past Directorships/Partnerships

GSM Project Services Limited
Gwello Limited
Gypsy Woman Products (I.O.M.) Limited
Haber Holdings Limited
Hadrian Limited
Hagrid Limited
Halimut Limited
Halthem Limited
Hampel Limited
Hardgate Properties Limited
Harfield Properties Limited
Harlyn Limited
Haslington Technologies Limited
Hazelmere Investments Limited
Heat Shield Limited
Helios Installations Limited
Hepburn Limited
Herbal Laboratories Limited
Hilbre Limited
Hillswick Limited
Holford Limited
Hollywood Years Productions
(I.O.M.) Limited
Holmes Professional Services Limited
Homestate Limited
Horrox Leasing Limited
Horrox Limited
Hove Limited
I.F.A.O. Limited
I.S. Consulting Limited
Ibis Communications Limited
ICN Sport (I.O.M.) Limited
Icon Investments Limited
Inca Limited
Inchard Limited
Inchcape Investments Limited
Independent Information Technology
Centre Limited
Industrial and Domestic Plumbing and
Heating Limited
Innovative Support Services Limited
Invicta Investments Limited
IPI Eximco Limited
Island Animals Limited
Island Image Limited
Isle of Man Chamber of Commerce
ITMC Limited
Jale Limited
Jan Limited
Jom (I.O.M.) Limited
Jubilee Limited
Juhie Limited
Junonia Limited
Kaizan Limited
Karbros Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Karstow Limited
		Kasco Limited
		Kaye Investments Limited
		Keiko Limited
		Kelvin Properties Limited
		Kenton Investments Limited
		Kenwright Limited
		Kevrick Limited
		Key-One Limited
		Kezi Limited
		Kiel Limited
		Kilbarn Limited
		Kilbarron Limited
		Kimble Corporation Limited
		Kingsley Travel (Tours) Limited
		Kingsroad Limited
		Kinloss Limited
		Kinsale Limited
		Kinsman Limited
		KMC (EC) Limited
		Koban Limited
		L.C.W.W. Transit (Overseas) Limited
		Laaren Limited
		Laface Limited
		Lagonda Limited
		Lambley Park Limited
		Lambourne Properties Limited
		Lammerglan Investments Limited
		Land Holdings (St. Thomas) Limited
		Langum Advisory Limited
		Lansley Limited
		Lanwell Limited
		Largil Corporation Limited
		Lariat Limited
		Laterna Magica Consulting Limited
		Leafriver Limited
		Lee Lighting (Isle of Man) Limited
		Lesdale Limited
		Lesdan Limited
		Lethe Limited
		Level Peak Limited
		Lifeline Monitors Limited
		Limewood Limited
		Ling Limited
		Linkman Investments Limited
		Linksfield Limited
		Linton Limited
		Litharne (I.O.M.) Limited
		Little Miracle Company Limited
		Lochridge Limited
		Locksley Investments Limited
		Lomond Limited
		Longmynd Investments Limited
		Longstaff Investments Limited
		Lordos Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Lowford Limited
		Loxwood Limited
		Lupron Limited
		Lynaire Limited
		Lynton Limited
		M.F. & L. Limited
		MA Competition Limited
		MacPherson Developments Limited
		Magellann Capital Investments Limited
		Malew Models Limited
		Mantis Limited
		Manus Consulting Limited
		Manx Car Carriers Limited
		Manx Pharmaceuticals Limited
		Marfield Limited
		Marine & Fuel Marketing (I.O.M.) Limited
		Marisco Limited
		Marketing Puerto Rico Limited
		Marnik Limited
		Martlet Company Limited
		Massmart Intellectual Property Limited
		Maximillian Limited
		Maylin Limited
		Mediterranean Sales Limited
		Medusa Czech Operations Limited
		Melbury Properties Limited
		Merthan Overseas Limited
		Micron Consultants Limited
		Midsummer (RV) Limited
		Milkimonik Limited
		Millennium Consultancy Limited
		Millennium Equities Limited
		Millennium Estates (I.O.M.) Limited
		Millford Limited
		Milton Tours Limited
		Mintmaster Limited
		Mitcham Investments Limited
		Moonhill Limited
		Moreton Limited
		Morstock Limited
		Mottram Investments Limited
		Moxley Limited
		Murscum Limited
		Musgrove Limited
		Mx2 Limited
		N.P.T. Corporation Limited
		Nat Productions Limited
		Navigation Limited
		NB Life Limited
		Neuronal Connections I.O.M. Limited
		Newbrook Limited
		Niarbyl Holidays Limited
		Nicol Investments Limited
		Norind Investments Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Notley Limited
		Novena Limited
		Noviy Dizel Limited
		Nuneaton Investments Limited
		Nutriscience Limited
		O & S Tours Limited
		Oakcat Limited
		Oakdale Park Developments Limited
		Oakdale Park Investments Limited
		Oakford Property Company Limited
		Oaklands Limited
		Ofsfr Limited
		Oil Procurement Services International Limited
		Ollis Advisor Limited
		Omeath Limited
		OMPS Limited
		Onich Limited
		Opel Securities Limited
		Opix Productions Limited
		OPS Offshore Limited
		Ordessa Limited
		Orestone Limited
		Oscaben Limited
		Oscar Shipping Limited
		Overseas Properties Limited
		Owd Bob Productions Limited
		Oxbridge Limited
		Paddington Limited
		Palin Limited
		Pan Properties Limited
		Pangaea Resources Limited
		Paradigm Limited
		Paragon Capital Limited
		Paranoia (I.O.M.) Limited
		Parkvale Limited
		Parva Investments Limited
		Pascall Investments Limited
		PCM Limited
		PDA Consulting Limited
		Pearl Partners Limited
		Pedmore Limited
		Peetee Limited
		Pelman Investments Limited
		Pelmont Limited
		Pencader Investments Limited
		Pennyvale Property Limited
		Pentagon Investments Limited
		Peony Limited
		Perdita Limited
		Peter Holmes Associates Limited
		Pharmacophore Limited
		Pirate Films Limited
		Pitchpine Investments Limited
		Platessa Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Player Limited
		Plessey Overseas Holdings Limited
		Posidona Advisory Services Limited
		Pradillo Limited
		Premarc Investments Limited
		Prisma Consulting Services Limited
		Provan Investments Limited
		Puckoon Productions Limited
		Pyramid Consulting Limited
		Quadrille Investments Limited
		Quadrivest Limited
		Quantum Consultants Limited
		Quintilla Limited
		R.P.V. Limited
		R.S. & B.S. Limited
		Raewyn Limited
		Ragdale Limited
		Rail Road Consultants Limited
		Ramplur Limited
		Rapier Investments Limited
		Raspberry Limited
		Rayleigh Investments Limited
		Redcastle Capital Limited
		Redfearn Investments Limited
		Redwing Limited
		Region South Ventures Limited
		Relay Limited
		Rembrandt Masterpiece Limited
		Research & Preservation Company (Historical) Limited
		Resiak Enterprise Limited
		Respham Limited
		Response Limited
		Revan Limited
		Rheox Export, Limited
		Rhodbridge Investments Limited
		RO Limited
		Roadhouse Properties Limited
		ROC Finance Limited
		ROC Limited
		ROC Trading Limited
		Rocknorth Inc
		Rodych Limited
		ROF Limited
		Romany Limited
		Romart Limited
		Ronberk Limited
		Rosedale Investments Limited
		Rosstrevor Limited
		Roundstone Group Limited
		Rowington Limited
		Ruuctions Limited
		Rumic Corporation Limited
		Runner Trading Limited
		Rushnell Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Ruthal Limited
		S.C.I. Limited
		S.W. Callister Limited
		Sable Limited
		Safety Management Services (I.O.M.) Limited
		Sahara Sunset Management Company Limited
		Saico Holding Limited
		Saico Limited
		Saltash Properties Limited
		Samos Overseas Limited
		Sartour Limited
		Scarthdean Limited
		Schevamo Limited
		Schrader Investments Limited
		Scorpion Investments Limited
		Seaford Limited
		Seaforde Limited
		See's Enterprises Holding Limited
		Selby Limited
		SEQ Limited
		Shallon Overseas Limited
		Shegilla Limited
		Shergar Limited
		Sherwood Limited
		Shetland Limited
		Shiu Kwong Limited
		Shiu Wing Limited
		Silo Investments Limited
		Silverfield Limited
		Silvi Invest Limited
		Simply The Best Vehicle Sales Limited
		Sinbac Limited
		Skanco UK Limited
		Skelta Investments Limited
		Skien Properties Limited
		Snowmead Limited
		Softwise Systems Limited
		Soitec 2001 Limited
		Somerton Investments Limited
		Sonomat Limited
		SORY Marketing Limited
		South Morang Pastoral Company Pty. Ltd
		Speedwell Enterprises Limited
		Speedywhiz Limited
		Spiritfuture Limited
		Sports Productions Limited
		Springtime Investments Limited
		Stagshaw Limited
		Standard Limited
		Stanford Services Limited
		Stepney Limited
		Stolen Kiss Limited
		Stormfield Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Strand Games Limited
		Suffolk Limited
		Summerhill Limited
		Summertime Limited
		Sunbury Investments Limited
		Sunny Beach – Ireland Limited
		Sunnyhurst Limited
		Sunset Bay Management Company Limited
		Sunset Beach Club (Management) Limited
		Sunset Beach Club (Marketing) Limited
		Sunset Developments (1986) Limited
		Sunset Developments Limited
		Sunset Harbour Management Company Limited
		Sunset Management Company Limited
		Supertronic Limited
		Sussex Estates Limited
		Swanley Investments Limited
		Swift Scaffolding Limited
		Symond Investments Limited
		Tailored Solutions Limited
		Tailwind Tankers Limited
		Tallin Limited
		Tamerco Limited
		Tango Investments Limited
		Tania Corporation Limited
		Tasman (UK) Limited
		Tasman Limited
		TCI Owners Association Limited
		TCI System Limited
		Tecumseh Management Limited
		Telefonica Finance Limited
		Telor International Limited
		Temple (I.O.M.) Limited
		Templeroan Limited
		Teodora Limited
		Tesdale Limited
		The Classic Company Limited
		The Elementary Property Company Limited
		The Film Division Limited
		The Harpist Distribution Limited
		The Leopold Joseph International Fund Limited
		The Reefland Trust Limited
		Thomas Project Management Limited
		Tihany Limited
		Tilai Limited
		Tillenna Limited
		Tipperary Limited
		Titchbourne Claimant (I.O.M.) Limited
		Tithebarn Limited
		Tivoli Investments Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Tobias Shipping and Transport Consultancy Limited
		Toledo Limited
		Tomboy Films (Waking Ned Devine) Limited
		Tomco Limited
		Top Management Limited
		Topsec Security Systems Limited
		Torre del Gallo Limited
		Torridon Properties Limited
		Torsion Limited
		Tosspot Limited
		Tractech Limited
		Tramore Limited
		Tranquille Limited
		Trauma Productions (I.O.M.) Limited
		Travel Management Services Limited
		Tremissary Limited
		Triangle Limited
		Trilby Limited
		Triton Investments Limited
		Trudos Corporation Limited
		Trumpton Limited
		Trustey.com Limited
		Truworths Intellectual Property Limited
		Tulip Limited
		Turret Investments Limited
		Two Plus Three Limited
		Ultima Limited
		Ultimate Cleaning Services Limited
		Union Mills Tractors Limited
		Union Pictures Limited
		United Ferries Limited
		Universal Rides Limited
		Valero Limited
		Valice Investments Limited
		Value Management Limited
		Van Karen (Holdings) Limited
		Vandana Limited
		VCG Limited
		VCG (UK) Limited
		Vermont Limited
		Wakefield Limited
		Wallaby Investments Limited
		Wanganui Limited
		Watermark Investments Limited
		Wave Investments Limited
		Weasley Limited
		Wellfield Limited
		West Africa Oil and Marine Limited
		Westcourt Limited
		Westlander Limited
		Whites Creamery (Isle of Man) Limited
		Wigwam Properties Limited
		Wild Tigris Charter Limited

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
		Willowbrook Investments Limited Wincroft Limited Window Talk Issue Isle of Man Limited Windrose Limited Wolfrun Investments Limited Wolston Investments Limited Woodlea Investments Limited Wootton Investments Limited World Mailroom Limited Wraescroft Limited WSM Intellectual Properties Limited Yarmouth Limited Yarrow Corporation Limited Zambales Forest Limited Zdravo Limited Zeradigm Industries Limited Zoneff Limited
Brian Myerson	Principle Capital Holdings S.A. Principle Capital Fund Managers Ltd Principle Capital Investment Trust plc Active Value Advisors Ltd Liberty PLC Shawford Park Helicopters Ltd Bulldog Financial Ltd Proteus Property Partners Limited South African Property Opportunities PLC	Dell Limited (The) Purple Capital Ltd Shawford Park Polo Ltd JAB Holdings Ltd Illuminator plc (renamed Blackstar Investors plc) BNB Recruitment Solutions plc RM Auctions, Inc. Sage Group Ltd Maylebone Warwick Balfour Group plc
Paul MacDonald	Aragon 12 VV GmbH Aragon 13 VV GmbH Aragon 14 VV GmbH Aragon 15 VV GmbH Aragon 16 VV GmbH Beragon VV GmbH Ceragon VV GmbH Deragon VV GmbH Eragon VV GmbH Faragon VV GmbH Geragon VV GmbH Heragon VV GmbH Iragon VV GmbH Jragon VV GmbH Karagon VV GmbH Laragon VV GmbH Maragon VV GmbH Naragon VV GmbH Oragon VV GmbH Paragon VV GmbH Amber Erste VV GmbH Amber Zweite VV GmbH Amber Dritte VV GmbH Amber Vierte VV GmbH Amber Fünfte VV GmbH Amber Sechste VV GmbH Amber Siebente VV GmbH Amber Achte VV GmbH Amber Neunte VV GmbH Amber Zehnte VV GmbH	Sirona Beteiligungs GmbH Demedis GmbH Microsulis Medical Limited <i>(in administration)</i>

<i>Name</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
	Amber Elfte VV GmbH Amber Zwölfte VV GmbH Amber Dreizehnte VV GmbH Amber Vierzehnte VV GmbH Amber Fünfzehnte VV GmbH Prospect Epicure J-REIT Value Fund plc Epicure Qatar Equity Opportunities plc	
Graça Machel	Whatana Investments Nelyzima Family Trust Mamalu Investment Pty Ltd	
David von Simson	Camera Homefinders Limited Europa Partners Limited Raphoe Management Limited The Europa Partnership LLP Prospect Epicure J-REIT Value Fund plc Epicure Qatar Equity Opportunities plc	Raphoe Management Limited (Eire)

5 Articles of Association

The Articles of Association of the Company contain provisions, *inter alia*, to the following effect:

5.1 Voting

- (a) Members have the right to receive notice of, and to vote at, general meetings of the Company. Each member who is present in person at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person or by proxy has one vote in respect of each share held.
- (b) The C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of C Shareholders will be the same as that applying to the Shareholders as if the C Shares and existing Ordinary Shares were a single class. The Deferred Shares shall not carry any right to receive notice of or attend or vote at any general meetings of the Company. The voting rights of existing Ordinary Shares shall not be affected.

5.2 Shares

5.2.1 Issuance

Subject to the Articles, the unissued shares shall be at the disposal of the Directors, who may allot grant options over or otherwise dispose of them to such persons, on such terms and conditions as they determine, provided that no shares shall be issued at a discount.

5.2.2 Commission and Brokerage

The Company may also pay such brokerages and/or commissions as may be lawful.

5.2.3 Non-recognition of Trusts

Except as expressly stipulated in the Articles, as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any shares upon any trust and the Company shall not be bound by or recognise any interest in any share or in any fractional part of a share except an absolute right of the holder to the entirety of the share.

5.2.4 Variation of Rights

The special rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons at least holding or representing by

proxy one-third in number of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present not less than one person who is present shall be a quorum).

5.2.5 C Shares and Deferred Shares

(a) Additional Definitions

“Calculation Date” means the earlier of:

- (i) the close of business on the day to be determined by the Directors occurring not more than 28 Business Days (or such later date to be determined by the Directors) after the day on which the Investment Manager shall have given notice to the Directors that at least 85 per cent. of the Net Proceeds have been Invested in accordance with the Company’s investment policy;
- (ii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion; and
- (iii) the date falling two years after the date of Admission;

provided that if, prior to the events set out in (i), (ii) and (iii) above, the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation, then the close of business on the date of such board resolution shall be the Calculation Date;

“Conversion Ratio” means the ratio at the Calculation Date to be used to determine the number of New Ordinary Shares and Deferred Shares (if any) arising on Conversion, more particularly being

$$\frac{A}{B}$$

where:

$$A = \frac{C-D}{E}$$

where ‘C’ is the aggregate of,

- (i) the value of the real estate assets of the Company and its subsidiaries attributable to the C Shares calculated by reference to a valuation carried out by a valuer appointed by the Directors; and
- (ii) the value of all other investments of the Company and its subsidiaries attributable to the C Shares at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Date; and
- (iii) the amount which in the Directors’ opinion fairly reflects at the Calculation Date the value of all of the other assets of the Company and its subsidiaries attributable to the C Shares (including current assets and cash and deposits with or balances at bank and including any income and other items of a revenue nature);

‘D’ is the amount (to the extent not otherwise deducted in the calculation of C) which in the Directors’ opinion fairly reflects the amount of the liabilities attributable to the C Shares at the Calculation Date including any declared but unpaid dividend in respect of the C Shares; and

‘E’ is the number of C Shares in issue at the Calculation Date;

provided that the Directors shall be entitled to make such adjustments to the value or amount of ‘A’ as the Auditors shall confirm to be appropriate having regard, *inter alia*, to the assets attributable to the C Shares on the Issue Date and to the reasons for the issue of the C Shares;

and where:

$$B = \frac{(F-G)-(C-D)}{H}$$

where ‘F’ is the aggregate of:

- (i) the value of all the real estate assets of the Company and its subsidiaries calculated by reference to a valuation carried out by a valuer appointed by the Directors; and
- (ii) the value of all other investments of the Company at the valuations adopted by the Directors as at the Calculation Date; and
- (iii) the amount which, in the Directors’ opinion, fairly reflects at the Calculation Date the value of all of the other assets of the Company and its subsidiaries (including current assets and cash and deposits with or balances at bank and including any income or other items of a revenue nature);

‘G’ is the amount which (to the extent not otherwise deducted in the calculation of ‘F’) in the Directors’ opinion reflects the amount of the liabilities of the Company at the Calculation Date including any declared but unpaid dividend; and

‘H’ is the aggregate of the number of Ordinary Shares in issue at the Calculation Date,

provided that the Directors shall be entitled to make such adjustments to the value or amount of ‘B’ as the Auditors shall confirm to be appropriate having regard, *inter alia*, to the reasons for the issue of the C Shares set out in this document;

(b) The Conversion Process

- (i) The Directors shall procure that within twenty Business Days of the Calculation Date:
 - (A) the Administrator shall calculate the Conversion Ratio as at the Calculation Date and the numbers of New Ordinary Shares and Deferred Shares to which each C Shareholder shall be entitled on Conversion; and
 - (B) the Auditors shall certify that such calculations:
 1. have been performed in accordance with the Articles; and

2. are arithmetically accurate whereupon, subject to the proviso immediately after the definition of 'H' contained in the definition of Conversion Ratio, such calculations shall become final and binding upon the Company and all shareholders.
- (ii) The Directors shall procure that as soon as practicable following the certification referred to in paragraph 5.2.5(b)(i)(B) and in any event within fourteen Business Days of the Calculation Date notice is given to all shareholders stating the Conversion Date, the Conversion Ratio and the numbers of New Ordinary Shares and Deferred Shares to be issued upon Conversion.
 - (iii) On Conversion each C Share shall automatically sub-divide into 100 C Shares of US\$0.01 each and such C Shares of US\$0.01 each shall automatically convert into such number of New Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:

the aggregate number of C Shares of US\$0.01 each which are converted into New Ordinary Shares equals the number of C Shares in issue at the Calculation Date multiplied by the Conversion Ratio (rounded down to the nearest whole Ordinary Share); and each C Share of US\$0.01 each which does not so convert into a New Ordinary Share shall convert into one Deferred Share.
 - (iv) The New Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders *pro rata* according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, the right to sell any such fractional entitlements and retain the proceeds for the benefit of the Company) and for such purposes any Director is authorised as agent on behalf of each C Shareholder or former C Shareholder, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each C Shareholder or former C Shareholder who shall be bound by them.
 - (v) Forthwith upon Conversion any share certificates relating to the C Shares shall be cancelled and the Company shall issue to each former C Shareholder new certificates in respect of the New Ordinary Shares which have arisen upon Conversion. Share certificates in respect of the Deferred Shares will not be issued.
 - (vi) Forthwith upon Conversion the rights attaching to the C Shares shall lapse and those attached to the Deferred Shares shall lapse upon the repurchase of the Deferred Shares whereupon each Deferred Share comprised in the authorised but unissued capital of the Company shall be redesignated as an Ordinary Share without further resolution or consent.
 - (vii) The Directors shall be authorised to make such adjustments to the terms, basis, valuation principles and methodology and timing of Conversion as they shall in their discretion consider fair and reasonable having regard to the interests of all shareholders.

5.2.6 Redemption

- (i) The C Shares are to be issued on terms that the Deferred Shares but not the New Ordinary Shares arising on Conversion shall be redeemable by the Company in accordance with the Articles.

- (ii) Immediately upon Conversion, the Company shall be entitled to redeem all of the Deferred Shares for an aggregate consideration of US\$1 for every 100,000 Deferred Shares (or part of 100,000 such shares) held by each registered holder thereof.
- (iii) The Company shall not be obliged to issue share certificates to the Deferred Shareholders in respect of the Deferred Shares and shall not be obliged to account to any Deferred Shareholder for the redemption monies in respect of such shares unless the relevant holder applies to the Company in writing requesting payment of the said redemption monies within one month of redemption.
- (iv) On redemption deferred share capital comprised in the authorised but unissued share capital shall be redesignated as ordinary share capital without further resolution or consent.

5.2.7 *Special Rights*

Without prejudice to the generality of the Articles, until Conversion it shall be a special right attaching both to existing Ordinary Shares as a class and to the C Shares as a class that save with the sanction or consent of such holders given in accordance with the Articles:

- (i) no alteration shall be made to the memorandum of association of the Company or to the Articles;
- (ii) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company; and
- (iii) no resolution of the Company shall be passed to wind up the Company.

5.2.8 *Undertakings*

Until Conversion and without prejudice to its obligations under the Law, the Company shall:

- (i) procure that the Company's records shall be operated and maintained so that the assets and liabilities attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate investment ledger accounts shall be created and maintained for the assets attributable to the C Shareholders; and
- (ii) allocate a fair proportion of every expense or liability of the Company relating to capital to the extent that such expense or liability is incurred or accrued between the Issue Date and the Calculation Date (both dates inclusive) to the C Shares; and
- (iii) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

5.3 ***Power to require disclosure***

5.3.1 *Interpretation*

- (a) For the purposes of paragraph 5.3:
 - (i) "working day" means a day which is not a Saturday, a Sunday, Christmas Day, Good Friday or a bank holiday in the Isle of Man;
 - (ii) a person's percentage interest in voting rights is to be calculated on the basis of all the shares to which voting rights are attached even if the exercise of such rights is suspended. The number of voting rights to be considered when calculating whether a threshold has been reached, exceeded or fallen below is the number of voting rights in existence according to the Company's most recent disclosure made in accordance with paragraph 5.3.2(b) below and the proportion of voting rights held shall if necessary be rounded down to the next whole number;

- (iii) “qualifying financial instruments” has the meaning given to that term in DTR 5.3.2R;
 - (iv) “Regulatory Information Service” means a service approved by the London Stock Exchange for the distribution to the public of announcements;
 - (v) “Holder” means any natural person or legal entity governed by private or public law who holds directly or indirectly (A) shares of the Company in its own name and on its own account; (B) shares of the Company in its own name, but on behalf of another natural or legal entity; (C) depository receipts, in which case the holder of the depository receipt shall be considered as the Holder of the underlying shares represented by the depository receipts; and
 - (vi) “DTR” means the Disclosure and Transparency Rules of the UK Financial Services Authority.
- (b) For the purposes of paragraph 5.3, a person is an indirect holder of shares for the purposes of the applicable definition of Holder to the extent that he is entitled to acquire, to dispose of, or to exercise voting rights in any of the cases listed in DTR 5.2.1R or a combination of them.
 - (c) For the purposes of paragraph 5.3, voting rights held by those persons listed in DTR 5.1.3R are to be disregarded completely.
 - (d) The Company shall not by virtue of anything done for the purposes of paragraph 5.3 be deemed to be affected with notice of, or put upon enquiry as to, the rights of any person in relation to any shares.
 - (e) References to the DTR include any modification thereof by the UK Financial Services Authority for the time being in force.

5.3.2 *Disclosure of substantial interests in shares*

- (a) A person must notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds as Holder or through his direct or indirect holding of qualifying financial instruments (or a combination of such holdings):
 - (i) reaches, exceeds or falls below 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent. or 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent.; or
 - (ii) reaches, exceeds or falls below an applicable threshold in (i) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with paragraph 5.3.2(b) below.
- (b) The Company must, at the end of each calendar month during which an increase or decrease has occurred, disclose to the public the total number of voting rights and capital in respect of each class of share which it issues.
- (c) A notification given in accordance with paragraph 5.3.2(a) shall include the following information:
 - (i) the percentage of voting rights held, or the resulting situation in terms of voting rights and the date on which the relevant threshold was reached or crossed;
 - (ii) if applicable, the chain of controlled undertakings through which voting rights are effectively held;
 - (iii) so far as known to him, the identity of the Holder, even if that Holder is not entitled to exercise voting rights and of the person entitled to exercise voting rights on behalf of that Holder;

- (iv) the price, amount and class of shares concerned;
 - (v) in the case of a holding of qualifying financial instruments:
 - (A) for qualifying financial instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;
 - (B) the date of maturity or expiration of the qualifying financial instruments;
 - (C) the identity of the holder;
 - (D) the name of the underlying company; and
 - (E) the detailed nature of the qualifying financial instruments, including full details of the exposure to Ordinary Shares; and
 - (vi) any other information required by the Company.
- (d) An obligation to give a notice to the Company under paragraph 5.3.2(a) shall be fulfilled forthwith and without delay.
 - (e) The Company shall on receipt of a notification and without delay deliver an announcement detailing all the information contained in the notification to a Regulatory Information Service for distribution to the public.

5.3.3 *Register of Substantial Interests*

The Directors shall keep a register for the purposes of paragraph 5.3 (hereafter referred to as the “Register of Substantial Interests”) and shall procure that, whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed on him under paragraph 5.3, that information is within three working days thereafter inscribed in the Register of Substantial Interests against that person’s name, together with the date of the inscription.

5.3.4 *Power to Require Disclosure*

The Directors may serve notice on any member requiring that member to disclose to the Company the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time (being not less than ten days and not more than thirty days from the date of despatch) as the Directors shall specify in such notice.

If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may at any time following 14 days from the expiry of the prescribed period serve a disenfranchisement notice on the member. The disenfranchisement notice may direct that in respect of the shares in respect of which the default has occurred (the “default shares”), the member shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. of the class of shares concerned the disenfranchisement notice shall additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

5.4 *Transfer of and transmission of shares*

The Articles are consistent with CREST membership and, *inter alia*, allow for the holding and transfer of shares in uncertificated form.

Any member may transfer all or any of his certificated shares by instrument of transfer in any form which the Board may approve or, in the case of uncertificated shares, without a written instrument in accordance with the CREST Regulations. The instrument of transfer of a share shall be signed by or on behalf of the transferor.

The Board may refuse to register any transfer of shares unless the instrument of transfer is lodged at the registered office accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The Board may in its absolute discretion and without giving any reason refuse to register a transfer of a certificated share unless:

- (a) it is in respect of a share that is fully paid up;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of shares;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied (except in the case where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so

provided that such discretion may not be exercised in such a way as to prevent dealings from taking place on an open and proper basis.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

5.5 *Registration of an uncertificated share transfer*

The Directors shall register a transfer of title to any share held in uncertificated form in accordance with the CREST Regulations, except that the Directors may refuse (subject to any relevant requirements applicable to AIM or any other investment exchange to which the shares of the Company are admitted) to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by the CREST Regulations.

5.6 *Alteration of capital*

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law.

The Company may by ordinary resolution increase its share capital, consolidate and/or divide all or any of its share capital into shares of larger or smaller amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the Company's Memorandum of Association; convert all or any of its share capital into different classes of shares than its existing shares; cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish its authorised share capital accordingly; and convert all or any fully paid up shares into stock and reconvert that stock into paid up shares of any denomination.

The Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any undistributable reserve in any manner permitted by and with and subject to any rights attached to the shares and any consent required by the Law.

5.7 *Powers and duties of the Board*

- (a) The management and control of the business of the Company shall be in and from the Isle of Man or such other place outside the United Kingdom as the Board may determine. Subject to the Law, the Company's memorandum of association and the Articles and to any

directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not.

- (b) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which, directly or indirectly, he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest, directly or indirectly, in shares or debentures or other securities of or otherwise through the Company) or a duty which conflicts with the interests of the Company.
- (c) Subject to the Law, a Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) a contract, arrangement, transaction or proposal concerning the offer of shares, debentures or other securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub-underwriting of which he is to or may participate;
 - (iv) a contract, arrangement, transaction or proposal concerning any other company in which he is interested, directly or indirectly, as an officer, creditor, shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of any such company (or of any third company through which his interest is derived) or of the voting rights of such company;
 - (v) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
 - (vi) a contract, arrangement, transaction or proposal for the purchase or maintenance of insurance for the benefit of the Director or persons including the Directors.
- (d) Subject to the Law, any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director on such terms as to remuneration and otherwise as the remuneration committee may arrange.
- (e) Subject to the Law, any Director may continue to be or become a director, managing director, manager or other officer or member of a company promoted by or promoting the Company or in which the Company is otherwise interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

5.8 *Notification of Interest*

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

5.9 *Remuneration of Directors*

- (a) The Directors shall be entitled to receive by way of fees for their services such sum as the Board shall determine provided that the aggregate amount of such fees shall not exceed £300,000 per annum (or such greater sum as may be determined from time to time by ordinary resolution of the Company). The Directors shall also be entitled to be paid all reasonable out of pocket expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Board may determine.
- (c) The Directors may from time to time appoint one or more of their body to be holder of any executive office including the office of managing director on such terms and for such periods as they may determine.

5.10 *Retirement of Directors*

- (a) At each annual general meeting, any Director who was elected or last re-elected a Director at or before the annual general meeting held in the third calendar year before the current year shall retire by rotation.
- (b) The Company may by ordinary resolution remove any Director before the expiration of his period of office and may by ordinary resolution appoint another person who is willing to act to be a Director in his place.

5.11 *Dividends*

5.11.1 *Dividends*

- (a) Subject to the rights of persons entitled to shares with special rights as to dividends, the Company in general meeting may by ordinary resolution, in accordance with the Law, declare that dividends be paid to members out of profits available for distribution resulting from the Company's business according to the respective rights and interests of such members but no dividend shall exceed the amount recommended by the Board.
- (b) The Directors may if they think fit from time to time pay the members such interim dividends as appear to be justified by the profits of the Company in accordance with the Law.
- (c) No dividend or other amount payable to any shareholder shall bear interest against the Company.
- (d) All unclaimed dividends and other amounts payable as aforesaid and unclaimed for 12 months after having become repayable may be invested or otherwise made use of for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 5 years after having been declared or become due for payment shall be forfeited and shall revert to the Company.
- (e) If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for that purpose.
- (f) The Board may with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Board may determine, provided that the Company has sufficient unissued shares and undistributed profits or reserves to give effect to

it, offer to any holders of shares the right to receive shares of that class credited as fully paid, in whole or in part in stead of cash in respect of the whole or some part (to be determined by the Board) of any dividend specified by the ordinary resolution.

- (g) The Company in general meeting may, on the recommendation of the Board, by ordinary resolution direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular, of fully paid up shares or debentures of any other company or in any one or more of such ways.
- (h) The Directors are also empowered to create reserves before recommending or declaring any dividend. All sums standing to reserves may be applied from time to time, at the discretion of the Board, for any other purpose to which the profits of the Company may be applied and pending such application may either be employed in the business of the Company or be invested in such investments as the Board thinks fit and so that it shall not be necessary to keep any investment constituting the reserve separate or distinct from any other investment of the Company. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special fund or any part of any special fund into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profit of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also, without placing the same to reserve, carry forward any profits as they think prudent not to distribute.
- (i) The Shareholders shall be entitled to receive and participate in, in that capacity, any dividends or other distributions out of the profits of the Company arising from the assets of the Company attributable to the Ordinary Shares and resolved to be distributed in respect of any accounting period or any other income or rights to participate therein in accordance with the Articles.
- (j) The C Shareholders shall be entitled to receive and participate in, in that capacity, any dividends or other distributions out of the profits of the Company arising from the assets of the Company attributable to the C Shares and resolved to be distributed in respect of any accounting period or any other income or rights to participate therein in accordance with the Articles.
- (k) The New Ordinary Shares shall rank *pari passu* with the existing Ordinary Shares for all dividends and other distributions made or declared by reference to a record date falling after the Conversion Date save that (for the avoidance of doubt and irrespective of whether the same is declared before or after the Conversion Date) they shall not rank for dividends which may be declared for the period prior to Conversion.
- (l) The Deferred Shares (to the extent that they are in issue and extant) shall entitle the holders thereof to a non-cumulative dividend at a fixed rate of one per cent. of the nominal amount thereof (“the Deferred Dividend”) on the date six months after the Conversion Date payable to the holders thereof on the register of members on that date as holders of Deferred Shares but shall confer no other right on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of members of the Company as holders of Deferred Shares on the date six months after the Conversion Date.

5.11.2 *Distribution of assets on a winding up*

- (a) The Board shall have the power in the name of and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (b) If the Company should be wound up the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital,

they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. If the Company should be wound up the liquidator may with the authority of a special resolution and subject to the Law, divide amongst the members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes or property, and may determine how such division should be carried out as between the members or different classes of members.

- (c) The capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) prior, in each case, to Conversion be applied as follows:
 - (i) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares *pro rata* according to their holdings of Ordinary Shares; and
 - (ii) the C Share Surplus shall be divided amongst the holders of the C Shares *pro rata* according to their holdings of C Shares.
- (d) The capital and assets of the Company available to Shareholders shall on a winding-up or on a return of capital (otherwise than on a purchase by the Company of any of its shares) after Conversion be applied as follows:
 - (i) first, if there are for the time being Deferred Shares in issue, in paying to the Deferred Shareholders US\$0.01 in respect of each 100,000 Deferred Shares (or part thereof) of which they are respectively the holders; and
 - (ii) second, the surplus shall be divided amongst the Shareholders *pro rata* according to their holdings of Ordinary Shares.

5.12 ***Borrowing***

Subject to the Law, the Directors may exercise all and any powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

5.13 ***Register of Shareholders***

The Company shall keep the register at its registered office, in accordance with the Law.

5.14 ***Meetings***

- (a) Subject to the Law, annual general meetings shall be held at such time and place as the Board may determine. All general meetings, other than annual general meetings, shall be called extraordinary general meetings.
- (b) The Board may convene an extraordinary general meeting whenever it thinks fit. At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 113 of the Isle of Man Companies Act 1931) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the Isle of Man sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.
- (c) An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director or (save as provided by the Law) a resolution of which special notice has been given to the Company shall be convened by not less than 21 clear days' notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing. The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

- (d) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the Meeting. Two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum. If within 15 minutes (or such longer interval not exceeding one hour as the chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.
- (e) At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded in accordance with the Articles.
- (f) Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment of it. The Board shall at the expense of the Company send by post or otherwise forms of appointment of proxy (reply-paid or otherwise) with the notice convening any general meeting to members entitled to vote at the meeting.

6 Overseas Investors

No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares and Warrants nor should he in any event acquire, subscribe for or purchase Ordinary Shares and Warrants unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Ordinary Shares and Warrants should satisfy himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

The Company is not registered with the US Securities Exchange Commission under the 1940 Act. In addition, the Ordinary Shares and Warrants are not registered under the 1933 Act. Therefore, the Ordinary Shares and Warrants may not be publicly offered or sold in the US or directly or indirectly to or for the benefit of a “US Person” as defined herein. A “US Person” as used herein means a “US Person” as defined under Regulation S of the 1933 Act, as well as the following (1) a citizen or resident of the US; (2) a partnership or corporation organised or incorporated under the laws of any state, territory or possession of the US; (3) any estate or trust, other than an estate or trust which is not subject to US income tax on its income derived from sources outside the US and not effectively connected with the conduct of a trade or business within the US; or (4) any estate or trust which has a US person as its executor, administrator, or trustee. Ordinary Shares and Warrants will be offered or sold within the United States only to Qualified Purchasers, as defined under the 1940 Act.

7 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material:

- 7.1 A Management Agreement dated 6 July 2007 between the Company and the Investment Manager pursuant to which the Investment Manager has agreed to provide investment management services to the Company in relation to the portfolio of assets held by it from time to time. The Investment Manager shall be paid a management and a performance fee as described on page 38 of this document. The Company will reimburse the Investment Manager in respect of its out of pocket expenses, including reasonable travel expenses.

The Management Agreement also provides that the Investment Manager will ensure that the Company is given the right of first refusal in respect of all relevant investment opportunities available to the Investment Manager until the Company is at least 80 per cent. (or such other level as may be agreed by the Board) invested.

The Management Agreement is subject to termination, *inter alia*, on 12 months' notice by either party, such notice not to be given before the fourth anniversary of Admission. The Agreement contains an indemnity in favour of the Investment Manager from the Company for losses it may suffer in connection with its performance of duties under the Agreement.

- 7.2 A Placing Agreement dated 6 July 2007 between the Company, the Directors, the Investment Manager, the Distribution Adviser, the Nominated Adviser and the Placing Agent pursuant to which the Placing Agent and the Distribution Adviser have agreed to use their reasonable endeavours as agents for the Company to procure places at the Placing Price for up to 180,450,000 Ordinary Shares (with Warrants attached on a 1 for 5 basis). The Placing is not underwritten. In consideration for its services the Placing Agent will be paid a corporate finance fee of £50,000 (plus VAT, if any) and a broking commission of 3 per cent. (plus VAT, if any) of the aggregate value of the Placing Shares and shall be responsible for paying the Distribution Adviser for its services. In consideration for its services the Nominated Adviser will be paid a corporate finance fee of £180,000 (plus VAT, if any).

The Placing Agreement is conditional, *inter alia*, on Admission taking place no later than 12 July 2007 and the Company, its Directors and the Investment Manager complying with certain obligations under the Placing Agreement.

The Placing Agreement contains certain warranties and indemnities given by the Company (which are of a customary nature), the Directors and the Investment Manager in favour of the Placing Agent, the Nominated Adviser and the Distribution Adviser. The Placing Agreement may be terminated in certain circumstances prior to Admission.

- 7.3 An Administration Agreement dated 6 July 2007 between the Company and the Administrator pursuant to which the Administrator is appointed to act as administrator of the Company and to provide a company secretary.

The Administrator will be entitled to receive a fee of 10 basis points per annum of the net asset value of the Company between £0 and £50 million; 8.5 basis points per annum of the net asset value of the Company between £50 million and £100 million and 7 basis points per annum of the net asset value of the Company in excess of £100 million, subject to a minimum monthly fee of £4,000 and a maximum monthly fee of £12,500 calculated and payable quarterly in arrears. The Administrator is also entitled to an inception fee by reference to time spent subject to a minimum fee of £10,000.

The Administrator shall assist in the preparation of the interim and annual financial statements of the Company for which it shall receive an additional fee of £1,750 per set.

The Administrator shall provide general secretarial services to the Company for which it shall receive a minimum annual fee of £5,000. Additional fees, based on time and charges, will apply where the number of Board meetings exceeds four per annum. For attendance at meetings not held in the Isle of Man, an attendance fee of £750 per day or part thereof will be charged.

The Administrator shall also be entitled to reimbursement of out-of-pocket expenses properly incurred by the Administrator in carrying out its duties. The Agreement contains an indemnity in favour of the Administrator against claims against it except to the extent that the claim is due to the negligence, wilful default or fraud of the Administrator. The Agreement may be terminated by either party giving to the other not less than 90 days' notice in writing or otherwise in certain circumstances, including *inter alia*, if one of the parties goes into liquidation.

- 7.4 A Custodian Agreement dated 6 July 2007 between the Company, the Investment Manager and the Custodian pursuant to which the Custodian is appointed to provide custody and safekeeping services to the Company.

The Custodian will be entitled to receive from the Company a fixed monthly fee of £875 per month calculated and payable quarterly in arrears.

The Custodian expects to review and, subject to written agreement between the Company and the Custodian, may amend the foregoing fees six months after the date of Admission and annually thereafter. The Custodian shall also be entitled to reimbursement of out-of-pocket expenses properly incurred by the Custodian in carrying out its duties.

The Custodian will be responsible for all cash, debt securities and other assets of the Company but not for real property or for the cash or assets of any special purpose vehicles used to hold investments in real property or infrastructure projects. Those assets held by the Custodian will be held to the order of the Company.

The Agreement contains an indemnity in favour of the Custodian against claims against it except to the extent that the claim is due to the negligence, wilful default or fraud of the Custodian. The Agreement may be terminated by either party giving to the other not less than 90 days' notice in writing or otherwise in certain circumstances including, *inter alia*, if one of the parties goes into liquidation.

- 7.5 An Agreement (“CREST Service Provider Agreement”) dated 6 July 2007 between the Company, and Capita Registrars (Jersey) Limited (“CREST Service Provider”) and the Administrator whereby the CREST Service Provider is appointed to act as CREST Service Provider of the Company.

The CREST Service Provider shall be entitled to receive an annual registration fee from the Company of £2.00 per shareholder account, subject to an annual minimum charge of £4,500. Additional fees payable by the Company include, *inter alia*, £80 per listing and report for additional listings and reports as well as excess transfer charges.

The CREST Service Provider shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company. The CREST Service Provider Agreement is terminable by either party giving not less than 3 months' notice, such notice to expire at any time on or after the first anniversary of Admission.

- 7.6 A Nominated Adviser Agreement dated 6 July 2007 between the Company and Smith & Williamson Corporate Finance Limited under which Smith & Williamson has agreed, *inter alia*, to act as the Company's Nominated Adviser as required by the AIM Rules. Smith & Williamson has agreed to provide such advice and guidance to the Company to facilitate compliance by the Company on an on-going basis with the AIM Rules as the Directors may reasonably request from time to time.

Smith & Williamson will receive an annual fee of £30,000 (plus VAT) for its services, payable quarterly in advance. The Company has also given certain undertakings and indemnities to Smith & Williamson in connection with its appointment as Nominated Adviser and compliance with applicable regulations. This agreement is terminable by either Smith & Williamson or the Company on three months' notice, such notice not to expire earlier than the first anniversary of the date of the agreement.

7.7 A broker letter dated 6 July 2007 between the Company and Fairfax under which Fairfax has agreed to act as a Company's broker as required by the AIM Rules on an on-going basis.

Fairfax will receive an annual fee of £50,000 (plus VAT) for its services, payable half-yearly in advance, the first payment of which will be due on 1 January 2008. The Company has also given certain undertakings and indemnities to Fairfax in connection with its appointment as broker and compliance with applicable regulations. The engagement is terminable by Fairfax or the Company on three months' notice.

7.8 Pursuant to a Warrant Instrument dated 6 July 2007, the Company has created Warrants to subscribe for Ordinary Shares of the Company from time to time. The rights to subscribe for Ordinary Shares are at US\$1.25 each (subject to adjustment if there is any consolidation or sub-division of shares or a further issue out of reserves), and are exercisable on 30 April in any of the years 2008 to 2012 (both inclusive) (or if such date is not a business day, the next following Business Day). The Warrants are freely transferable and will be listed on AIM.

Save for the agreements summarised above, the Company has not entered into any material contract or entered into any other contract which contains any provision under which the Company has any obligations or entitlement that is material to the Company as at the date of this document.

8 Working Capital

In the Directors' opinion, having made due and careful enquiry, the working capital available to the Company will, from Admission, be sufficient for its present requirements, that is for at least the next 12 months.

9 Financial Information

The Company was incorporated on 19 June 2007 and save for the material contracts described in paragraph 7 above has not traded and no accounts have been made up.

Balance Sheet as at 6 July 2007

	US\$
Current assets	
Debtors	0.02
Capital and reserves	
Called up share capital	0.02
Share Capital	
Authorised:	
500,000,000 Ordinary shares of US\$0.01 each	5,000,000.00
5,000,000 C Shares of US\$1.00 each	5,000,000.00
Issued:	
2 Ordinary shares of US\$0.01 each	0.02

10 Miscellaneous

10.1 The Company will be applying to CRESTCo for the Ordinary Shares and Warrants to be admitted to CREST as participating securities. It is expected that the admission of the Ordinary Shares and Warrants to CREST as participating securities will be effective from or soon after Admission. Shareholders who are direct or sponsored members of CRESTCo will be able to dematerialise the Ordinary Shares and Warrants in accordance with the rules and practices instituted by CRESTCo.

10.2 The Company has not been and is not currently engaged in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any such governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have or have had since the Company's incorporation a significant effect on the Company's financial position or profitability.

- 10.3 The Placing Shares are not being offered generally and no applications have or will be accepted other than under the terms of the Placing Agreement and the placing letters. None of the Ordinary Shares and Warrants available under the Placing is being underwritten.
- 10.4 The Company has no subsidiaries.
- 10.5 The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 2.1 above and that, save for its entry into the material contracts described in paragraph 7 above, the Company has not traded, no accounts have been made up and no dividends have been declared.
- 10.6 There has been no significant change in the financial or trading position of the Company since the date of its incorporation or any factors which have influenced its activities. The Company does not have nor has it had since incorporation any employees and it neither owns nor leases any premises.
- 10.7 The Company is not dependent on any patents or other intellectual property rights or licences.
- 10.8 The Company currently has no significant investments in progress.
- 10.9 Save as disclosed in this document and other than the Company's professional advisers, no person has received, directly or indirectly, from the Company since 19 June 2007 (the date of incorporation of the Company) or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more, calculated by reference to the Placing Price, or any other benefit with a value of £10,000 or more at the date of Admission.
- 10.10 Fairfax I.S. PLC has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.11 Smith & Williamson Corporate Finance Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.12 Helvetica (Isle of Man) Company Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.13 PME Infrastructure Managers Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.14 Anglo Irish Fund Services Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.15 Anglo Irish Bank Corporation (I.O.M.) P.L.C. has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.16 Capita Registrars (Jersey) Limited has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.17 The ISIN number of the Ordinary Shares is IM00B1WSL611. The SEDOL code of the Ordinary Shares is B1WSL61.
- 10.18 The ISIN number of the Warrants is IM00B1WSPP87. The SEDOL code of the Warrants is B1WSPP8.
- 10.19 The Company will not make any material change in the investment objectives and policy of the Company for a period of three years following Admission without the approval of Shareholders by ordinary resolution.

10.20 Other than as provided in the City Code on Takeovers and Mergers there are no rules or provisions relating to mandatory takeover bids in relation to the Ordinary Shares. There are no rules or provisions relating to squeeze-out and/or sell-out rules, save as provided by Section 154 of the Isle of Man Companies Act 1931 (as amended), relating to the Ordinary Shares.

10.21 The Directors confirm that, in accordance with the AIM Rules, they will seek Shareholder approval of the Company's investment strategy at each annual general meeting of the Company until the Company is substantially invested.

11 Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Stephenson Harwood, One, St. Paul's Churchyard, London EC4M 8SH during business hours on any weekday from the date of this document (Saturdays, Sundays and public holidays excepted) until one month after the date of Admission:

- 11.1 the Memorandum and Articles of the Company;
- 11.2 the material contracts referred to in paragraph 7 of this Part IX;
- 11.3 the Isle of Man Companies Acts 1931 to 2004;
- 11.4 the consent letters referred to in paragraphs 10.10 to 10.16 of this Part IX; and
- 11.5 this document.

Dated: 6 July 2007

