PME African Infrastructure Opportunities plc

Interim Report

Period ended 30 June 2013

Contents

Directors and Advisers

Directors	Paul Macdonald (Executive Chairman) Lawrence Kearns (Executive Director) Graca Machel (Non-executive Director) all of the registered office below
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Nominated Adviser	Smith & Williamson Corporate Finance Limited 25 Moorgate London EC2R 6AY
Broker	Oriel Securities Limited 150 Cheapside London EC2V 6ET
Administrator and Registrar	Galileo Fund Services Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Auditor	PricewaterhouseCoopers LLC 3rd Floor, Sixty Circular Road Douglas Isle of Man IM1 1SA
Offshore Registrar	Capita Registrars (Jersey) Limited PO Box 532 St Helier Jersey JE2 3RT

Chairman's Statement

On behalf of the Board, I am pleased to present the interim results for PME African Infrastructure Opportunities plc ("PME" or the "Company") for the six months ended 30 June 2013.

Investments and Valuations

The Company currently owns rail assets in South Africa (10 mainline locomotives and 50% of Sheltam Holdings (Pty) Limited ("Sheltam") and its subsidiaries, the group to which these locomotives are leased) (the "Rail Assets") and commercial premises in Dar-es-Salaam, Tanzania (the "Dar-es-Salaam property"). As previously announced, the Company intends to realise its investments, return cash to shareholders and then effect a voluntary winding up.

The Rail Assets have continued to perform and operate profitably. There has been a weakening in demand for locomotives but at the same time there are a number of enquiries that bode well for the future. The two C30 locomotives that were involved in an accident in Mozambique were the subject of an insurance claim. Sheltam agreed a settlement of ZAR 40.25m for the two locomotives involved in the accident. This settlement amount included VAT and the Company received the net amount of ZAR 35.3m on 30 May 2013.

In September 2012, PSG Capital (Pty) Limited ("PSG Capital") was appointed to assist the Company with the disposal of the Rail Assets. PSG Capital subsequently prepared a high level valuation of the Rail Assets and initiated a sale process on behalf of the Company. A number of potential bidders were approached and a number of parties submitted preliminary non-binding expressions of interest in the Rail Assets. Unfortunately it has not been possible to reach agreement with any of the potential bidders at a level which the Directors consider acceptable.

In order to address some of the issues that arose during the sale negotiations, the Board is investigating a reorganisation of the Rail Assets which would result in additional cash being released for PME shareholders early next year and also assist in finding a buyer for the PME shareholding in Sheltam. In addition, and in the meantime, Sheltam continues to trade profitably and we expect the Sheltam investment to continue to provide cash flow to PME through its lease obligations. The Directors will continue to consider any reasonable bid for the Rail Assets that comes along.

The Dar-es-Salaam property, which is managed by a local managing agent, is fully let and is trading profitably. The person and company that acquired Dovetel, the Company's former telecommunication interest in Tanzania, have registered a caveat on the building on 10 June 2013, requiring their consent prior to any sale of the building. This caveat was accepted by the Land Registry in spite of the terms of the share purchase agreement of Dovetel under which all rights to the building were waived. Dovetel also continues to rent a part of the Dar-es-Salaam property but unfortunately has not been paying its rent. PME is in the process of applying for leave of the court to evict Dovetel and to have the caveat removed. A local agent has been appointed to sell the building and has attracted some good interest to date.

As part of the sale agreement in respect of PME's former holding in Dovetel, Dovetel owes PME approximately US$245K. In addition, as set out above, Dovetel is in arrears on its rental payments in respect of its tenancy of part of the Dar-es-Salaam property. PME accordingly served a winding-up petition on Dovetel as a result of which Dovetel was once again placed into administration in late April 2013. On 15 May 2013, PME's winding up petition was stayed pending appeals against the administration order. PME will continue to press for a repayment of its debts through the winding-up petition alongside the eviction process set out above. The Directors do not anticipate that there will be any financial implications for the Company other than the necessary legal and court costs to protect PME's interest.

The executive Directors of the Company are overseeing the operational aspects of the investments and are managing the disposal programme. They are being supported by local personnel who are operating on a short term contractual basis.

Chairman's Statement (continued)

Financial Results

The profit attributable to ordinary shareholders for the six months ended 30 June 2013 was US$0.1 million (2012: loss US$1.6 million), representing US$0.09 per Ordinary Share (2012: loss per share US$1.11).

The Directors have considered the valuation of assets and, based on recent negotiations, are of the opinion that the Rail Assets and the Dar-es-Salaam property are reflected in the balance sheet at realistic values. Accordingly neither of the assets has been impaired.

As at 30 June 2013, PME's Net Asset Value attributable to ordinary shareholders in accordance with IFRS was US$38.4 million (US$0.37 per share), 2.8% down from the US$39.5 million (US$0.39 per share) that was reported as at 31 December 2012.

Return of Cash and Outlook

Last year the Company made an offer to acquire 30% of its issued ordinary share capital at a price of US$0.30 per share. 41,283,992 ordinary shares, comprising 28.72% of the Company's issued ordinary share capital, were tendered and redeemed on 31 October 2012. The Company returned US$12.4 million to shareholders through the share buyback.

The remaining investments are performing profitably. The Company's cash balances increased to US$8.7m as at 30 June 2013. However, the Company has not been able to find a buyer for the Rail Assets. It is anticipated that a reorganisation at Sheltam will result in additional cash being released for PME shareholders early next year. There is good interest in the property in Dar-es-Salaam, which is in a prime location in the City, and the action being taken in the Courts should enhance the realisable value of the property.

Pending any further realisations, the Directors are proposing to return the Company's excess cash to shareholders by way of a further tender offer later this year and the Company expects to make an announcement shortly. Provided the Company is successful in its endeavours to reorganise Sheltam and to sell the building in Dar-es-Salaam, the Directors are hopeful that a further distribution may take place in the first half of 2014.

Takeover Code

The Panel on Takeovers and Mergers (the "Panel") is an independent body, whose main functions are to issue and administer the City Code on Takeovers and Mergers (the "Takeover Code") and to supervise and regulate takeovers and other matters to which the Takeover Code applies. Its self-stated objective is to ensure fair treatment for all shareholders in takeover bids. Following the implementation of the Takeovers Directive (2004/25/EC) by means of Part 28 of the United Kingdom Companies Act 2006, the rules set out have a statutory basis in the United Kingdom.

The Panel will from 30 September 2013 widen the categories of companies it regulates by, *inter alia*, partially removing the residency test for companies admitted to trading on AIM which have their registered offices in the UK, the Channel Islands or the Isle of Man in respect of the Takeover Code. This is a significant change since AIM quoted companies with registered offices in the Isle of Man will now automatically fall within the regulation of the Takeover Code. As a result, the Company will fall within the regulation of the Takeover Code from 30 September 2013.

I welcome this change as it will offer more protection to the Company's shareholders on a consistent basis.

Paul Macdonald
Chairman
26 September 2013

Consolidated Income Statement

	Note	(Unaudited) Period from 1 January 2013 to 30 June 2013 US$'000	(Represented) (Unaudited) Period from 1 January 2012 to 30 June 2012 US$'000
Continuing operations			
Revenue		-	-
Investment manager's fees	5	193	(357)
Operating and administration expenses	6	(1,159)	(911)
Foreign exchange loss		(5)	(12)
Operating loss		**(971)**	**(1,280)**
Finance income	7	2	7
Loss before income tax		**(969)**	**(1,273)**
Income tax	8	(29)	(51)
Loss for the period from continuing operations		**(998)**	**(1,324)**
Discontinued operations			
Profit/(loss) for the period from discontinued operations	15	1,132	(211)
Profit/(loss) for the period		**134**	**(1,535)**
Profit/(loss) attributable to:			
Owners of the parent		134	(1,590)
Non-controlling interests		-	55
		134	**(1,535)**
Basic and diluted profit/(loss) per share (cents) from continuing and discontinued operations attributable to the equity holders of the Company during the period			
From continuing operations	9	(0.73)	(0.92)
From discontinued operations	9	0.82	(0.19)
Profit/(loss) for the period	**9**	**0.09**	**(1.11)**

The accompanying notes on pages 10 to 24 form an integral part of these interim financial statements

Consolidated Statement of Comprehensive Income

	(Unaudited) Period from 1 January 2013 to 30 June 2013 US$'000	(Represented) (Unaudited) Period from 1 January 2012 to 30 June 2012 US$'000
Profit/(loss) for the period	**134**	**(1,535)**
Other comprehensive (expense)/income		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation differences – continuing operations	(1,274)	47
Foreign exchange translation differences – discontinued operations	-	2,048
Other comprehensive (expense)/income for the period that may be reclassified to profit or loss	**(1,274)**	**2,095**
Total comprehensive (expense)/income for the period	**(1,140)**	**560**
Total comprehensive (expense)/income attributable to:		
- Owners of the parent	(1,140)	505
- Non-controlling interests	-	55
	(1,140)	**560**
Total comprehensive (expense)/income attributable to equity shareholders arises from:		
- Continuing operations	4,052	260
- Discontinued operations	(2,912)	245
	(1,140)	**505**

The accompanying notes on pages 10 to 24 form an integral part of these interim financial statements

Consolidated Balance Sheet

	Note	(Unaudited) As at 30 June 2013 US$'000	(Audited) As at 31 December 2012 US$'000
Assets			
Current assets			
Trade and other receivables	13	202	221
Cash and cash equivalents	14	8,734	3,695
		8,936	**3,916**
Assets of disposal group classified as held for sale	15	30,587	36,624
Total current assets		**39,523**	**40,540**
Total assets		**39,523**	**40,540**
Equity and liabilities			
Equity attributable to owners of the parent:			
Issued share capital	16	1,025	1,025
Foreign currency translation reserve		(2,695)	(1,421)
Capital redemption reserve		780	780
Retained earnings		39,292	39,158
		38,402	**39,542**
Non-controlling interests		-	-
Total equity		**38,402**	**39,542**
Current liabilities			
Trade and other payables	18	304	287
		304	**287**
Liabilities of disposal group classified as held for sale	15	817	711
Total current liabilities		**1,121**	**998**
Total liabilities		**1,121**	**998**
Total equity and liabilities		**39,523**	**40,540**

The interim financial statements on pages 4 to 24 were approved and authorised for issue by the Board of Directors on 26 September 2013 and signed on its behalf by:

Paul Macdonald
Director

Lawrence Kearns
Director

The accompanying notes on pages 10 to 24 form an integral part of these interim financial statements

Company Balance Sheet

	Note	(Unaudited) As at 30 June 2013 US$'000	(Audited) As at 31 December 2012 US$'000
Assets			
Non-current assets			
Investments in subsidiaries	10.1	16,207	34,707
Total non-current assets		**16,207**	**34,707**
Current assets			
Loans and receivables due from subsidiaries	13	242	75
Loans and receivables due from associate	13	117	85
Trade and other receivables	13	30	104
Cash and cash equivalents	14	2,158	1,929
Total current assets		**2,547**	**2,193**
Total assets		**18,754**	**36,900**
Equity and liabilities			
Equity			
Issued share capital	16	1,025	1,025
Capital redemption reserve		780	780
Retained earnings		16,685	34,917
Total equity		**18,490**	**36,722**
Current liabilities			
Trade and other payables	18	264	178
Total liabilities		**264**	**178**
Total equity & liabilities		**18,754**	**36,900**

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Paul Macdonald
Director

Lawrence Kearns
Director

The accompanying notes on pages 10 to 24 form an integral part of these interim financial statements

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent						
	Share capital	Foreign currency translation reserve	Capital redemption reserve	Retained earnings	Total	Non-controlling interests	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2012	1,438	(3,285)	367	58,966	57,486	-	57,486
Comprehensive income							
Loss for the period	-	-	-	(1,590)	(1,590)	55	(1,535)
Other comprehensive income							
Foreign exchange translation differences	-	2,095	-	-	2,095	-	2,095
Total comprehensive income for the period	**-**	**2,095**	**-**	**(1,590)**	**505**	**55**	**560**
Transactions with owners							
Non-controlling interest settled on disposal	-	-	-	-	-	(55)	(55)
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**(55)**	**(55)**
Balance at 30 June 2012	**1,438**	**(1,190)**	**367**	**57,376**	**57,991**	**-**	**57,991**
Balance at 1 January 2013	1,025	(1,421)	780	39,158	39,542	-	39,542
Comprehensive income							
Profit for the period	-	-	-	134	134	-	134
Other comprehensive income							
Foreign exchange translation differences	-	(1,274)	-	-	(1,274)	-	(1,274)
Total comprehensive loss for the period	**-**	**(1,274)**	**-**	**134**	**(1,140)**	**-**	**(1,140)**
Transactions with owners							
Non-controlling interest settled on disposal	-	-	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2013	**1,025**	**(2,695)**	**780**	**39,292**	**38,402**	**-**	**38,402**

The accompanying notes on pages 10 to 24 form an integral part of these interim financial statements

Consolidated Cash Flow Statement

	Note	(Unaudited) Period from 1 January 2013 to 30 June 2013 US$'000	(Unaudited) Period from 1 January 2012 to 30 June 2012 US$'000
Operating activities			
Profit(loss) for the period before income tax including discontinued operations		146	(1,464)
Adjustments for:			
Finance income		(2,244)	(2,463)
Depreciation and amortisation		8	1,173
Loss on disposal of subsidiary		-	103
Foreign exchange loss		1,224	2,822
Operating (loss)/profit before changes in working capital		**(866)**	**171**
Increase in inventory		-	(2,580)
Decrease in trade and other receivables		-	47
Increase in trade and other payables		4,024	1,024
Cash generated by/used in operations		**3,158**	**(1,338)**
Income tax paid		(58)	(84)
Interest received		163	104
Lease rental income received		2,033	1,025
Net cash generated by/used in operating activities		**5,296**	**(293)**
Investing activities			
Net cash movement on disposal of subsidiary	21	-	(32)
Loan to associate	10.2	(36)	-
Net cash used in investing activities		**(36)**	**(32)**
Net increase/(decrease) in cash and cash equivalents		**5,260**	**(325)**
Cash and cash equivalents at beginning of period		3,695	13,180
Foreign exchange (losses)/gains on cash and cash equivalents		(221)	75
Cash and cash equivalents at end of period	**14**	**8,734**	**12,930**

The accompanying notes on pages 10 to 24 form an integral part of these interim financial statements

Notes to the Interim Financial Statements

1 General Information

PME African Infrastructure Opportunities plc (the "Company") was incorporated and is registered and domiciled in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 19 June 2007 as a public limited company with registered number 120060C. The investment objective of PME African Infrastructure Opportunities plc and its subsidiaries (the "Group") 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.

The Company's investment activities were managed by PME Infrastructure Managers Limited (the "Manager") to 6 July 2012. No alternate has been appointed therefore the Board of Directors has assumed responsibility for the management of the Company's remaining assets. The Company's administration is delegated to Galileo Fund Services Limited (the "Administrator"). The registered office of the Company is Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB.

Pursuant to its AIM admission document dated 6 July 2007, there was an original placing of up to 180,450,000 Ordinary Shares with Warrants attached on the basis of 1 Warrant for every 5 Ordinary Shares. Following the close of the placing on 12 July 2007, 180,450,000 Shares and 36,090,000 Warrants were issued. The Warrants lapsed in July 2012.

The Shares of the Company were admitted to trading on AIM, a market of the London Stock Exchange, on 12 July 2007 when dealings also commenced.

Financial Year End
The financial year end for the Company is 31 December in each year.

Company Loss
The amount of the Company's loss for the period recognised in the Consolidated Income Statement is US$18,232,651 after impairment of intercompany balances amounting to US$nil and release of impairment to its investment in subsidiaries amounting to US$nil (period ended 30 June 2012: loss US$1,110,453 after impairment of intercompany balances amounting to US$309,043 and release of impairment to its investment in subsidiaries amounting to US$184,948).

Going concern
In assessing the going concern basis of preparation of the interim financial statements for the period ended 30 June 2013, the Directors have taken into account the status of current negotiations on the realisation of the remaining assets. The Directors consider that the Group has sufficient facilities for its ongoing operations and therefore have continued to adopt the going concern basis in preparing these interim financial statements.

2 Summary of Significant Accounting Policies

2.1 Basis of preparation

The accounting policies applied by the Group in the preparation of these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2012, except as described below.

- The Group has adopted IFRS 13 'Fair Value Measurement'. IFRS 13 measurement and disclosure requirements are applicable for the 31 December 2013 year end. The Group has included the disclosures required by IAS 34 paragraph 16A(j) in note 3.
- The Group has also adopted the amendment to IAS 1 'Presentation of Financial Statements' issued in June 2011, requiring items recognised outside profit or loss in other comprehensive income to be grouped according to whether they may subsequently be reclassifiable to profit or loss.

These interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Notes to the Interim Financial Statements (continued)

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

The interim financial statements for the six months ended 30 June 2013 are unaudited. The comparative interim figures for the six months ended 30 June 2012 are also unaudited.

2.2 Critical accounting estimates

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Loan to Associate
The Group tests semi-annually whether the investment and loans to its associate have suffered any impairment. In assessing this, the Group determines the recoverable amount of the CGU determined based on discounted cash flows. The Group also takes into account the associate's (see note 10) progress compared to its business plan. In addition, the Directors have considered the valuation of the associate as at 30 June 2013 and have concluded there are no indicators of impairment in the period to 30 June 2013 (year to 31 December 2012: impairment of US$7,064,424) with respect to its loans to associate (see note 15).

3 Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: loans and receivables, cash and cash equivalents and trade and other payables. There has been no material change in the market, credit or liquidity risk profile since the year ended 31 December 2012.

There have been no changes in risk management policies or responsibilities since the year end. Risk management was carried out by the Investment Manager until its termination on 6 July 2012, under policies approved by the Board of Directors. The risk management is now being carried out by the executive Directors.

These interim financial statements do not include all financial risk management information and disclosures required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012.

The fair value of trade and other receivables, cash and cash equivalents and trade and other payables (including those within the held-for-sale disposal group) are considered to approximate their carrying amounts.

Notes to the Interim Financial Statements (continued)

4 Segment Information

Until July 2012, the chief operating decision-makers were identified as the Board of Directors and the Investment Manager. After this time, the Board of Directors assumed the responsibilities of the Investment Manager and the Board has undertaken all operating decisions since then. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports. The Board considers the business on a project by project basis by type of business. The type of business is telecommunications (wireless and broadband services), transport (railway) and leasehold.

Six months ended 30 June 2013	Telecommunications		Transport		Leasehold	Other*	Total
	Dovetel	TMP Uganda	Sheltam	PME Locos	PME Properties		
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Finance income	-	-	-	-	-	2	2
Depreciation and amortisation - discontinued		-	-	-	-	-	-
Profit/(loss) for the period from continuing operations	-	-	(25)	(841)	(193)	83	(976)
Profit/(loss) for the period from discontinued operations	-	-	324	692	116	-	1,132
Segment assets	-	-	3,982	28,618	4,615	2,308	39,523
Segment liabilities	-	-	(18)	(18)	(817)	(268)	(1,121)

* Other refers to income and expenses of the Group not specific to any specific sector such as income on un-invested funds. Other assets comprise cash and cash equivalents of US$2,158,088 (note 14) and other assets US$150,219.

Six months ended 30 June 2012 (represented)	Telecommunications		Transport		Leasehold	Other**	Total
	Dovetel	TMP Uganda	Sheltam	PME Locos	PME Properties		
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Finance income	-	-	-	-	-	7	7
Depreciation and amortisation - discontinued	(1,165)	-	-	(8)	-	-	(1,173)
Profit/(loss) for the period from continuing operations	-	(7)	(26)	(61)	-	(1,230)	(1,324)
Profit/(loss) for the period from discontinued operations	(2,175)	-	368	1,372	169	-	(266)
Segment assets	7	6	8,223	34,647	5,910	10,434	59,227
Segment liabilities	(1)	(2)	(20)	(35)	(1,035)	(143)	(1,236)

** Other refers to income and expenses of the Group not specific to any specific sector such as fees of the Investment Manager and income on un-invested funds. Other assets comprise cash and cash equivalents of US$10,285,334 and other assets US$148,746.

The total of non-current assets other than financial instruments and deferred tax assets is US$nil (30 June 2012: US$20,605) and all of these were located in Mauritius.

Notes to the Interim Financial Statements (continued)

5 Investment Manager's Fees

Annual fees

The Investment Manager received a management fee of 1.25% per annum of the gross asset value of the Group from Admission, payable quarterly in advance and subject to a cap of 3% per annum of the net asset value of the Group. On 6 July 2011, the Company served formal notice on the Investment Manager to terminate the Management agreement dated 6 July 2007 between the Company and the Investment Manager, to take effect on 6 July 2012.

The Investment Manager was entitled to recharge to the Group all and any costs and disbursements reasonably incurred by it in the performance of its duties including costs of travel save to the extent that such costs are staff costs or other internal costs of the Investment Manager. Accordingly, the Group is responsible for paying all the fees and expenses of all valuers, surveyors, legal advisers and other external advisers to the Group in connection with any investments made on its behalf. All amounts payable to the Investment Manager by the Group were paid together with any value added tax, if applicable. During the period ended 30 June 2013 the Group received a refund of management fees previously incurred, amounting to US$193,339 (30 June 2012: charge of US$357,326).

Performance fees

The Investment Manager was entitled to a performance fee of 20% of the net income and capital cash returns to the Company or any subsidiary in respect of the sale or partial sale, refinancing or restructuring of an investment in an infrastructure project ("relevant investment") provided that the "Project test" has been passed. For these purposes, the Project test was passed if the Company or any subsidiary had received in cash the return of all its cash invested in a relevant investment and a return equivalent to an internal rate of return of 12% on such cash.

At the end of each financial year (or at date of termination) the Total Return will be calculated and the total performance fee will be calculated as 20% of the Total Return multiplied by the weighted average number of Ordinary Shares in issue during the year. This is provided that the Total Return exceeds the NAV test, being the proceeds of the Placing Shares increased at a rate of 12% per annum on an annual compound basis from the date of Admission to the Relevant End Date. Total Return is the difference between the net asset value per Ordinary Share as at the last business day of the relevant financial year and the net proceeds of the Placing Shares divided by the number of Placing Shares.

Performance fees payable for the period ended 30 June 2013 amounted to US$nil (30 June 2012: US$nil).

6 Operating and Administration Expenses

	Period ended 30 June 2013 US$'000	(Represented) Period ended 30 June 2012 US$'000
Administration expenses	94	83
Administrator and Registrar fees (note 20)	89	70
Audit fees	82	82
Directors' fees	154	121
Professional fees	667	423
Travel	4	8
Other	69	124
Operating and administration expenses	**1,159**	**911**

Notes to the Interim Financial Statements (continued)

6 Operating and Administration Expenses (continued)

Administrator and Registrar fees
The Administrator receives 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.

Administration fees payable by the Company for the period ended 30 June 2013 amounted to US$52,507 (30 June 2012: US$42,955).

The Administrator provides general secretarial services to the Company, for which it receives a minimum annual fee of £5,000. Additional fees, based on time and charges, 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 is charged. The fees payable by the Company for general secretarial services for the period ended 30 June 2013 amounted to US$4,612 (30 June 2012: US$11,534).

The Administrator oversees the administration of the Mauritian subsidiaries. The minimum annual fee for each of these companies is £5,000 per annum. Administration fees of the Mauritian subsidiaries for the period ended 30 June 2013 amounted to US$34,864 (30 June 2012: US$26,932).

Directors' Remuneration
The maximum amount of basic remuneration payable by the Company by way of fees to the Non-executive Directors permitted under the Articles of Association is £200,000 per annum. The Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. The Non-executive Directors are entitled to receive an annual fee of £30,000 each and the Non-executive Chairman £35,000. At the time of termination of the Investment Manager three of the directors became Executive Directors: David von Simson, Paul Macdonald and Lawrence Kearns.

The Executive Directors are entitled to receive annual basic salaries of £75,000.

Total fees and basic remuneration (including VAT where applicable) and expenses payable by the Company for the year ended 31 December 2012 amounted to US$373,459 (31 December 2011: US$219,393) and was split as below.

	Period ended 30 June 2013 US$'000	Period ended 30 June 2012 US$'000
David von Simson*	-	27
Paul Macdonald	60	23
Lawrence Kearns	61	23
Graca Machel	23	23
Expense reimbursement	10	25
	154	**121**

* David von Simson died on 11 November 2012

7 Finance Income

	Period ended 30 June 2013 US$'000	(Represented) Period ended 30 June 2012 US$'000
Interest income	2	7
Finance income	**2**	**7**

Notes to the Interim Financial Statements (continued)

8 Income Tax Expense

Group	Period ended 30 June 2013 US$'000	Period ended 30 June 2012 US$'000
Current tax	29	51
Tax expense	**29**	**51**

The tax on the Group's result before tax is higher than the standard rate of income tax in the Isle of Man of zero %. The differences are explained below:

Group	Period ended 30 June 2013 US$'000	(Represented) Period ended 30 June 2012 US$'000
Loss before tax	(969)	(1,273)
Tax calculated at domestic tax rates applicable in the Isle of Man (0%)	-	-
Effect of higher tax rates in Mauritius (15%)	29	51
Tax expense	**29**	**51**

9 Basic and Diluted Profit/(Loss) per Share

Basic profit/(loss) per share is calculated by dividing the result attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	Period ended 30 June 2013	(Represented) Period ended 30 June 2012
Loss from continuing operations attributable to equity holders of the Company (US$'000)	(998)	(1,324)
Profit/(loss) from discontinued operations attributable to equity holders of the Company (US$'000)	1,132	(266)
Total	**134**	**(1,590)**
Weighted average number of ordinary shares in issue (thousands)	136,751	143,745
Basic loss per share (cents) from continuing operations	(0.73)	(0.92)
Basic profit/(loss) per share (cents) from discontinued operations	0.82	(0.19)
Basic profit/(loss) per share (cents) from loss for the period	**0.09**	**(1.11)**

There is no difference between basic and diluted Ordinary Shares in issue as the Warrants are not dilutive in 2013 or 2012.

Notes to the Interim Financial Statements (continued)

10 Investments in Subsidiaries and Associates

10.1 Investments in Subsidiaries

The direct and indirect subsidiaries held by the Company are as follows:

	Country of incorporation	Percentage of share held
PME Locomotives (Mauritius) Limited	Mauritius	100%
PME RSACO (Mauritius) Limited	Mauritius	100%
PME Tanco (Mauritius) Limited	Mauritius	100%
PME TZ Property (Mauritius) Limited	Mauritius	100%
PME Uganco (Mauritius) Limited*	Mauritius	100%
PME Properties Limited	Tanzania	100%

* a liquidator was appointed in May 2013

In June 2012 the Group disposed of its 65% holding in Dovetel Tanzania Limited for total consideration of US$1. This resulted in a loss on disposal of US$102,556 (see note 21).

The Company invested in its direct subsidiaries as follows:

	30 June 2013 US$'000	31 December 2012 US$'000
Start of the period/year	34,707	41,473
Impairment	(18,500)	(6,766)
End of the period/year	**16,207**	**34,707**

10.2 Investments in Associate

Group	30 June 2013 US$'000	31 December 2012 US$'000
Start of the period/year	-	-
End of the period/year	**-**	**-**

Loans due from associate

	30 June 2013 US$'000	31 December 2012 US$'000
Start of the year	-	12,947
Increase due to rescheduled debt agreement	-	1,564
Interest income (included in finance income) (note 15(c))	-	1,232
Transfer to assets held for sale (note 15(a))	-	(7,983)
Impairment provision	-	(7,064)
Exchange differences	-	(696)
Loans due from associate	**-**	**-**

Notes to the Interim Financial Statements (continued)

11 Property, Plant and Equipment

Group	Properties	Capital WIP	Network Infrastructure & Equipment	Other	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 January 2013	-	-	-	-	-
At 30 June 2013	-	-	-	-	-
Accumulated depreciation					
At 1 January 2013	-	-	-	-	-
At 30 June 2013	-	-	-	-	-
Net Book Value					
At 30 June 2013	**-**	**-**	**-**	**-**	**-**

Group	Properties	Capital WIP	Network Infrastructure & Equipment	Other	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 January 2012	-	-	-	86	86
Reallocated to disposal group classified as held for sale (note 15)	-	-	-	(86)	(86)
At 31 December 2012	-	-	-	-	-
Accumulated depreciation					
At 1 January 2012	-	-	-	(57)	(57)
Reallocated to disposal group classified as held for sale (note 15)	-	-	-	57	57
At 31 December 2012	-	-	-	-	-
Net Book Value					
At 31 December 2012	**-**	**-**	**-**	**-**	**-**

12 Finance Lease Receivables

The Group entered into finance leasing arrangements with Sheltam Holdings (Pty) Limited, an associated company, for twelve locomotives (six in December 2008 and another six in June 2009). During the year to 31 December 2012 two of the leased locomotives were damaged in an incident when they collided with each other. During the period to 30 June 2013 the insurers agreed to write off the damaged locomotives and have paid out an amount of ZAR 35.3m (US$ 3.9m) in full and final settlement.

The average term of finance leases entered into is ten years. The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted approximates to 16.30% (2012: 16.30%). The lease receivables are secured on the related assets.

The finance lease receivables were transferred to assets held for sale in 2012 (note 15).

Notes to the Interim Financial Statements (continued)

13 Trade and Other Receivables

Group	30 June 2013 US$'000	31 December 2012 US$'000
Receivables due from associate company	121	85
Prepayments	47	117
Sundry debtors	34	19
Trade and other receivables	**202**	**221**

Company	30 June 2013 US$'000	31 December 2012 US$'000
Loans and receivables due from subsidiary companies		
Start of the period/year (net of impairment)	75	48
Payment of loan and receivables	40	71
Impairment of loans and receivables	-	(332)
Interest income	127	248
Expense recharges	-	40
End of period/year	**242**	**75**

A total of US$9,400 was drawn down by PME Tanco during the six months ended 30 June 2013 (six months ended 30 June 2012: US$21,200) in respect of its intercompany loan facility provided by the Company. Interest of US$126,965 was accrued on this facility over the period (period to 30 June 2012: US$123,288). The balance at 30 June 2013 has been impaired by US$nil (at 30 June 2012: US$140,458). The loan facility bears interest at the US prime rate, is unsecured and repayable on demand.

A total of US$nil was drawn down by PME Uganco during the six months ended 30 June 2013 (six months ended 30 June 2012: US$9,400) in respect of its intercompany loan facility provided by the Company. Interest of US$nil was accrued on this facility over the period (period to 30 June 2012: US$120,414) as the balance was fully written off during the year to 31 December 2012 due to PME Uganco being placed in administration. The balance at 30 June 2013 has been impaired by US$nil (at 30 June 2012: US$127,733).

PME TZ Property and PME RSACO were lent US$nil and US$30,946 respectively during the six months ended 30 June 2013 to cover operational expenditure. These subsidiary balances are interest free, unsecured and repayable on demand.

Company	30 June 2013 US$'000	31 December 2012 US$'000
Receivables due from associate company		
Start of the period/year	85	77
Expense recharges	40	11
Exchange differences	(8)	(3)
End of the period/year	**117**	**85**
Prepayments	30	104
Trade and other receivables	**30**	**104**

Notes to the Interim Financial Statements (continued)

14 Cash and Cash Equivalents

Group	30 June 2013 US$'000	31 December 2012 US$'000
Bank balances	8,734	3,695
Cash and cash equivalents	**8,734**	**3,695**

Company	30 June 2013 US$'000	31 December 2012 US$'000
Bank balances	2,158	1,929
Cash and cash equivalents	**2,158**	**1,929**

15 Non-Current Assets Held for Sale and Discontinued Operations

The property and associated liabilities of PME Properties Limited, the investment in associate and loan to associate of PME RSACO (Mauritius) Limited and the finance lease and loan to associate of PME Locomotives (Mauritius) Limited have been presented as held for sale at 30 June 2013 and 31 December 2012 following the approval by the Board to sell or close these assets/companies. The results associated with these assets and for these companies are therefore included under discontinued operations (six months ended 30 June 2012: the results of PME Tanco (Mauritius) Limited, Dovetel Tanzania Limited and PME TZ Property (Mauritius) Limited in addition to the above).

On 25 June 2012, the Company received written approval from the High Court for the sale of PME's shareholding in Dovetel Tanzania Limited for a nominal consideration of US$1 in cash. Following the sale which completed on 28 June 2012, the Company had no further funding requirements or obligations with regard to Dovetel.

Group	30 June 2013 US$'000	30 June 2012 US$'000
Operating cash flows	306	(170)
Investing cash flows	-	3
Financing cash flows	-	-
Total cash flows	**306**	**(167)**

(a) Assets of disposal group classified as held for sale

Group	30 June 2013 US$'000	31 December 2012 US$'000
Loans due from associate	6,946	7,983
Property, plant and equipment	4,193	4,282
Finance lease receivables	19,406	24,317
Other current assets	42	42
Total	**30,587**	**36,624**

The Group owns 50% of the ordinary share capital in its associate, Sheltam Holdings (Pty) Limited, which is unlisted.

Notes to the Interim Financial Statements (continued)

15 Non-Current Assets Held for Sale and Discontinued Operations (continued)

(b) Liabilities of disposal group classified as held for sale

Group	30 June 2013 US$'000	31 December 2012 US$'000
Other current liabilities	817	711
Total	**817**	**711**

(c) Cumulative income or expense recognised in other comprehensive income relating to disposal group classified as held for sale

Group	30 June 2013 US$'000	30 June 2012 US$'000
Foreign exchange translation adjustments	-	2,251
Total	**-**	**2,251**

Analysis of the result of discontinued operations, and the result recognised on the re-measurement of assets of disposal group, is as follows:

Group	30 June 2013 US$'000	(Represented) 30 June 2012 US$'000
Revenue – rental income	362	381
Revenue – telecommunications	-	832
Realised gains on sale of property, plant & equipment	116	-
Operating and administration expenses (see below)	(271)	(3,801)
Foreign exchange (loss)/gain	(1,220)	(708)
Interest income on loans to associate	565	642
Finance lease income	1,563	1,814
Loss on disposal of subsidiary (see note 21)	-	(103)
Release of impairment of assets to realisable value	-	752
Loss before tax of discontinued operations	1,115	(191)
Tax	17	(20)
Total	**1,132**	**(211)**

Group	30 June 2013 US$'000	30 June 2012 US$'000
Profit/(loss) for the period from discontinued operations		
- Owners of the parent	1,132	(2,006)
- Non-controlling interests	-	55
	1,132	**(1,951)**

Notes to the Interim Financial Statements (continued)

15 Non-Current Assets Held for Sale and Discontinued Operations (continued)

(d) Operating and administration expenses

	Period ended 30 June 2013 US$'000	Period ended 30 June 2012 US$'000
Administration expenses	-	1
Administrator and Registrar fees (note 20)	-	11
Amortisation of intangible assets	-	92
Audit fees	-	17
Bad debt expense	85	-
Depreciation	8	1,082
Employee costs	-	732
Retirement benefits	-	47
Management fees – TMP (note 20)	-	(3)
Management fees – other	-	2
Marketing costs	-	305
Network and direct costs	-	1,172
Professional fees	2	123
Property and utilities	76	116
Travel	-	6
Other	100	98
Operating and administration expenses for discontinued operations	**271**	**3,801**

16 Share Capital

Ordinary Shares of US$0.01 each	31 December 2012 and 30 June 2013 Number	31 December 2012 and 30 June 2013 US$'000
Authorised	500,000,000	5,000

C Shares of US$1 each	31 December 2012 and 30 June 2013 Number	31 December 2012 and 30 June 2013 US$'000
Authorised	5,000,000	5,000
Issued	-	-

Ordinary Shares of US$0.01 each	30 June 2013 US$'000	31 December 2012 US$'000
102,460,760 (31 December 2012: 102,460,760) Ordinary Shares in issue, with full voting rights	1,025	1,025
	1,025	**1,025**

At incorporation the authorised share capital of the Company was US$10,000,000 divided into 500,000,000 Ordinary Shares of US$0.01 each and 5,000,000 C Shares of US$1.00 each. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The holders of C Shares would be entitled to one vote per share at the meetings of the Company. The C Shares can be converted into Ordinary Shares on the approval of the Directors. On conversion each C share would be sub-divided into 100 C Shares of US$0.01 each and will be automatically converted into New Ordinary Shares of US$0.01 each.

Notes to the Interim Financial Statements (continued)

16 Share Capital (continued)

On 12 July 2007, the Company raised a gross amount of US$180,450,000 following the admission of the Company's Ordinary Shares to AIM. The Company placed 180,450,000 Ordinary Shares of US$0.01 par value, at an issue price of US$1.00 per share, and 36,090,000 Warrants on a 1 Warrant per 5 Ordinary Shares basis.

A registered holder of a Warrant had the right to subscribe for Ordinary Shares of US$0.01 each in the Company in cash on 30 April in any of the years 2008 to 2012 for a price of US$1.21 each (adjusted from US$1.25 effective from 11.59pm on 23 February 2010, and an additional 1,193,042 Warrants were issued). The subscription price was adjusted from US$1.21 to US$1.00 effective from 11.59pm on 21 September 2010, and an additional 7,829,424 Warrants were issued. The subscription price was further adjusted from US$1.00 to US$0.72 effective from 11.59pm on 22 July 2011, and an additional 17,543,718 Warrants were issued taking the total number of Warrants in issue to 62,656,184. The Warrants lapsed in July 2012. No subscription rights were exercised prior to the Warrants lapsing.

17 Net Asset Value per Share

Group	As at 30 June 2013	As at 31 December 2012
Net assets attributable to equity holders of the Company (US$'000)	38,402	39,542
Shares in issue (thousands)	102,461	102,461
NAV per share (US$)	**0.37**	**0.39**

The NAV per share is calculated by dividing the net assets attributable to equity holders of the Group by the number of Ordinary Shares in issue.

18 Trade and Other Payables

Group	30 June 2013 US$'000	31 December 2012 US$'000
Administration fees payable	40	40
Audit fee payable	106	143
CREST service provider fee payable	4	4
Directors' fees payable	25	7
Income tax payable	(40)	26
Other sundry creditors	169	67
	304	**287**

Company	30 June 2013 US$'000	31 December 2012 US$'000
Loans and receivables due to subsidiary companies		
Start of the period/year	-	-
Expense recharges	-	125
Payment of loans and receivables	-	(125)
End of period/year	**-**	**-**

Notes to the Interim Financial Statements (continued)

18 Trade and Other Payables (continued)

PME Locomotives (Mauritius) Limited recharged US$124,841 to the Company during the year to 31 December 2012 which was fully repaid during the year. This balance was interest free, unsecured and repayable on demand.

Company	30 June 2013 US$'000	31 December 2012 US$'000
Administration fees payable	22	29
Audit fee payable	65	109
CREST service provider fee payable	4	4
Directors' fees payable	23	7
Other sundry creditors	150	29
	264	**178**

The fair value of the above financial liabilities approximates their carrying amounts.

19 Contingent Liabilities and Commitments

The following guarantees are in place as a result of the acquisition of 50% of the Ordinary Share capital of Sheltam Holdings (Pty) Limited:

(i) FirstRand Bank suretyship in the amount of US$0.7m (ZAR 6m) in connection with a US$1.8m (ZAR 12m) working capital facility.

(ii) Rand Merchant Bank letter of support in the amount of US$0.6m (ZAR 5.5m) in connection with aircraft finance lease obligations.

PME Properties Limited has entered into a number of operating lease agreements in respect of properties. The lease terms are between one and ten years and the majority of the lease agreements are renewable at the end of the lease period at market rates.

The Group's future aggregate minimum lease payments under operating leases are as follows:

	30 June 2013 US$'000	31 December 2012 US$'000
Amounts payable under operating leases:		
Within one year	65	65
In the second to fifth years inclusive	198	210
Beyond five years	1,400	1,400
	1,663	**1,675**

The Directors do not expect any of these guarantees to result in significant loss to the Group.

Notes to the Interim Financial Statements (continued)

20 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions. Key management is made up of the Board of Directors.

Group
Management fees of US$193,339 were refunded by TMP Management A.S. (30 June 2012: US$3,069).

Sheltam Holdings (Pty) Limited, an associate, had the following positions/transactions with Group companies:

- The outstanding finance lease liability owing to PME Locomotives (Mauritius) Limited as at 30 June 2013 was US$19,406,344 (31 December 2012: US$24,316,796), see note 12.
- Net finance lease interest expense due to PME Locomotives (Mauritius) Limited during the period ended 30 June 2013 amounted to US$1,563,186 (period ended 30 June 2012: US$1,814,034).
- The loans payable to PME RSACO (Mauritius) Limited and PME Locomotives (Mauritius) Limited are disclosed in note 15.

The Directors of the Company are considered to be related parties by virtue of their influence over making operational decisions. Directors' remuneration is disclosed in note 6.

Lawrence Kearns, a director of the Company, was a non-executive director of the Administrator until 31 July 2012. Fees payable to the Administrator are disclosed in note 6.

Company
Intercompany transactions with subsidiaries and associates are disclosed in note 13.

21 Loss on Disposal of Subsidiary

In June 2012 the Group disposed of its 65% holding in Dovetel Tanzania Limited for total consideration of US$1. This resulted in a loss on disposal of US$102,556 as follows:

	US$'000
Intangible assets	950
Property, plant & equipment	6,434
Inventory	276
Trade and other receivables	1,247
Cash	32
Trade and other payables	(1,888)
ZTE loan	(6,789)
Other sundry creditors	(104)
Total identifiable net assets	**158**
Non-controlling interest	(55)
Loss on disposal	**103**

PME AFRICAN INFRASTRUCTURE OPPORTUNITIES PLC

(Incorporated in the Isle of Man under company number 120060C)
(the "Company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company will be held at the offices of Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB, British Isles, on Wednesday 13 November 2013, at 10.00 a.m. (UK time), to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors, the Auditors' Report and the Audited Consolidated Financial Statements of the Company for the financial year ended 31 December 2012.

2. To re-appoint PricewaterhouseCoopers, Isle of Man as Auditors of the Company for the year to 31 December 2013 and that the directors be authorised to determine the remuneration of the Auditors.

3. To re-appoint as a director, Mrs. Graça Machel who retires in accordance with Article 87 of the Articles of Association and offers herself for re-election.

SPECIAL BUSINESS

4. To approve the authority for the purchase of up to 14.99% of the Company's fully-paid ordinary shares in issue at a price per share of no less than 1 cent and not more than US$5.00 with an expiry date of the conclusion of the Company's next Annual General Meeting, or if earlier, on 13 November 2014

By Order of the Board
Ian Dungate
Assistant Secretary

Dated 1 October 2013

Registered Office
Millennium House
46 Athol Street
Douglas
Isle of Man IM1 1JB
British Isles

VOTING INSTRUCTIONS:

1 A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him/her; a proxy need not be a member of the Company. In the case of joint-holders, if more than one of such joint-holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint-holding will be entitled to vote, whether in person or by proxy.

2 A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude a member from attending and voting at the Meeting, if he/she so wishes. In the event that a member who has lodged a form of proxy attends the Meeting, his/her form of proxy will be deemed to have been revoked.

3 In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, should be deposited at Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB, British Isles (Attention: Ian Dungate on Fax: +44 (0)1624 692 601) by no later than 48 hours before the date appointed for holding the meeting.

4 <u>Please advise if you are attending the meeting in person by contacting Galileo Fund Services Limited, on the telephone number +44 (0)1624 692 600.</u>

PME AFRICAN INFRASTRUCTURE OPPORTUNITIES PLC

(Incorporated in the Isle of Man under company number 120060C)

(the "Company")

FORM OF PROXY

To be used for the Annual General Meeting of the Company to be held at the offices of Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man IM1 1JB, British Isles, on Wednesday 13 November 2013, at 10.00 a.m. (UK time).

I/We ____[1]

of ____[1] being member(s) of the

Company, hereby appoint the Chairman of the Meeting or [2] ___________________________________

of ____or Ian Dungate of Galileo Fund Services Limited or failing him, David Parnell of Galileo Fund Services Limited as my/our proxy to vote on my/our behalf

at the Annual General Meeting of the Company to be held on Wednesday 13 November 2013 and at any adjournment hereof:

I/We direct my/our proxy to vote in respect of the Resolutions to be proposed at such Annual General Meeting in the following manner [3]:-

ORDINARY BUSINESS	FOR	AGAINST	ABSTAIN
1 THAT the Report of the Directors, the Auditors' Report and the Audited Consolidated Financial Statements of the Company for the year ended 31 December 2012 be adopted.			
2 THAT PricewaterhouseCoopers LLC, Isle of Man be re-appointed the Auditors of the Company for the year ending 31 December 2013 and that the directors be authorised to determine the remuneration of the Auditors.			
3 THAT the re-election of Mrs. Graça Machel who retires in accordance with Article 87 of the Articles of Association and offers herself for re-election.			
SPECIAL BUSINESS			
4 THAT the authority for the purchase of up to 14.99% by the Company of the fully paid ordinary shares in issue at a price of no less than US$0.01 and not more than US$5.00 with an expiry date of the conclusion of the next Annual General Meeting, or if earlier, on 13 November 2014 be approved.			

Dated ____________________ 2013

Signature __________________________ ___________________________________

(NAME IN BLOCK CAPITALS)

NOTES:

1 Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**. The name of all joint holders should be stated.

2 If you wish to appoint a person other than the Chairman of the Meeting as your proxy please delete the words "the Chairman of the Meeting" and print the name and address of the person you wish to appoint in the space provided.

3 Please indicate with a "X" in the appropriate space beside the resolution how you wish your proxy to vote on your behalf on a poll. Except as otherwise instructed, your proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

4 This form of proxy must be signed by the member or his attorney duly authorised in writing, or if the appointor is a corporation then the form of proxy must be executed under the hand of an officer of the corporation duly authorised on their behalf.

5 A member entitled to attend and vote is entitled to appoint one or more parties to attend and, on a poll, to vote instead of him/her. A proxy need not also be a member. In the case of joint holders, if more than one such joint holder is present, only the person whose name stands first in the Register of Members in respect of the relevant joint holding will be entitled to vote, whether in person or by proxy.

6 This form of proxy should be completed and lodged at the Company's registered office c/o Galileo Fund Services Limited, Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB, British Isles, (Fax: +44 (0)1624 692601) by no later than 48 hours before the date appointed for holding the meeting together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority.