



# White Nile Limited

(in the process of changing its name to Agriterra Limited)

## Acquisition of DECA, Compagri and Mozbife





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**Application will be made for the entire issued share capital to be admitted to trading on AIM and it is expected that Admission will become effective and trading in the Enlarged Share Capital will commence on AIM on 22 January 2009.** 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 United Kingdom Listing Authority. 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. London Stock Exchange plc has not itself examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to trading on any such exchange.

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# **WHITE NILE LIMITED**

**(in the process of changing its name to Agriterra Limited)**

*(Incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered number 42643)*

## **Acquisition of Desenvolvimento E Comercialização Agrícola Limitada, Compagri Limitada and Mozbife Limitada Admission to trading of the Enlarged Share Capital on AIM and Notice of Extraordinary General Meeting**

***Nominated Adviser and Broker***  
**SEYMOUR PIERCE LIMITED**

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**THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ. YOUR ATTENTION IS DRAWN, IN PARTICULAR, TO THE SECTION HEADED 'RISK FACTORS' SET OUT IN PART III OF THIS DOCUMENT.**

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## **ADMISSION STATISTICS**

Number of Existing Ordinary Shares	195,132,688
Number of Deferred Shares	155,000,000
Number of Consideration Shares	200,000,000
Number of Ordinary Shares in issue following the Acquisition	395,132,688
Percentage of Enlarged Share Capital represented by the Consideration Shares	50.6%

## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Publication of this document	24 December 2008
Latest time and date for receipt of Forms of Proxy	8.30 a.m. on 19 January 2009
Extraordinary General Meeting	8.30 a.m. on 21 January 2009
Completion date of the Acquisition	21 January 2009
Admission effective and dealings in Enlarged Share Capital to commence on AIM	22 January 2009

## DIRECTORS AND ADVISERS

<b>Directors:</b>	Philippe Henri Edmonds MA (Cantab) ( <i>Chairman</i> ) Andrew Stuart Groves ( <i>Director</i> ) Mike Pelham ( <i>Non-Executive Director</i> )  whose business address is:  Av 24 Julho 2096 Maputo Mozambique
<b>Company Secretary:</b>	Philip Enoch MA (Oxon)
<b>Registered Office:</b>	Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 4LX
<b>Nominated Adviser and Broker:</b>	Seymour Pierce Limited 20 Old Bailey London EC4M 7EN
<b>Solicitors to the Company as to English law:</b>	Salans Millennium Bridge House 2 Lambeth Hill London EC4V 4AJ
<b>Legal advisors to the Company as to Guernsey law:</b>	Carey Olsen PO Box 98 7 New Street St Peter Port Guernsey GY1 4BZ
<b>Auditors to the Company:</b>	Baker Tilly UK Audit LLP 2 Bloomsbury Street London WC1B 3ST
<b>Reporting Accountants:</b>	Baker Tilly Corporate Finance LLP 2 Bloomsbury Street London WC1B 3ST  Charles Orbach & Company 3 Melrose Boulevard Melrose Arch 2076 Johannesburg South Africa
<b>Guernsey Administrator:</b>	Carey Commercial Limited Elizabeth House Les Ruettes Brayes St Peter Port Guernsey GY1 2JQ
<b>Registrars:</b>	Capita IRG (CI) Limited TSB House Le Truchot St Peter Port Guernsey GY1 4AE
<b>Website:</b>	<a href="http://www.whitenile-ltd.com">www.whitenile-ltd.com</a>

## DEFINITIONS

“Acquisition”	the acquisition by the Company’s wholly owned subsidiary Agriterria (Mozambique) Limited of 75 per cent. of the issued share capital of DECA, Compagri and Mozbife from CAMEC and the novation to the Company of outstanding loans made by CAMEC and its group companies to DECA, Compagri and Mozbife of approximately US\$21.5 million in aggregate
“Acquisition Agreement”	the agreement pursuant to which the Company has agreed to make the Acquisition
“Act” or “Law”	the Companies (Guernsey) Law, 2008 (as amended)
“Admission”	admission becoming effective of the Enlarged Share Capital to trading on AIM
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers produced by the London Stock Exchange, as amended from time to time
“Articles”	the articles of association of the Company, as amended
“Block Ba”	a concession granted by the Government of Southern Sudan to explore and develop hydrocarbon interests situated in the Muglad basin in Southern Sudan
“Board” or “Directors”	the board of directors of the Company whose names appear on page 4 of this document
“CAMEC”	Central African Mining & Exploration Company plc, a company incorporated in England and Wales with number 42322047, whose registered office is at Millennium Bridge House, 2 Lambeth Hill, London EC4V 4AJ
“Circular”	the circular of the Company dated 5 December 2008 containing details of the Investing Strategy
“City Code”	the City Code on Takeovers and Mergers
“Compagri”	Compagri Limitada, a company incorporated in Mozambique with number 100019620, whose registered office is at Av 24 Junho 2096, Maputo, Mozambique
“Company” or “White Nile”	White Nile Limited
“Consideration Shares”	200,000,000 Ordinary Shares to be issued as consideration for the Acquisition
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“CREST Regulations”	the Uncertified Securities Regulations 2001 (as amended) (SI2001/3755)
“DECA”	Desenvolvimento E Comercialização Agrícola Limitada a company incorporated in Mozambique with number 17641, whose registered office is at Av 24 Junho 2096, Maputo, Mozambique

“Deferred Shares”	the non-voting, deferred shares of 0.1p each in the capital of the Company, with the rights set out in article 4 of the Articles
“Enlarged Group”	the Company and its subsidiaries, as enlarged by the Acquisition
“Enlarged Share Capital”	the issued Ordinary Shares immediately following completion of the Acquisition and Admission
“EMM”	Exploracoes Minerias de Mocambique Limitada
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened pursuant to the notice set out at the end of this document
“FPO”	Financial Services and Markets Act 2000 (Financial Promotions) Order 2005
“FSMA”	Financial Services and Markets Act 2000
“Goodworth”	Goodworth Services Limited, a company incorporated in British Virgin Islands under company registration number 504490
“Investing Strategy”	the investing strategy of the Company which is proposed to be adopted by the company at an extraordinary general meeting to be held on 6 January 2009, further details of which can be found in the Circular
“London Stock Exchange”	London Stock Exchange plc
“Mozbife”	Mozbife Limitada, a company incorporated in Mozambique with number 100062399, whose registered office is at Av 24 Junho 2096, Maputo, Mozambique
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“p”	pence
“Panel”	the Panel on Takeovers and Mergers
“Proposals”	the Acquisition and Admission
“Registrars”	Capita IRG (CI) Limited
“Resolutions”	the resolutions to be put to the Shareholders as set out in the notice convening the Extraordinary General Meeting
“Shareholders”	holders of Ordinary Shares
“Share Option Scheme”	the executive share option scheme of the Company adopted on 4 February 2005
“Target Group”	together, DECA, Compagri, Mozbife and Vesta
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the UK Listing Authority
“Uncertificated” or “in Uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“VAT”	value added tax
“Vesta”	Investimentos Vesta Limitada, the wholly-owned subsidiary of DECA

## PART I

### LETTER FROM THE CHAIRMAN OF WHITE NILE LIMITED

# WHITE NILE LIMITED

**(in the process of changing its name to Agriterra Limited)**

*(Incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with registered number 42643)*

*Directors:*

Philippe Edmonds (*Chairman*)  
Andrew Groves (*Chief Executive*)  
Mike Pelham (*Non-Executive Director*)

*Registered office:*

Elizabeth House  
Les Ruettes Brayes  
St Peter Port  
Guernsey GY1 4LX

24 December 2008

**Acquisition of DECA, Compagri and Mozbife  
Admission of Enlarged Share Capital to trading on AIM  
and  
Notice of Extraordinary General Meeting**

*To the holders of Ordinary Shares*

Dear Shareholder

#### **Introduction**

On 5 December 2008 your Board announced that it was proposing that the Company change its name to “Agriterra Limited” and adopt the Investing Strategy (in accordance with the AIM Rules) to acquire and/or invest in businesses or projects operating in the agricultural and associated civil engineering industries in Africa. The Board believes that the agricultural sector in Africa is an area of activity which is resilient enough to generate returns on investment even in the current difficult economic environment. As described in the Circular, the Board has called an extraordinary general meeting for 8.30 a.m. on Tuesday, 6 January 2009 to approve the changing of the Company’s name to “Agriterra Limited” and to approve and adopt the Investing Strategy.

Subsequent to the convening of that extraordinary general meeting, and in line with the proposed Investing Strategy, the Board identified DECA, Compagri and Mozbife as suitable acquisition targets. The Board is pleased to announce its intention, subject to the satisfaction of certain conditions precedent, that the Company’s wholly owned subsidiary, Agriterra (Mozambique) Limited, acquires 75 per cent. of the issued share capital of each of DECA, Compagri and Mozbife, and that the loan of approximately US\$21.5 million due from DECA, Compagri and Mozbife to CAMEC and its group companies is novated to the Company for consideration of US\$17 million, to be satisfied by the issue and allotment of the Consideration Shares to CAMEC and the cash payment to CAMEC of US\$2 million.

The Board is therefore issuing this document and convening the Extraordinary General Meeting to seek Shareholder approval of the Acquisition on the assumption that the resolutions proposed at the extraordinary general meeting to be held on Tuesday, 6 January 2009 will be approved by Shareholders.

#### **Proposed acquisition of DECA, Compagri and Mozbife**

As mentioned above, the Board has agreed terms for the Company’s wholly-owned subsidiary, Agriterra (Mozambique) Limited, to acquire, subject to certain conditions precedent, 75 per cent. of the issued share capital of each of DECA, Compagri and Mozbife and for the novation of certain loans to the Company for an aggregate consideration of US\$17 million, which will be satisfied by the issue of the Consideration Shares and the payment of US\$2 million in cash.



Under the AIM Rules, the Acquisition will constitute a reverse takeover and, as such, is conditional, *inter alia*, on the approval of Shareholders at the Extraordinary General Meeting to be held on 21 January 2008, notice of which is set out at the end of this document.

The purpose of this document is to set out details of the Acquisition and to explain why your Board considers it to be in the best interests of the Company and Shareholders as a whole and to convene the Extraordinary General Meeting at which your approval will be sought for the Acquisition.

Shareholders should read this entire document and your attention is drawn to Parts II to IV of this document, which contain important information in relation to the Proposals.

### **Information on White Nile Limited**

White Nile was incorporated as a Guernsey registered company on 17 December 2004. The Company was subsequently admitted to trading on AIM on 9 February 2005 with a market capitalisation of £15.5 million, having raised gross proceeds of £9 million through a placing of Ordinary Shares to private and institutional investors, on 4 February 2005.

As investors will be aware, since listing White Nile has assembled a portfolio of early stage exploration licences in Southern Sudan, Ethiopia, Kenya and Nigeria. The development of these assets has been on-going and the Company has invested funds in these exploration projects in order to evaluate their respective hydrocarbon potential. However, due to certain situations beyond the control of the Board, including the fluctuating political situation in Southern Sudan and the current global economic downturn, it has not been possible, to date, to fully maximise the initial perceived value of the Company's portfolio.

On 22 October 2008, we provided Shareholders with a detailed update on the current situation in Southern Sudan and subsequently obtained your approval to convert the 155,000,000 Ordinary Shares held by the Government of Southern Sudan through Nile Petroleum Corporation Limited into Deferred Shares. These shares will remain as Deferred Shares until complete clarity of title can be given as to the Company's position within Block Ba or an acceptable position within a consortium to develop an enlarged Block B is agreed. Although the Board remains fully supportive and committed to the Southern Sudanese, it is recognised that there are wider political issues which are the current focus for the GOSS and, realistically, the Board does not believe that the resolution of title issues relating to Block Ba or the establishment of an acceptable consortium in respect of Block B will occur before the referendum on total independence for Southern Sudan is held on 9 January 2011.

The Board therefore believes that in the current economic environment, which is not conducive to the continued funding of non-producing early stage oil and gas exploration assets, combined with the current political position in Southern Sudan, the Company's current strategy of concentrating on oil and gas exploration is not now in the best interest of Shareholders. These altered circumstances prompted the Board to re-assess its strategy and examine the possibilities of utilising its cash balances to generate Shareholder value without jeopardising any potential future value from its oil interests, by focussing on another industry in Africa.

Accordingly, on 5 December 2008, the Company published the Circular and convened an extraordinary general meeting for 6 January 2009 at which resolutions will be proposed to change the name of the Company to "*Agriterra Limited*" and to adopt the Investing Strategy which is:

- to invest in and develop projects;
- to acquire companies; and/or
- to acquire interests in companies,

whose operations comprise agricultural businesses or associated civil engineering projects and whose operations at the date of acquisition are principally in central and southern Africa. The Company's investment objective is to provide Shareholders with an attractive return on their investment predominantly through capital appreciation generated by the growth of any acquired businesses or interests.

The Acquisition fits within this proposed Investing Strategy.

## **Financial information**

On 19 December, the Company announced its final results for the year ended 30 June 2008 and the annual report is enclosed with this document.

The audited aggregated financial information of the Target Group for the three years to 31 March 2008 is set out in Part II of this document. Since their respective incorporations, each of DECA, Compagri, Mozbife and Vesta have operated solely in Mozambique, and all revenues generated by them, as disclosed in Part II of this Document have derived from Mozambique.

## **Information on the Acquisition**

DECA, Compagri and Mozbife are Mozambique incorporated companies which are each owned 25 per cent. by Goodworth, and 75 per cent. by CAMEC, a company which holds approximately 8.5 per cent. of White Nile's Ordinary Shares and has common directors (Messrs Edmonds and Groves) with the Company. Vesta is a wholly-owned subsidiary of DECA.

## **DECA**

DECA, founded in 2005, is based in Chimoio in the Manica Province of Mozambique, with operations primarily encompassing agricultural trading and processing functions. Its headquarters are located on a 20 hectare site and consists of seventeen 1,000 tonne silos, seven warehouses each with capacity for 3,500 tonnes of maize, seven family houses, four single quarters and one guest house, as well as two milling plants, one workshop and a fleet of over 80 vehicles. The Company has a seasonal workforce of 300 people. Chimoio itself has sound infrastructure with an airport, rail terminal and extensive road network.

DECA's operations are run by a team of experienced individuals and comprise the following principal components:

- Acquisition of grain from local, smallholder farmers;
- Treatment and processing of grain;
- Sales of maize meal and bran/harmony chop; and
- Installation of infrastructure and logistics to facilitate operations.

The buying operation is focused on direct purchases from thousands of local, smallholder farmers. The company prepares and installs the necessary infrastructure at "buying points" throughout the region surrounding Chimoio to which these local farmers bring the products which they have cultivated as "out growers".

DECA then purchases grain through its efficient buying system, delivering cash directly to the producers, and thereby supporting economic activity in these rural growing areas.

The Board believes that DECA's operations sustain a substantial number of the local Manica province population. As additional operations are established, it is hoped that the number of people to benefit will also increase. The UN World Food Programme is one of DECA's main customers.

The Board believes that land under maize production has grown significantly during the three years of DECA's operations in the area. DECA's management continues to work with the Government of Mozambique to develop infrastructure in other potential maize growing areas of the country, and accordingly hopes to expand its operations into these areas in due course.

The grain which is acquired from local farmers is transported back to DECA's purpose-built storage and processing facility in Chimoio. At this facility, the grain is dried, fumigated, prepared and processed into maize meal which is in demand in the local areas.

Once processed, the products are packaged and transported to appropriate venues for onward sale under DECA branding. During its three years of operations, DECA has rapidly expanded its Chimoio facility to enable it to meet the high growth in demand for the maize meal. DECA's maize purchases reached a new high at approximately 21,000 tonnes during the 2007 buying season, limited only by storage capacity. This has now been expanded to 50,000 tonnes. Maize meal production capacity now stands at approximately

200 tonnes per day, with 40 tonnes per day of bran/harmony chop as a by-product of the processing procedure.

Maize meal (also known as mielie meal) is used extensively in African and Asian cuisines to make various pancakes, flatbreads and porridges and bran/harmony chop products, (which are effectively the waste product of the processing process) are used throughout the region as livestock feed. Given the alternative uses of processed grain, maize is an efficient commodity.

DECA's transport division has seen rapid growth of its fleet and facilities and is now running over 80 vehicles, with all maintenance and repair work carried out in-house by a team of locally based mechanics. Although the collection operation is seasonal, it collects enough produce and has the storage space to mill throughout the year, thus stabilising its revenue stream.

The Directors consider that DECA's early achievements have created a valuable blueprint to replicate the operation in other areas of Mozambique, and throughout Africa.

DECA's total revenues for the year to March 2008 grew to \$5.5 million, generating a gross profit of \$1.8 million. During 2008, the average price achieved for maize meal has been approximately \$330 per tonne, compared with an equivalent price of \$290 per tonne in 2007. Strong demand has been the primary driver of the increased price with the average price received in the three months ended 30 November 2008 being \$598 per tonne.

### ***Compagri***

As part of DECA's planned expansion, a new facility, Compagri, is in the course of being established 400km north of Chimoio in the Tete province. It is proposed that Compagri's operations will mirror those of DECA. The first phase of development is expected to be finished in February 2009 on the 32 hectare site. Once completed this will house four 1,600 tonne silos, two warehouses each with a 3,500 tonne capacity, one mill, and four staff houses. The site has good communication links and its location will provide access to Malawi which is a potential export market.

### ***Mozbife***

Alongside the grain business, the management of DECA have identified cattle ranching and feedlot production as a complementary business as there is a large and growing demand for beef in Mozambique. Mozbife has been incorporated to begin this process and currently owns one farm near Chimoio, where it has established a small breeding herd which can be fed, in part at least, by DECA's production of harmony chop/bran product. It is intended that Mozbife's Chimoio farm will grow in size, becoming a revenue generator in its own right and thereby adding further value to DECA's business.

The management team of DECA, Compagri and Mozbife is led by Euan Kay, who has acted as managing director of DECA since its inception.

### ***Vesta***

Vesta is the non-trading, wholly-owned subsidiary of DECA which formerly held the lease to the land from which DECA operates.

### **Future Strategy**

The Board recognises agriculture as being a significant growth area, particularly on the African continent. It is envisaged by the Board that DECA's operational business can be replicated not only in other areas of Mozambique, as is already intended at Compagri, but also in other African countries. The Board also sees potential in expanding ranching operations under the Mozbife brand.

The directors and management team have extensive experience of operating in Africa and are keen to utilise this to identify areas of expansion.

## Terms of the Acquisition

Under the terms of the Acquisition Agreement it has been agreed that:

- the Company's wholly owned subsidiary, Agriterra (Mozambique) Limited will acquire 75 per cent. of the issued share capital of each of DECA, Compagri and Mozbife; and
- the loan of approximately US\$21.5 million due from DECA, Compagri and Mozbife to CAMEC and its group companies will be novated to the Company,

for an aggregate consideration of US\$17 million, to be satisfied by the issue and allotment of the Consideration Shares to CAMEC, and the payment to CAMEC of US\$2 million.

Further details of the Acquisition Agreement are set out in paragraph 8.1 of Part IV of this document.

## Lock-in Agreements

On Admission the Directors will be interested in an aggregate of 30,040,000 Ordinary Shares representing 7.61 per cent. of the Enlarged Share Capital. In accordance with Rule 7 of the AIM Rules for Companies, the Directors have each undertaken not to dispose of any interests in Ordinary Shares (except in certain limited circumstances) for a period of 12 months from Admission.

## Directors and Senior Management

The biographical details of the Directors are set out below:

### Directors

#### **Phil Edmonds**, (MA Cantab) aged 57 (*Chairman*)

Mr Edmonds is a director of a number of public and private companies and has considerable experience of introducing African focussed companies to AIM, including BioEnergy Africa Limited, African Platinum Plc (formerly Southern African Resources Plc), Central African Mining & Exploration Company Plc, Central African Gold Plc and African Medical Investments plc. Mr Edmonds is currently Chairman of Central African Mining & Exploration Company Plc. He holds an honours degree in land economy from Cambridge University. He was born in Lusaka, Zambia, educated in Zambia and England and played cricket for England and Middlesex from 1974 to 1987.

#### **Andrew Groves**, aged 40 (*Director*)

Mr Groves has significant experience in operations management in Southern and Central Africa and is a director of a number of private companies, including companies in Zambia and Zimbabwe. Mr Groves also has experience of introducing several African focussed companies to AIM together with Mr Edmonds. Mr Groves's current directorships include BioEnergy Africa Limited, Central African Mining & Exploration Company Plc, Central African Tantalum Limited and African Medical Investments plc. He was born in Harare, Zimbabwe and educated in Zimbabwe and South Africa.

#### **Mike Pelham**, aged 39 (*Non-Executive Director*)

Mr Pelham was appointed to the Board as a non-executive director on 4 December 2008. He is the Company's current General Manager in Southern Sudan, and will continue to be tasked, during his appointment, with liaising with the Government of Southern Sudan with a view to reaching a resolution concerning the ongoing title uncertainty issues relating to Block Ba/Block B in Southern Sudan, in a form agreeable to all parties involved.

Mr Pelham has worked in various countries across Africa throughout his 18 year career. Before joining White Nile as Operations Manager in 2006, Mr Pelham held the position of Operations Liaison Manager at Ardan Safaris, and whilst in this role built strong significant relationships with local Government officials and decision makers across southern, central and east Africa. Mr Pelham has a wealth of experience in project management, environmental consultancy, construction and risk management accumulated through his current directorship positions with Ardan Energy Services DMCC, Soszim Limited and Ardan Risk and Support Services (HK) Limited.

## **Senior Management**

The Board will be supported by the following senior management:

### **Euan Kay** (*Managing Director DECA, Mozambique*)

Euan Kay grew up and was educated in Zimbabwe, after which he served for three years in the security forces. He then worked as a safari camp manager, professional safari guide and commercial and instrument rated bush pilot in Botswana's Okavango delta from 1983 to 2004. Euan has also worked in a managerial capacity for Linyanti Explorations Safaris, Drystone (Pty) Ltd and Eastern Air (Pvt) Ltd and was Chief Pilot for Northern Air, before joining DECA in November 2004.

## **Current Trading**

In the eight months ended 30 November 2008, DECA continued to expand its business and in that period unaudited turnover grew to US\$6.4 million, producing a gross profit of US\$1.7 million. The Directors anticipate the turnover run-rate will continue or improve over the remainder of the current financial year.

The development of the Compagri site in the Tete province continues as planned and the Directors expect operations to commence in the first quarter of 2009. The total capital cost of the development is expected to be approximately US\$9.3 million of which US\$5.8 million has already been incurred.

Development of Mozbife continues to meet management's expectations and they expect operations to commence as planned in 2010.

As the Board has previously informed Shareholders, it believes that the current economic environment is not conducive to the continued funding of non-producing early stage oil & gas exploration assets, and therefore the Board is evaluating opportunities of maximising the value of the Company's assets in Ethiopia, Kenya and Nigeria, which could include their disposal. The current position with respect to the Company's assets in Southern Sudan is discussed on page 8 of this document.

## **City Code**

The Directors believe that the Company, as currently constituted and managed, will not be subject to the City Code.

The Company is incorporated in Guernsey under Guernsey law. The City Code applies to companies which are registered and traded in the UK, Channel Islands and Isle of Man, and which have their registered offices in the UK, Channel Islands or Isle of Man, but only if their securities are admitted to trading on a regulated market in the UK or any stock exchange in the Channel Islands or the Isle of Man (for the avoidance of doubt. AIM is not a regulated market). In addition, the City Code applies to public companies which have their registered offices in the UK, Channel Islands or Isle of Man and which are considered by the Panel to have their place of central management and control in the UK, Channel Islands or the Isle of Man. The Company's registered office is in Guernsey and its Ordinary Shares are traded on AIM. However, the Company's operations and management are currently based in Southern Sudan and after Admission will be based in Mozambique.

As disclosed in the Company's admission document dated 19 May 2005, following completion of the acquisition contemplated therein and the appointment to the Board of two Southern Sudanese Directors, Mr Edward Lino and Dr Lual Deng, the majority of the Directors were resident outside of the United Kingdom, Channel Islands or Isle of Man and the Company's operations were carried on from Southern Sudan which is where the Company had its principal place of business.

Following the directorship changes announced on 4 December 2008, whereby Mr Lino and Dr Deng ceased to act as Directors and Mr Michael Pelham was appointed as a non-executive Director, the majority of the company's Directors remained resident outside of the United Kingdom, Channel Islands or Isle of Man, as did the Company's operations and management.

Following completion of the Acquisition and Admission, the Company's operations and place of central management will be based in central and southern Africa and the majority of the Company's Directors will not be resident or domiciled in the UK. Accordingly, the provisions of the City Code will not apply to the Company.



Investors should therefore be aware that they will not be afforded the protections of the City Code and that the Panel will have no role in relation to the Company and the dealings in its Ordinary Shares.

### **Admission to AIM, Settlement and CREST**

Application will be made to the London Stock Exchange for the Enlarged Share Capital of the Enlarged Group to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 22 January 2009.

The Articles permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities, including depository interests, to be held in electronic rather than paper form. Application has been made by the Company's Registrars and transfer agent for Ordinary Shares in issue at Admission to be admitted to CREST. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so.

### **Corporate Governance and Board Practices**

#### ***Board***

Following Admission, the Enlarged Group will have two executive Directors and one non-executive Director. The Board will be responsible for formulating, reviewing and approving the Enlarged Group's strategy, budgets and corporate actions. The Company is in the process of recruiting additional directors to the Board, and suitably qualified individuals will be appointed in due course.

#### ***Committees of the Board***

The Directors recognise the value and importance of effective corporate governance and intend to observe the principal provisions of the Combined Code, to the extent that they consider them to be appropriate for a company of its size.

The audit committee will be responsible for ensuring that the Enlarged Group's financial performance is properly monitored, controlled and reported. It will also meet the auditors and review reports from the auditors relating to accounts and internal control systems. The audit committee will meet at least twice a year and will have unrestricted access to the Company's auditors. The chairman of the audit committee will be Mr Edmonds and Mr Pelham will be the other member of this committee.

The remuneration committee will review the performance of the Directors and make recommendations to the Board on matters relating to the Directors' remuneration and other terms of employment. This committee will also make recommendations to the Board on the granting of share options and other equity incentives and will administer any equity incentive schemes. The chairman of the remuneration committee will be Mr Edmonds and Mr Pelham will be the other member of this committee.

In light of the size of the Board, the Directors do not consider it necessary at this stage to establish a nomination committee, although the Board will keep this under review going forward.

The Company has adopted a share dealing code for directors' dealings which is appropriate for an AIM quoted company. The Directors will comply with Rule 21 of the AIM Rules relating to directors' dealings and will take all reasonable steps to ensure compliance by the Enlarged Group's applicable employees as well.

### **Dividends**

The Directors consider it unlikely that the Company will pay dividends for the foreseeable future. Following the Acquisition, the Directors will consider the cash requirements of the Enlarged Group and will, if appropriate, consider paying dividends to Shareholders in accordance with the Law. The main focus of the Enlarged Group will be on delivering capital growth for shareholders.

## **Taxation**

Information regarding taxation with respect to the Ordinary Shares and Admission is set out in paragraph 12 of Part IV of this document. These details are, however, intended only as a general guide to the current tax position under UK and Guernsey taxation laws. If you are in any doubt as to your tax position you should consult an appropriate professional adviser immediately.

## **Additional Information**

Your attention is drawn to the further information contained in Parts II to IV of this document.

## **Extraordinary General Meeting**

Set out at the end of this document is a notice convening an Extraordinary General Meeting of the Company to be held at the Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 4LX on 21 January 2009 at 8.30 a.m. where the following resolutions will be proposed:

1. A special resolution to approve the Acquisition and authorise the Directors to allot the Consideration Shares.
2. An ordinary resolution to increase the authorised share capital of the Company by £1,500,000 to £2,500,000 by the creation of 1,500,000 new Ordinary Shares and to replace existing Article 4.1 of the Company's articles of association with the following:

*"4.1 The authorised share capital of the Company is £2,500,000 divided into 2,345,000,000 Ordinary Shares of 0.1p each ("the Ordinary Shares") and 155,000,000 Deferred Shares of 0.1p each ("the Deferred Shares")."*

3. A special resolution to generally and unconditionally authorise the Directors to allot further Ordinary Shares up to the Company's authorised share capital upon such terms as they think fit, such authority to expire 5 years after the passing of the resolution.

## **Action to be taken**

Shareholders will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's Registrar, Capita Registrars as soon as possible and in any event not later than 8.30 a.m. on 19 January 2009.

Completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

## **Recommendation**

**The Directors consider that the Proposals are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend you vote in favour of the Resolutions.**

**In addition, since the Acquisition comprises a related party transaction pursuant to the AIM Rules, Mike Pelham, the sole independent director, considers, having consulted with Seymour Pierce, that the terms of the Acquisition are fair and reasonable insofar as Shareholders are concerned.**

**The Directors intend to vote in favour of the Resolutions in respect of their own shareholdings amounting in aggregate to 30,040,000 Ordinary Shares, representing approximately 15.4 per cent. of the existing issued Ordinary Shares at the date of this document.**

Yours faithfully

Philippe Edmonds  
Chairman

## PART II

### **AGGREGATED AUDITED FINANCIAL INFORMATION ON DESENVOLVIMENTO E COMERCIALIZAÇÃO AGRÍCOLA LIMITADA, COMPAGRI LIMITADA, MOZBIFE LIMITADA AND INVESTIMENTOS VESTA LIMITADA**

#### **SECTION A: ACCOUNTANTS' REPORT**

The following is the full text of a report on the aggregated audited financial information of the Target Group from Charles Orbach & Company, the Reporting Accountants, to the directors of White Nile:

The Directors  
White Nile Limited  
Elizabeth House  
Les Ruettes Brayes  
St Peter Port  
Guernsey GY1 4LX



**CHARLES ORBACH & COMPANY**  
Chartered Accountants (SAs) • Registered Auditors

24 December 2008

Dear Sirs

#### **Acquisition of Desenvolvimento E Comercialização Agrícola Limitada, Compagri Limitada, Mozbife Limitada and Investimentos Vesta Limitada (“the Target Group”)**

We report on the historical financial information set out in Section B of Part II of the admission document dated 24 December 2008 (“Admission Document”) of the Target Group (“the Historical Financial Information”). This financial information has been prepared on the basis of the accounting policies set out in notes 1 and 2 to the Historical Financial Information.

This report is required by paragraph 20.1 of Annex I of the Prospectus Rules as applied by Part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of the Prospectus Rules as applied by Part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

#### **Responsibilities**

As described in paragraph 1 of Part IV of the Admission Document, the Directors of the Company are responsible for preparing the Historical Financial Information on the basis of preparation set out in notes 1 and 2 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union except, as described in note 2 to the Historical Financial Information, that certain accounting conventions, commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to the Standard for Investment Reporting 2000 issued by the Auditing Practices Board in the United Kingdom, have been applied.

It is our responsibility to form an opinion as to whether the Historical Financial Information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

## **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entities' circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

## **Scope Limitation**

Included in the aggregated trade and other receivables as at 31 March 2008 is a receivable of US\$513,000 (2007 – US\$321,000; 2006 – US\$114,000), for which we were unable to obtain sufficient and appropriate audit evidence to satisfy ourselves as to the recoverability of the balances. The financial information does not reflect the impact should these amounts not be recoverable. The Directors of the company have provided further information on the recoverability of these amounts in note 12 to the Historical Financial Information.

## **Opinion**

In our opinion, except for the matter as discussed in the Scope limitation paragraph, the Historical Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Target Group, prepared on a aggregated basis, as at the dates stated and of their profits and cash flows for the periods then ended in accordance with the basis of preparation set out in notes 1 and 2 and in accordance with International Financial Reporting Standards as adopted by the European Union, and the Standard for Investment Reporting 2000 issued by the Auditing Practices Board in the United Kingdom, as described in notes 1 and 2.

## **Declaration**

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

## **Charles Orbach & Company**

Chartered Accountants (S.A.)

Registered Auditors

Johannesburg

An independent member of Baker Tilly International

Charles Orbach and Company is a partnership, regulated by the Independent Regulatory Board for Auditors in South Africa (registration number 914 134). A list of the names of the partners is available for inspection at Third Floor, 3 Melrose Boulevard, Melrose Arch, 2076.

## SECTION B: AGGREGATED AUDITED HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

### AGGREGATED INCOME STATEMENT

*For the years ended 31 March*

	Notes	2008 \$'000	2007 \$'000	2006 \$'000
Revenue	5	5,491	1,751	140
Cost of sales		(3,705)	(1,286)	(65)
Gross profit		1,786	465	75
Operating expenses		(2,003)	(937)	(87)
Operating loss	6	(217)	(472)	(12)
Finance costs	8	(1,177)	(654)	(110)
Loss before taxation		(1,394)	(1,126)	(122)
Income tax expense	9	–	–	–
Loss for the year	16	(1,394)	(1,126)	(122)
Attributable to equity holders of the business		(1,394)	(1,126)	(122)

All financial results presented are from continuing operations.

### AGGREGATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

*For the years ended 31 March*

	2008 \$'000	2007 \$'000	2006 \$'000
Foreign exchange translation differences	491	(795)	(221)
Net income recognised directly in equity	491	(795)	(221)
Loss for the year	(1,394)	(1,126)	(122)
Total recognised income and expense for the year	(903)	(1,921)	(343)
Attributable to equity holders of the business	(903)	(1,921)	(343)



## AGGREGATED BALANCE SHEET

As at 31 March

	Notes	2008 \$'000	2007 \$'000	2006 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	11,518	7,219	3,195
<b>Total non-current assets</b>		<u>11,518</u>	<u>7,219</u>	<u>3,195</u>
<b>Current assets</b>				
Inventories	11	852	398	105
Trade and other receivables	12	1,332	812	400
Cash and cash equivalents	12	2,269	986	44
<b>Total current assets</b>		<u>4,453</u>	<u>2196</u>	<u>549</u>
<b>TOTAL ASSETS</b>		<u>15,971</u>	<u>9,415</u>	<u>3,744</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	13	69	20	531
<b>Net current assets</b>		<u>4,384</u>	<u>2,176</u>	<u>18</u>
<b>Non-current liabilities</b>				
Loan from related parties	13	19,068	11,658	3,555
<b>Total non-current liabilities</b>		<u>19,068</u>	<u>11,658</u>	<u>3,555</u>
<b>NET LIABILITIES</b>		<u>(3,166)</u>	<u>(2,263)</u>	<u>(342)</u>
<b>EQUITY</b>				
Issued capital	14	1	1	1
Translation reserve	15	(525)	(1,016)	(221)
Retained earnings	16	(2,642)	(1,248)	(122)
<b>EQUITY attributable to equity holders</b>		<u>(3,166)</u>	<u>(2,263)</u>	<u>(342)</u>
Minority interest		<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>		<u>(3,166)</u>	<u>(2,263)</u>	<u>(342)</u>

Equity is attributable to the equity holders of Desenvolvimento E Comercialização Agrícola Limitada, Compagri Limitada, Mozbife Limitada and Investimentos Vesta Limitada.

## AGGREGATED CASH FLOW STATEMENT

For the years ended 31 March

	2008 \$'000	2007 \$'000	2006 \$'000
<b>OPERATING ACTIVITIES</b>			
Loss before tax	(1,394)	(1,126)	(122)
Adjustments for:			
– Depreciation of property, plant and equipment	1,141	412	7
– Profit on sale of property, plant and equipment	21	–	–
– Net finance charges	1,177	654	110
Operating cash flow before movements in working capital	945	(60)	(5)
Working capital adjustments:			
– Increase in inventories	(454)	(293)	(105)
– Increase in receivables	(520)	(412)	(400)
– Increase/(decrease) in payables	49	(511)	531
Cash used in operations	20	(1,276)	21
Finance charges	(1,214)	(654)	(110)
Interest received	37	–	–
<b>Net cash used in operating activities</b>	<b>(1,157)</b>	<b>(1,930)</b>	<b>(89)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, net of depreciation capitalised	(4,849)	(4,314)	(3,202)
Exchange rate adjustment	(612)	(122)	–
<b>Net cash used in investing activities</b>	<b>(5,461)</b>	<b>(4,436)</b>	<b>(3,202)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital	–	–	1
Draw down of related party loans	7,901	7,308	3,334
<b>Net cash flow from financing activities</b>	<b>7,901</b>	<b>7,308</b>	<b>3,335</b>
Net increase in cash and cash equivalents	1,283	942	44
Cash and cash equivalents at start of the year	986	44	–
<b>Cash and cash equivalents at end of the year</b>	<b>2,269</b>	<b>986</b>	<b>44</b>

## NOTES TO THE HISTORICAL FINANCIAL INFORMATION

*For the years ended 31 March*

### 1. General Information

The historical financial information report has been presented in US Dollars, the currency used to present the results and management information of the Target Group for the purposes of consolidation into the reports of CAMEC. The functional currency of the Target Group is the Mozambican Metical because this is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 2.

The historical financial information has been prepared on a going concern basis and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the requirements of the AIM Rules and the basis of accounting set out below.

At the date of issue of this circular the following Standards and Interpretations that have not been applied in this historical financial information were in issue but not yet effective or endorsed (unless otherwise stated):

IFRS 2	Share Based Payment – Amendments relating to vesting conditions and cancellations (effective 1 January 2009)
IFRS 3	Business Combinations – Amendments (effective 1 July 2009)
IFRS 5	Non-current assets held for sale and discontinued operations – Revised (effective 1 July 2009)
IFRS 7	Financial Instruments: Disclosures – consequential amendments arising from amendments to IAS 32 (effective 1 July 2009)
IFRS 8	Operating Segments (endorsed) (effective 1 January 2009)
IAS 1	Presentation of Financial Statements – Revised (effective 1 January 2009)
IAS 1	Presentation of Financial Statements – Amendments relating to Puttable Financial Instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 20	Government grants and disclosure of government assistance – Revised (effective 1 January 2009)
IAS 23	Borrowing costs – Amendment (effective 1 January 2009)
IAS 27	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments from IFRS 3 (effective 1 July 2009)
IAS 28	Investments in Associates – Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 29	Financial reporting in hyperinflationary economies (effective 1 January 2009)
IAS 31	Interest in Joint Ventures – Consequential amendments arising from amendments to IFRS 3 (effective 1 July 2009)
IAS 32	Financial Instruments: Presentation – Amendments relating to Puttable Financial Instruments and obligations arising on liquidation (effective 1 January 2009)
IAS 39	Financial Instruments: Recognition and Measurement – Consequential amendments arising from amendments to IAS 32 (effective 1 January 2009)
IAS 40	Investment property – Revised (effective 1 January 2009)
IAS 41	Agriculture – Revised (effective 1 January 2009)

IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments – Consequential Amendments arising from amendments to IAS 32 (effective 1 January 2005)
IFRIC 11	IFRS 2 – Group and treasury share transactions (endorsed) (effective 1 March 2007)
IFRIC 12	Service Concession Arrangements (effective 1 January 2008)
IFRIC 13	Customer Loyalty Programmes (effective 1 July 2008)
IFRIC 14	IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (effective 1 January 2008)
IFRIC 15	Agreements for the construction of real estate (effective 1 January 2009)
IFRIC 16	Hedges of net investment in a foreign subsidiary (effective 1 October 2008)
IFRIC 17	Distribution of Non-cash Assets to Owners (effective 1 July 2009)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Target Group in the period of initial application. The Target Group will apply the relevant new Standards from their effective dates subject to endorsement by the European Union.

## **2. Significant accounting policies**

### ***Basis of accounting***

The historical financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments and biological assets. The principal accounting policies adopted are set out below.

### ***Basis of aggregation***

The financial information represents the aggregation of the results for the three years ended 31 March 2008 of Desenvolvimento E Comercialização Agrícola Limitada and its subsidiary company, Investimentos Vesta Limitada, Compagri Limitada (trading as a division of Exploracoes Mineiras de Mocambique Limitada for the year ended 31 March 2008) and Mozbife Limitada.

IFRS does not provide for the preparation of combined financial information and accordingly in preparing the combined financial information certain accounting conventions commonly used for the preparation of historical financial information for inclusion in investment circulars as described in the Annexure to SIR 2000 (Investment Reporting Standard applicable to public reporting engagements on historical financial information) issued by the UK Auditing Practices Board have been applied. The application of these conventions does not result in material departures from IFRS.

In accordance with the Standards for Investment Reporting 2000, the results and net assets of the relevant entities have been aggregated with the eliminations of intercompany transactions and balances only.

The aggregated financial information for the three years ended 31 March 2008 has been prepared and presented in accordance with IFRS (except for the method of aggregation which is not permitted by IFRS 3 'Business Combinations') and in accordance with the accounting policies of the Target Group.

### ***Foreign currency translation***

#### ***(i) Functional and presentation currency***

The individual financial information of each Target Group company are prepared in the currency of the primary economic environment in which it operates ("the functional currency"). The aggregated financial information is presented in US Dollars, as this is the currency of the international economic environment in which CAMEC operates.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency of the entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the income statement.

*(iii) Aggregation*

For the purpose of presenting aggregated financial information, the assets and liabilities of the Target Group's foreign operations are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which exchange rates at the date of transactions are used. Exchange differences arising from the translation of the net investment in foreign operations are recognised in the Target Group's translation reserve, a separate component of equity. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

**Revenue recognition**

Revenue represents the invoiced value of grain, milled produce and livestock sold during the year, excluding sales taxes. Income is recognised at the point of delivery.

**Taxation**

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as Business Combinations.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

**Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation (see below) and impairment. Historical cost includes expenditure that is directly attributable to the acquisition.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item, as follows:

Land	Nil
Buildings	5%
Assets in course of construction	Nil
Plant and equipment	10% – 25%
Motor vehicles	20% – 25%
Office furniture and equipment	10% – 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Assets in the course of construction for production, rental or administrative purposes not yet determined are carried at cost, less any identified impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other similar assets, commences when the assets are ready for their intended use



### ***Impairment of tangible assets***

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

### ***Biological assets***

A biological gain or loss is measured in accordance with IAS 41 on consumer biological assets which are classified as current assets since the Target Group generally sells these within one year of the balance sheet date.

Cattle are recorded as assets at the year end at fair value less selling costs. Cattle are valued at average weight multiplied by the market value per kilogram.

No cattle were held in the period under review.

### ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on the weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

### ***Financial instruments: Initial recognition***

The Target Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial assets and financial liabilities are recognised on the Target Group's balance sheet when the Target Group becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are accounted for at trade date.

### ***Trade and other receivables***

Trade and other receivables are not interest bearing and are initially recognised at their fair value and are subsequently stated at amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

### ***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value. Certain cash balances are held as security for bank guarantees and other facilities. These are designated as restricted cash.

### ***Financial liabilities and equity***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Target Group companies after deducting all of its liabilities.

- *Trade payables, other payables and accruals*  
Trade payables which generally have 30 day terms are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.
- *Equity Instruments*  
Equity Instruments issued by the Target Group are recorded at the proceeds received net of direct issue costs. Ordinary Shares are classified as equity.
- *Interest bearing borrowings*  
Other financial liabilities are measured initially at fair value, and subsequently at amortised cost, using the effective interest rate method.

### **Provisions**

Provisions are recognised when, the Target Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of the resources will be required to settle the obligation and the amount can be reliably estimated.

### **Finance costs**

Finance costs of debt, including premiums payable on settlement and direct issue costs are charged to the income statement on an accruals basis over the term of the instrument, using the effective interest method. Interest bearing bank loans and overdrafts are initially recorded at fair value, net of transaction costs. Finance charges are added to the carrying amount of the loan or overdraft to the extent that these are not settled in the period in which they arise.

### **Interest bearing borrowings**

Other financial liabilities are measured initially at fair value, and subsequently at amortised cost, using the effective interest rate method.

## **3. Financial risk factors**

The Target Group's principal financial instruments comprise cash, and short-term deposits and a parent company loan facility. Together with the issue of equity share capital, the main purpose of these is to finance the Target Group operations and expansion. The Target Group has other financial instruments such as trade receivables and trade payables which arise directly from normal trading.

The Target Group has not entered into any derivative or other hedging instruments.

The main risks arising from the Target Group's financial instruments are credit risk, liquidity risk and market risk (including interest rate risk and currency risk). The Directors review and agree policies for managing each of these risks and these are summarised below. The interest receivable relates to interest earned on bank deposits. Interest payable relates to interest arising on related party loans.

### **Credit risk**

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as outstanding receivables. The Target Group's principal deposits are held with one bank giving rise to a concentration of credit risk.

Receivables are regularly monitored and assessed for recoverability. Historic levels of default are minimal and as a result, the credit quality of year end receivables is considered to be high. The maximum exposure to credit risk at the reporting date is the carrying amount of the trade receivables. The Target Group does not hold any collateral as security.

### **Liquidity risk**

The Target Group ensures that there are sufficient cash reserves and related party loan facilities in order to meet short term business requirements, after taking into account cash flows from operations and careful management of its working capital. At 30 June 2008 the Target Group held cash deposits of \$2.3 million (2007: \$1 million, 2006: \$nil). Other than loans from related parties, the Target Group does not have any external borrowing facilities.

### **Market risk**

The significant market risk exposures to which the Target Group is exposed are currency risk, and interest rate risk. These are discussed further below:

- **Interest rate risk**

The Target Group finances its operations through the use a related party loan facility and of short term cash deposits at variable rates of interest for a variety of short term periods, depending on cash requirements. The rates are reviewed regularly and the best rate obtained in the context of the Target Group's need. The weighted average interest rate on deposits was 2.27 per cent. (2007: nil, 2006: nil).

The related party loan facility bears interest at LIBOR plus 2 per cent.

The exposure of the Target Group's financial assets and liabilities to interest rate risk is as follows:

	2008 \$'000	2007 \$'000	2006 \$'000
Financial assets at floating rates	2,269	986	44
Financial liabilities at floating rates	<u>19,068</u>	<u>11,658</u>	<u>3,555</u>

● *Currency risk*

The Target Group conducts its operations in other jurisdictions than its reporting currency and therefore is subject to fluctuations in exchange rates. These risks are monitored by the Directors on a regular basis. The Target Group does not hedge against the effects of exchange rates.

The exposure of the Target Group's financial assets and liabilities to currency risk is as follows:

	US\$ \$'000	Other \$'000	Total \$'000
<b>Financial Assets</b>			
Cash and cash equivalents	261	2,008	2,269
Trade and other receivables	–	1,332	1,332
Total financial assets at 31 March 2008	<u>261</u>	<u>3,340</u>	<u>3,601</u>
Cash and cash equivalents	141	845	986
Trade and other receivables	–	812	812
Total financial assets at 31 March 2007	<u>141</u>	<u>1,657</u>	<u>1,798</u>
Cash and cash equivalents	35	9	44
Trade and other receivables	–	400	400
Total financial assets at 31 March 2006	<u>35</u>	<u>409</u>	<u>444</u>
	GBP \$'000	Other \$'000	Total \$'000
<b>Financial Liabilities</b>			
Trade payables	–	–	–
Other payables	–	69	69
Loans from related parties	19,068	–	19,068
Total financial liabilities at 31 March 2008	<u>19,068</u>	<u>69</u>	<u>19,137</u>
Trade payables	–	–	–
Other payables	–	20	20
Loans from related parties	11,658	–	11,658
Total financial liabilities at 31 March 2007	<u>11,658</u>	<u>20</u>	<u>11,678</u>
Trade payables	–	527	527
Other payables	–	4	4
Loans from related parties	3,555	–	3,555
Total financial liabilities at 31 March 2006	<u>3,555</u>	<u>531</u>	<u>4,086</u>

**Fair values**

The Directors have reviewed the financial information and have concluded that there is no significant difference between the book values and the fair values of the assets and liabilities of the Target Group as at 31 March 2008, 2007 and 2006.

### **Capital risk management**

The Target Group's objectives when managing capital is to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Target Group places funds which are not required in the short term, on deposit at the best interest rates it is able to secure from its bankers.

The Target Group plans its capital requirements regularly. The requirement for capital is satisfied by the issue of shares and a loan facility from CAMEC. Pursuant to the Acquisition Agreement, CAMEC will novate these loans and the facility agreement to the Company. The terms of the facility are detailed in note 17.

The Target Group is under no obligation to meet any externally imposed capital requirements.

### **Sensitivity analysis**

Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables and payables and available-for-sale financial instruments. The following analysis, required by IFRS 7, is intended to illustrate the sensitivity of the Target Group's financial instruments (at year end) to changes in market variables, being exchange rates and interest rates.

The following assumptions were made in calculating the sensitivity analysis:

- all income statement sensitivities also impact equity;
- translation of foreign subsidiaries and operations into the Target Group's presentation currency have been excluded from this sensitivity.

*Interest Rates:* The Target Group does not hold any financial derivatives whose value is affected by changes in interest rates. There are therefore no sensitivities to report.

*Commodity prices:* the Target Group's principal activity trades grain. The Target Group's purchasing and selling prices reflect movements in market prices. However these movements do not significantly affect margins and as a result there is no material sensitivity to report.

*Exchange rates:*

	<i>Income Statement \$'000</i>	<i>Equity \$'000</i>
<b>2008</b>		
+ 5% GBP Mozambican Metical	–	(953)
– 5% GBP Mozambican Metical	–	953
<b>2007</b>		
+ 5% GBP Mozambican Metical	–	(583)
– 5% GBP Mozambican Metical	–	583
<b>2006</b>		
+ 5% GBP Mozambican Metical	–	(178)
– 5% GBP Mozambican Metical	–	178

The above sensitivities are calculated with reference to a single moment in time and will change due to a number of factors including:

- fluctuating trade receivable and trade payable balances
- fluctuating cash balances
- changes in currency mix

#### 4. Critical accounting estimates and judgments

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Target Group's accounting policies. The directors have concluded that land should not be depreciated and that assets in course of construction should not be depreciated until commissioned for use.

Impairment testing: The Target Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Property, plant and equipment is depreciated over its useful life taking into account residual values where appropriate. The actual lives of assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programs are taken into account. Expected future cash flows used to determine the value of use in property plant and equipment are inherently uncertain and could materially change over time.

An allowance for slow moving and damaged inventories is made to write the value of inventories down to the lower of cost and net realisable value. Estimates of selling price and direct costs to sell are inherently uncertain.

The impairment of trade receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

#### 5. Revenue and analysis of business segments

The Directors consider that there are two primary segments; grain processing and cattle ranching. Both of these take place in Africa, its secondary segment.

<i>Year ending 31 March 2008</i>	<i>Grain \$'000</i>	<i>Cattle \$'000</i>	<i>Total \$'000</i>
Revenue	5,491	–	5,491
Gross profit	1,786	–	1,786
Operating expenses	(1,989)	(14)	(2,003)
Segment loss	(203)	(14)	(217)
Net finance charges			(1,177)
Loss before tax			(1,394)
Income tax			–
Loss for the year			(1,394)
Attributable to minority interests			–
Attributable to equity holders of the business			(1,394)
			(1,394)
Total assets	15,756	235	15,971
Total liabilities	(18,909)	(228)	(19,137)
Additions to property, plant and equipment	4,615	234	4,849
Depreciation and amortisation	1,133	8	1,141

*Year ending 31 March 2007*

	<i>Grain</i> \$'000	<i>Cattle</i> \$'000	<i>Total</i> \$'000
Revenue	1,751	–	1,751
Gross profit	465	–	465
Operating expenses	(937)	–	(937)
Segment loss	<u>(472)</u>	<u>–</u>	<u>(472)</u>
Net finance charges			<u>(654)</u>
Loss before tax			(1,126)
Income tax			<u>–</u>
Loss for the year			<u><u>(1,126)</u></u>
Attributable to minority interests			–
Attributable to equity holders of the business			<u>(1,126)</u>
			<u><u>(1,126)</u></u>
Total assets	9,415	–	9,415
Total liabilities	(11,678)	–	(11,678)
Additions to property, plant and equipment	4,497	–	4,497
Depreciation and amortisation	<u>412</u>	<u>–</u>	<u>412</u>

*Year ending 31 March 2006*

	<i>Grain</i> \$'000	<i>Cattle</i> \$'000	<i>Total</i> \$'000
Revenue	140	–	140
Gross profit	75	–	75
Operating expenses	(87)	–	(87)
Segment loss	<u>(12)</u>	<u>–</u>	<u>(12)</u>
Net finance charges			<u>(110)</u>
Loss before tax			(122)
Income tax			<u>–</u>
Loss for the year			<u><u>(122)</u></u>
Attributable to minority interests			–
Attributable to equity holders of the business			<u>(122)</u>
			<u><u>(122)</u></u>
Total assets	3,744	–	3,744
Total liabilities	(4,086)	–	(4,086)
Additions to property, plant and equipment	3,250	–	3,250
Depreciation and amortisation	<u>7</u>	<u>–</u>	<u>7</u>



## 6. Loss from operations

Loss from operations has been arrived at after charging/(crediting):

	2008 \$'000	2007 \$'000	2006 \$'000
Depreciation of property, plant and equipment	1,141	412	7
Staff costs (see note 7)	908	320	6
Audit fees	31	26	21
	<u>          </u>	<u>          </u>	<u>          </u>

## 7. Staff costs

The average monthly number of employees (including executive directors) employed by the Target Group for the year was as follows:

	2008 Number	2007 Number	2006 Number
Office and Management	18	18	17
Operational	124	81	92
Sales	14	14	5
	<u>          </u>	<u>          </u>	<u>          </u>
	156	113	114
	<u>          </u>	<u>          </u>	<u>          </u>

Staff costs in respect of employees used in the construction of assets have been capitalised. The aggregate remuneration charged to the income statement comprised:

	2008 \$'000	2007 \$'000	2006 \$'000
Wages and salaries	896	314	6
Social security costs	12	6	–
	<u>          </u>	<u>          </u>	<u>          </u>
	908	320	6
	<u>          </u>	<u>          </u>	<u>          </u>

Directors' and key management remuneration:

	2008 \$'000	2007 \$'000	2006 \$'000
Directors	–	–	–
Senior Management	295	235	116
	<u>          </u>	<u>          </u>	<u>          </u>
	295	235	116
	<u>          </u>	<u>          </u>	<u>          </u>

All benefits are short term benefits.

## 8. Net finance costs

	2008 \$'000	2007 \$'000	2006 \$'000
Interest received	37	–	–
Interest expense:			
– Related party loan	1,214	654	110
Finance expenses	1,214	654	110
Net finance expense	1,177	654	110
	<u>          </u>	<u>          </u>	<u>          </u>

## 9. Income tax expense

The Target Group has to date incurred taxable losses. No deferred tax asset has been recognised as the requirements of IAS 12 have not been met. In terms of a permit issued by the Ministry of Planning and Development of the Republic of Mozambique, the companies are entitled to a 80 per cent. reduction in the tax rate that is applicable to the companies' profits until 2012, and various accelerated capital allowances. The tax rate currently applicable to the agricultural sector is 10 per cent. On this basis, the companies do not have significant tax losses which will be available for offset against future taxable income.

## 10. Property, plant and equipment

	<i>Land and buildings \$'000</i>	<i>Plant and machinery \$'000</i>	<i>Assets in course of construction \$'000</i>	<i>Total \$'000</i>
<b>Cost</b>				
1 April 2005	–	–	–	–
Exchange rate adjustment	–	–	–	–
Additions	1,300	1,415	535	3,250
31 March 2006	1,300	1,415	535	3,250
Exchange rate adjustment	47	58	21	126
Additions	1,119	2,621	757	4,497
Disposals	–	–	–	–
31 March 2007	2,466	4,094	1,313	7,873
Exchange rate adjustment	204	334	111	649
Additions	1,524	2,460	865	4,849
Transfer of completed assets	1,525	–	(1,525)	–
Disposals	–	(52)	–	(52)
31 March 2008	5,719	6,836	764	13,319
<b>Depreciation</b>				
1 April 2005	–	–	–	–
Charge for the year	–	55	–	55
30 March 2006	–	55	–	55
Exchange rate adjustment	–	4	–	4
Charge for the year	–	595	–	595
Disposals	–	–	–	–
30 March 2007	–	654	–	654
Exchange rate adjustment	2	35	–	37
Charge for the year	56	1,085	–	1,141
Disposals	–	(31)	–	(31)
30 March 2008	58	1,743	–	1,801
<b>Net Book Value</b>				
31 March 2008	5,661	5,093	764	11,518
31 March 2007	2,466	3,440	1,313	7,219
31 March 2006	1,300	1,360	535	3,195

A depreciation charge of \$1,141,000 (2007: \$412,000, 2006: \$7,000) has been included in operating expenses in the income statement for the current and comparative years.

No interest has been capitalised and included in additions to assets in course of construction (2007: \$nil, 2006: \$nil). Assets in the course of construction relate to the construction of the Compagri mill, storage silos and sheds, offices, workshop and staff housing.

## 11. Inventories

	2008 \$'000	2007 \$'000	2006 \$'000
Raw materials and consumables	719	291	23
Work in progress	129	89	82
Finished goods	4	18	–
	<u>852</u>	<u>398</u>	<u>105</u>

No cattle were held at 31 March 2008, 2007 and 2006.

Inventories totalling \$2,624,000 were expensed to the cost of sales in the income statement during the year to 31 March 2008 (2007 – \$1,069,000; 2006 – \$65,000).

## 12. Other financial assets

### *Trade and other receivables*

	2008 \$'000	2007 \$'000	2006 \$'000
Trade receivables	668	426	–
Other receivables	619	360	380
Prepayments and accrued income	45	26	20
	<u>1,332</u>	<u>812</u>	<u>400</u>

Trade and other receivables are classified as loans and receivables. Trade receivables are all current, and no impairment provision has been required in the periods under review. Included in other receivables are amounts of \$513,000 (2007 – \$321,000; 2006 – \$114,000) which are overdue and not yet impaired. The Directors have not provided for these debtors as management considers the amounts to be recoverable.

### **Cash and cash equivalents**

	2008 \$'000	2007 \$'000	2006 \$'000
Cash and cash equivalents	<u>2,269</u>	<u>986</u>	<u>44</u>

The Directors consider that the carrying amount of other financial assets approximates their fair value.

### 13. Other financial liabilities.

#### *Trade and other payables*

	2008 \$'000	2007 \$'000	2006 \$'000
<b>Current liabilities</b>			
Trade payables	–	–	527
Other payables	46	9	3
Accruals and deferred income	23	11	1
	<u>69</u>	<u>20</u>	<u>531</u>
<b>Non-Current liabilities</b>			
Loans from related parties			
At 1 April	11,658	3,555	–
Draw down during the year	7,901	7,308	3,334
Foreign exchange (gain)/loss	(491)	795	221
At 31 March	<u>19,068</u>	<u>11,658</u>	<u>3,555</u>
Owed to:			
CAMEC	19,054	11,658	3,555
EMM	14	–	–
At 31 March	<u>19,068</u>	<u>11,658</u>	<u>3,555</u>

The Directors consider that the carrying amount of other financial liabilities approximates their fair value.

The loan from CAMEC carries interest at LIBOR plus 2 per cent. and is unsecured. CAMEC has confirmed that no repayment will fall due within 12 months from each balance sheet date.

### 14. Share capital

	2008 \$'000	2007 \$'000	2006 \$'000
<i>Authorised, issued and fully paid:</i>			
Desenvolvimento E Comercialização Agrícola Limitada: total capital of 30,000 meticals, issued in two quotas 'shares'	1	1	1
Investimentos Vesta Limitada: total capital of 25,500 meticals, issued in 25,500 quotas 'shares'	–	–	–
Compagri Limitada: total capital of 20,000 meticals, issued in two quotas 'shares'	–	–	–
Mozbife Limitada: total capital of 20,000 meticals, issued in two quotas 'shares'	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>

### 15. Translation reserve

	2008 \$'000	2007 \$'000	2006 \$'000
At 1 April	(1,016)	(221)	–
Translation gains/(losses) for the year	491	(795)	(221)
At 31 March	<u>(525)</u>	<u>(1,016)</u>	<u>(221)</u>

## 16. Retained earnings

	2008 \$'000	2007 \$'000	2006 \$'000
At 1 April	(1,248)	(122)	–
Loss for the year	(1,394)	(1,126)	(122)
At 31 March	<u>(2,642)</u>	<u>(1,248)</u>	<u>(122)</u>

## 17. Related party transactions

For the purpose of the financial information, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operating decisions as defined by IAS 24: Related Party Disclosures.

The following individuals and companies have been identified as related parties of the Target Group:

	<i>Nature of relationship</i>
Phillipe Edmonds	Chairman of both White Nile Limited and CAMEC
Andrew Groves	Director of White Nile Limited and Managing Director of CAMEC
Central African Mining & Exploration Company plc	75 per cent. controlling shareholder of each of DECA, Mozbife, Compagri and Vesta
Goodworth Services Limited	25 per cent. shareholder of each of DECA, Mozbife, Compagri and Vesta
Exploracoes Minerias de Mocambique Limitada ("EMM")	Wholly owned subsidiary of CAMEC and is therefore commonly controlled by CAMEC

The Directors consider CAMEC to be the ultimate controlling party of the Target Group.

Transactions and balances between the Target Group and related parties are set out below:

	2008 \$'000	2007 \$'000	2006 \$'000
Interest payable on borrowings to CAMEC	1,214	654	110
Management fee paid to CAMEC	456	309	–

Further to the above transactions, the Target Group received loan funding from the following related parties:

	2008 \$'000	2007 \$'000	2006 \$'000
Proceeds of borrowings from CAMEC	7,901	7,308	3,334
Proceeds of borrowings from EMM	14	–	–
<i>Borrowings due to related parties:</i>			
Non-current borrowings due to CAMEC	19,068	11,658	3,555
Current borrowings due to EMM	14	–	–

The non-current borrowings from CAMEC are unsecured and interest at the rate of 2 per cent. above LIBOR is chargeable on the loan. Interest may be added to the principal due at the request of the Target Group. No principal falls due for repayment before 1 April 2010. After 1 April 2010, amounts drawn down under the facility are repayable within 15 business days of demand.

The current borrowings from EMM are unsecured, do not incur interest and have no fixed repayment terms.

**18. Capital commitments**

At 31 March 2008 the Target Group had outstanding commitments for capital expenditure amounting to \$1,567,000 (2007 – \$Nil; 2006 – \$Nil) for DECA, and \$Nil (2007 – \$Nil; 2006 – \$Nil) for Compagri.

**19. Post balance sheet events**

On 22 December 2008 the Target Group signed a new loan agreement with CAMEC, the terms of which are detailed in note 17.

The Target Group has continued with the construction of the Campagri maize mill and storage facilities, and the acquisition of various property, plant and equipment relating to this project. The total capital expenditures expected to be incurred on the project after 31 March 2008 is \$8,300,000, which has all been financed by the CAMEC loan as detailed in note 17.



## PART III

### RISK FACTORS

**An investment in Ordinary Shares involves a high degree of risk. Investors should carefully consider the risks described in this Part III and all other information contained in this document before making a decision as to whether to invest in the Ordinary Shares. The Board considers the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority.**

**If any of the following risks actually occur, the Enlarged Group's business, financial condition, trading performance and prospects may be substantially adversely affected and the future business success of the Company and/or achievement of the Company's strategic objectives could be endangered. In such case, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment.**

**Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the business of the Enlarged Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. The risks below are not intended to be presented in any order of priority.**

**Additional risks and uncertainties not presently known to the Company or that it currently deems immaterial may have a substantial adverse effect on the Enlarged Group's business, financial condition, trading performance and prospects. An investment in the Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a person authorised for the purposes of FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should carefully consider whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.**

#### **Risks associated with operating in central and southern Africa**

Changes in government, monetary policies, taxation, exchange control and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its securities.

Several countries in central and southern Africa are liable to experience periods of political instability, and there can be no guarantees as to the level of future political stability. In the event that the Company were to acquire further interests in the southern African region changes to government policies and applicable laws could adversely affect the operations and/or financial condition of any such interests acquired by the Company.

The Company's assets are currently located in Sudan and following completion of the Acquisition the Company will also have assets located in Mozambique. The Company intends to identify and acquire further projects in southern and central Africa, with particular emphasis in southern Africa. There are various risks associated with the southern African region including disease, population, political instability and weather related risks. HIV/Aids and Malaria are prevalent in this region. As a result the Company may incur loss of man hours and employees. Education and skill levels are also limited in this region and may affect the Company's ability to hire adequate skilled employees.

The jurisdictions in which the Company might operate in the future may have less developed legal systems than more established economies which could result in risks such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various law, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements

and negotiated agreements may be more uncertain, creating particular concerns with respect to the Company's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

### **Securities traded on AIM**

The Ordinary Shares will be traded on AIM rather than the Official List. An investment in securities traded on AIM carries a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for Ordinary Shares. Prospective investors should be aware that the value of Ordinary Shares could go down as well as up, and investors may therefore not recover their original investment especially as the market in Ordinary Shares may have limited liquidity. Admission to AIM should not be taken as implying that there will be a liquid market for Ordinary Shares.

### **Share price effect of sales of Ordinary Shares**

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares, or the expectation or belief that sales of such shares may occur.

### **Acceptability of Ordinary Shares as consideration**

Although the Company expects to issue Ordinary Shares to satisfy all or part of any consideration payable on further acquisition(s) and/or investments, vendors of suitable companies or businesses may not be prepared to accept shares traded on AIM or may not be prepared to accept Ordinary Shares at the quoted market price.

### **Future fundraisings**

Whilst the Directors have no current plans for raising additional capital immediately after Admission and are of the opinion that the working capital available to the Enlarged Group is sufficient for its present requirements, it is possible that the Company will need to raise extra capital either to complete any further acquisition or to fund its working capital requirements. It is difficult for the Directors to predict accurately the timing and amount of these capital requirements.

No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms favourable to the Company or the Shareholders.

### **General economic conditions**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of interest rates and the rate of inflation.

### **Forward-looking statements**

This document contains certain forward-looking statements with respect to the proposed operations and business of the Company and certain plans and objectives of the Company with respect thereto. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

## **Management of future growth**

There can be no assurance that the Company will be able to manage effectively the expansion of its operations, and to expand and strengthen its current systems, procedures and controls to support its future operations. Any failure of management to manage effectively the Company's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Company's current strategy as described in this document will be delivered.

In accordance with its "investing strategy" the Company may, from time to time, seek to undertake strategic acquisitions or investments in other business opportunities. However, there can be no guarantee that the Company will be able to identify future suitable opportunities or, if such opportunities are identified, integrate acquisitions or other collaborations into its existing business or successfully realise the growth expected from such opportunities. To the extent that the Company encounters such problems, its business, operating results or financial position could be adversely affected.

## **Risks associated with Oil projects**

### ***Exploration risks***

The business of exploration for minerals and mining involves a high degree of risk. The successful exploration and development of hydrocarbon properties is speculative and subject to a number of uncertainties. The available resources and reserves may be significantly lower than estimated. Few properties that are explored are ultimately developed into producing operations. The concession areas which have to date been assessed the Company may not contain economically recoverable volumes of minerals or hydrocarbons.

In addition, the Company's oil exploration operations are subject to, and may be disrupted by, the risks and hazards normally associated with mining development and with the operation of natural resource projects. Many of these risks and hazards are beyond the Company's control, including, but not limited to, geological, geotechnical and seismic factors; fires; power outages; labour disruptions; flooding; explosions; land-slides; slope failures; the inability to obtain suitable or adequate machinery; industrial and mechanical accidents; equipment or labour and environmental hazards (including discharge of metals, pollutants or hazardous chemicals); and other risks involved in the operation of mines. Any one of these risks and hazards could have a material adverse impact on the Company's business, operations and financial performance. Although precautions to minimise risk will be taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of such hazards and risks.

These risks and hazards could result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. There can be no assurance that the Company will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

### ***Environmental risks***

While the Company believes that its existing oil operations are currently in substantial compliance with all relevant material environmental, health and safety laws and regulations, there can be no assurance that new laws and regulations, or amendments to or stringent enforcement of existing laws and regulations will not be introduced, which could have a material adverse impact on the Company.

Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties or other enforcement actions, which may have an adverse effect on the Company's business. There can be no assurance that compliance with these laws and regulations or future laws and regulations will not involve significant expenditure by the Company which may adversely affect the results of operations or the financial condition of the Company.

## **Risks associated with DECA, Compagri and Mozbife**

### ***Production risks***

Agricultural production by its nature contains elements of significant risk. DECA and Compagri are therefore dependent upon the suitability of the soil and weather conditions for the production of maize which they purchase from local, artisanal farmers and dependant also on economically viable qualities being available to purchase, process and resell. The Mozbife operation is dependant on maintaining a healthy herd of cattle. There is a risk that cattle may suffer infections or illness outside of the control of the management of the Mozbife, which could adversely affect the operation of its business.

### ***Climate***

The Enlarged Group has no control over the climate or the effect of climate changes. As for all agricultural businesses, adverse weather conditions can restrict the Enlarged Group's ability to buy suitable amounts of maize within the limited time windows available. If it is unable to acquire sufficient maize, the business of the Enlarged Group may be adversely affected.

### ***Commodity price risk***

The price for products being sold by the Company will depend on available markets at acceptable prices and transmission and distribution costs. Any substantial decline in the price of maize, maize meal, harmony chop, cattle or beef products or an increase in the agricultural production costs, processing, transportation or distribution costs, could have a material adverse effect on the Company. Similarly, the Company's expenditure may be subject to exchange rate fluctuations.

### ***Competition***

The primary business of the Company will be the production and sale of maize meal and bran/harmony chop from maize. In Mozambique DECA, Compagri and Mozbife compete with other companies and individuals in the areas of agricultural trading and processing as well as for the recruitment and retention of qualified employees and contractors and access to finance. Significant and increasing competition exists in these areas throughout central and southern Africa. As a result of this increased competition, DECA, Compagri and Mozbife may be unable to recruit or retain the necessary skilled employees or raise the necessary funds to enable it to develop its projects fully in accordance with its current plans on time and to budget.

### ***Growing season***

The Company anticipates a six month buying/growing season for maize, however matters outside the control of the Company, such as adverse weather conditions, could impact upon the amount of production achieved by local farmers in any period, which could consequently have adverse effects on the Company's business and profit margins.

### ***Land ownership in Mozambique***

Under the laws of Mozambique, proprietary rights in land are exclusive to the state. The Mozambique constitution prescribes the state's rights of ownership and the power and ability to determine the conditions for the use and development of land by individual or corporate persons (nationals and foreigners). The land cannot be sold, mortgaged or encumbered in any way or by any means. The state grants the right to use and develop the land which is evidenced by a Use and Development of Land Licence ("DUAT") which allows for the title holder to build and register any infrastructure under its name on such land. DECA, Compagri and Mozbife's operations are dependent on obtaining and maintaining the relevant DUATs, and whilst there is currently no indication that the relevant DUATs are invalid, there can be no guarantees that this will not change in the future.

## **Risks associated with general operations**

### ***Environmental risks***

The Company, DECA, Compagri and Mozbife's projects are subject to laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The potential for liability is a risk. Costs may be incurred in environmental rehabilitation, damage control and losses.

***Operational and technical risks***

A range of factors may affect the current and future operations of the Company, including appraisal and possible production activities, start-up risks, agricultural conditions, limitations on activities due to seasonal and exceptional weather patterns, alterations to joint venture programmes and budgets, unanticipated operational and technical difficulties encountered in production activities, mechanical failure of plant and equipment, adverse weather conditions, environmental accidents, industrial disputes, unavailability of processing equipment, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, prevention of access by reason of political unrest, outbreak of hostilities, inability to obtain consents or approvals, contracting risk from third parties providing essential services, potential problems in locating and securing the services in a timely and cost effective fashion of appropriately skilled employees, consultants, contractors or processors.

***Insurance***

Insurance of all risks associated with agricultural production is not always available and, if available, the cost can be high. The Directors will endeavour to put insurance in place that is considered appropriate for the Company's needs. The Company may not be insured against all possible losses, either as a result of the unavailability of adequate cover or because the Directors finding the premiums excessive relative to the aggregate benefits. The Directors will continue to review the insurance cover in place to ensure that it is adequate and appropriate.

***Dependence on key personnel***

The Company's business is dependent on retaining the services of a small number of key personnel and consultants as the business develops. Furthermore, the success of the Company will be dependent on the expertise and experience of the Directors. The loss of one or more of those key individuals could have a material adverse effect on the Company.

***Protection of business relationships***

The Company will rely significantly on good relationships with regulatory, governmental departments and NGOs. There can be no assurance that its existing relationships will continue to be maintained or new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones.

***Fluctuations on currency exchange rates could have a material adverse effect on the financial condition of the Company***

The Company is capitalised pounds sterling, however it will be operating in central and southern Africa and its working capital requirements may be denominated in currencies other than pounds sterling. As a result fluctuations in currency exchange rates could have a material adverse effect on the financial condition, results, operations or cash flows of the Company.

## **PART IV**

### **ADDITIONAL INFORMATION**

#### **1. Responsibility Statement**

- 1.1 The Directors, whose names and functions appear on page 4 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (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.
- 1.2 The business address of each of the Directors is Av 24, Juhlo 2016, Maputo, Mozambique.

#### **2. Company and Share Capital**

- 2.1 The Company was incorporated in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) which was repealed and replaced in its entirety by the Companies (Guernsey) Law, 2008 (as amended) in July 2008 on 17 December 2004 with number 42643 as a limited company and is subject to the Act. The liability of the shareholders of the Company is limited to the amount paid up or to be paid up on their shares. The central control and management of the Company is in Mozambique.

The Company was re-registered under the Law on 28 November 2008.

- 2.2 The registered office of the Company is at Elizabeth House, Le Ruettes Brayes, St Peter Port, Guernsey GY1 4LX. The Company's telephone number is +44 (0)1481 700 300.
- 2.4 The Company's authorised share capital was, on incorporation, £500,000, divided into 500,000,000 ordinary shares of 0.1p each. Twenty Ordinary Shares were issued at par on incorporation. On 23 December 2004, 49,999,980 Ordinary Shares were issued for cash, at par.

On 20 January 2005, the Company's authorised share capital was increased to £1,000,000 by the creation of a further 500,000,000 ordinary shares of 0.1p each at which time a further 10,000,000 Ordinary Shares were issued for cash, at par.

On 1 February 2005, a further 5,000,000 Ordinary Shares were issued for cash at par.

On 4 February 2005 a further 90,000,000 Ordinary Shares were issued for cash at 10p per share.

On 16 June 2005 a further 155,000,000 Ordinary Shares were issued to Nile Petroleum Corporation Limited ("NilePet"), the Southern Sudanese national oil company, in consideration of the acquisition by the Company of a 60 per cent. interest in Block Ba.

On 4 July 2005 a further 7,000,000 Ordinary Shares were issued for cash at £1.00 per share.

On 4 December 2006 a further 12,000,000 Ordinary Shares were issued for cash at £1.00 per share.

On 21 June 2007 a further 18,000,000 Ordinary Shares were issued for cash at £1.00 per share.

On 11 November 2008, by resolution of the Shareholders at an extraordinary general meeting, the Articles were amended with the effect that the 155,000,000 Ordinary Shares held by NilePet, were converted into Deferred Shares. Further details of the rights attaching to the Deferred Shares are set out at paragraph 4 of this Part IV. It is intended that the Deferred Shares will remain deferred until complete clarity of title can be given as to the Company's position within Block Ba or an acceptable position within a consortium to develop an enlarged Block B is agreed.

By special resolutions to be proposed at the EGM, the Directors expect the Company's authorised share capital to be increased to £2,500,000 (comprising 2,345,000,000 Ordinary Shares and



155,000,000 Deferred Shares) and to be authorised by Shareholders to specifically allot the Consideration Shares and generally to allot up to the authorised share capital.

2.5 The Companies (Guernsey) Law, 2008 (as amended) and the Articles do not impose any pre-emption rights on the issue of new shares in the Company. 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.

2.6 Upon Admission (on the assumption that no options referred to in section 9.3 of this part IV are exercised) the authorised and issued share capital of the Company will be as follows:

<i>Class</i>	<i>Authorised</i>		<i>Issued and fully paid</i>	
	<i>Number</i>	<i>Amount</i>	<i>Number</i>	<i>Amount</i>
Ordinary	2,340,000,000	£2,345,000	395,132,688	£395,132.69
Deferred	155,000,000	£155,000	155,000,000	£155,000

2.7 Save as disclosed in this document, no share or loan capital of the Company has since its incorporation been issued or agreed to be issued or is now proposed to be issued fully or partly paid either for cash or a consideration other than cash and no discounts or other special terms have been granted by the Company during such period in connection with the sale or issue of any share or loan capital of the Company.

2.8 Consent under The Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, was obtained on 22 December 2008 for the raising of capital and in order to facilitate the Acquisition and associated issue of Ordinary Shares.

Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or the opinions expressed with regard to it.

2.9 The Company has the following subsidiaries:

- (a) PA Energy Africa Limited, a company incorporated in the British Virgin Islands and wholly owned by the Company.
- (b) CAMEC Kenya Limited, a company incorporated in Kenya, 49 per cent. of which is owned by the Company, and 51 per cent. of which is owned by CAMEC.
- (c) Agriterra (Mozambique) Limited, a company incorporated in Guernsey and wholly owned by the Company
- (d) Subject to approval of the Acquisition and following the completion thereof DECA, Compagri and Mozbife, all of which are companies incorporated in Mozambique and will be 75 per cent. owned by the Company. The business of DECA, Compagri and Mozbife has further been described in Part I of this document.

2.10 The number of employees of each of the Company, DECA, Compagri and Mozbife are set out in the table below:

	<i>Accounting y/e 2006</i>	<i>Accounting y/e 2007</i>	<i>Accounting y/e 2008</i>	<i>As at Admission</i>
The Company	15	15	17	10
DECA	114	113	152	152
Compagri	–	–	2	2
Mozbife	–	–	2	2

### 3. Corporate Law in Guernsey

On 1 July 2008, the Companies (Guernsey) Law, 1994 (the “Old Law”) was repealed and replaced in its entirety with the Companies (Guernsey) Law, 2008 (as amended) (the “Law”).

As a result of the introduction of the Law, all Guernsey companies were required to re-register with the registry of companies in Guernsey, the Registry and all directors of Guernsey companies were also required to be registered with the Registry.

Some significant differences between the Old Law and the Law are:

- (i) Under the Old Law, any dividends paid by a company had to be paid out of “profits available for the purpose”. Under the Law, there are no restrictions on distributions provided that the directors of a company are satisfied that the solvency (as defined in the Law) will be met.
- (ii) Under the Old Law, the law was silent on the point of directors having the power to issue shares and it was generally accepted that directors had an unrestricted power to issue and allot shares unless the articles of a company provided otherwise. Under the Law directors will have a general power to allot unless prohibited by the memorandum and articles or by resolution for single share class companies. In multi share class companies, directors need special authority to allot. The authority must give limit on the number of shares and must be renewed every 5 years.
- (iii) Under the Law, Guernsey companies are no longer required to have an authorised share capital which was the position under the Old Law.
- (iv) Under the Old Law, a company’s objects were limited to those set out in its memorandum. Under the Law, a company’s objects are deemed to be unlimited unless restricted in its memorandum.

All Guernsey companies are required to update their memorandum and articles of association to comply with the Law by 1 January 2010 and the Company will be required to update its memorandum and articles of association in that regard.

## **4. Memorandum and Articles of Association**

### **4.1 Memorandum of Association**

The Memorandum of Association contains (*inter alia*) provisions to the following effect:

- (a) Liability – the liability of the members is limited.
- (b) Objects – the Company’s principal object is to carry on business as a general commercial company as set out in Clause 4 of the Memorandum of Association.

### **4.2 Articles of Association**

The following is a summary of the principal provisions of the Articles, as amended on 11 November 2008. For the avoidance of doubt unless otherwise specified, references to shares, or rights attaching to shares do not include reference to the Deferred Shares.

#### **(a) Share capital**

The authorised share capital of the Company is £1,000,000 divided into 845,000,000 Ordinary Shares and 155,000,000 Deferred Shares. All of the Ordinary Shares constitute one class and rank *pari passu* in all respects.

The special rights privileges restrictions and limitations attaching to the Deferred Shares are as follows:

- (i) as regards dividends, the Deferred Shares carry no right to any dividend;
- (ii) as regards capital, or of a return of assets on a liquidation or otherwise, the holders of the Deferred Shares are entitled to the amount paid up thereon per share after payment of the Company’s liabilities and after the holders of the Ordinary Shares shall have received £1,000,000 per share;
- (iii) as regards voting, the holders of the Deferred Shares are not (in respect of the holdings of such shares) entitled to receive notice of or attend and vote at general meetings of the Company;
- (iv) notwithstanding any of the provisions of the Articles, and unless specifically required by the provisions of the Act, the Company shall not be required to issue any certificates in respect of the Deferred Shares; and

- (v) the Deferred Shares may be converted into Ordinary Shares by a resolution of the Board, and upon such conversion the authorised share capital of the Company shall be adjusted accordingly.

The Company in general meeting may from time to time by ordinary resolution (*inter alia*):

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
- (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (iv) subject to the provisions of the Law, sub divide its shares or any of them into shares of smaller amount, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

(b) *Voting Rights*

Subject to any rights or restrictions for the time being attached to any class or classes of shares for instance, but without limitation the restrictions attached to the Deferred Shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.

Where a liquidator, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the grounds (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person or by proxy on behalf of such member at any general meeting of shareholders.

If two or more persons are jointly entitled to a share, then in voting on any question the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

No member shall, unless the Board otherwise determines be entitled to vote at a general meeting of shareholders either personally or by proxy or to exercise any privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

On a poll votes may be given either personally or by proxy (a proxy not being entitled to vote except on a poll) and a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

(c) *Dividends*

Subject to the provisions of the Law the Company may in General Meeting declare dividends on the Ordinary Shares, but no dividends shall exceed the amount recommended by the Board. The Board may, before recommending any dividend, set aside out of profits of the Company such sums as it thinks fit as a reserve to, *inter alia*, meet any claim on, or liabilities of, the Company or for paying off any loan capital or for any other purpose.

The Board may from time to time pay to the holders of the Ordinary Shares such interim dividends as appear to the Board to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares which confer on the holders thereof deferred or non preferential rights with regard to dividend, but no interim dividend shall be paid on the same if

at the time of payment any preferential dividend is in arrears. Provided that the Board acts bona fide it shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non preferential rights.

In addition to the above, the Board may also pay to the holders of the Ordinary Shares a dividend at half yearly or other suitable intervals, which may be payable at a fixed rate, if the Board is of the opinion that the profits of the Company justify the payment.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amount paid up on the shares on which the dividend is to be paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or any portions of the period in respect of which the dividend is paid. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Any dividend unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company. No dividend shall bear interest against the Company.

(d) *Redemption and purchase of own shares*

The Company shall have power, subject to and in accordance with the Law, to purchase any of its own shares, whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

(e) *Return of Capital*

If the Company is wound up (whether voluntarily or under supervision or compulsorily) the liquidator may, with the authority of an Special Resolution, divide among the holders of the Ordinary Shares, in kind, the whole or any part of the assets of the Company. For these purposes the liquidator may set such value as he deems fair upon such property and may determine how such division shall be carried out as between members or classes of members.

(f) *Variation of Rights*

The rights attached to any class of shares may be varied or abrogated either with the written consent of the holders of not less than three fourths of the issued shares of the class or with the sanction of an Special Resolution passed at a separate Meeting of the holders of shares of the class. To every such separate Meeting the provisions of the Articles relating to General Meetings mutatis mutandi apply, but the necessary quorum shall not be less than two persons holding or representing by proxy one third of the nominal amount paid up on the issued shares of the class.

(g) *Transferability*

Uncertificated Ordinary Shares may be transferred by means of CREST or such other system authorised by the Board in accordance with applicable regulations. Certificated Ordinary Shares may be transferred by instrument in writing in any usual form or in any form approved by the Board and the instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The Board may, in its absolute discretion, and without assigning any reason refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve and refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien. The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Board may from time to time determine provided that such registration shall not be suspended for more than thirty days in any year.

The Company has, subject to the Act, the capacity and the rights, powers and privileges of an individual. Furthermore, the Memorandum of Association of the Company does not set out any restrictions on the exercise of the rights, powers and privileges of the Company.

## 5. Directors and other interests

- 5.1 Save as disclosed in paragraph 5.2, no Director has any interest 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) any interest in the share capital of the Company whether or not held through another party or any options in respect of such capital.
- 5.2 The interests of the Directors all of which are beneficial, both as at the date of this document and as they are expected to be upon Admission are as follows:

<i>Name of director</i>	<i>Percentage</i>		<i>Percentage</i>	
	<i>Number of Ordinary Shares at the date of this document</i>	<i>of issued ordinary share capital at the date of this document</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>of issued ordinary share capital immediately following Admission</i>
Phil Edmonds	15,000,000	7.69%	15,000,000	3.80
Andrew Groves	15,040,000	7.71%	15,040,000	3.81
Mike Pelham	—	—	—	—

- 5.3 Details of options granted to the directors (or their connected persons) over Ordinary Shares pursuant to the Share Option Scheme are set out in paragraph 9 of this Part IV.
- 5.4 Currently, or in the five years preceding the date of this document, the Directors are or have been directors or partners of the following companies or partnerships:

### **Phil Edmonds**

#### *Current Directorships/Partnerships*

African Medical Investments Plc  
Central African Tantalum Limited  
Central African Mining & Exploration Company Plc  
BioEnergy Africa Limited  
Mayfair UK (Properties) Limited  
London Beach Leisure Limited  
Edmonds Brothers (Contractors) Limited  
White Nile Limited

#### *Previous Directorships/Partnerships*

Sweetridge Limited  
Plymouth & Exeter Properties Limited  
Grosvenor Land Holdings Limited  
African Platinum Limited  
Abraxus Investments Plc  
Capricorn Resources Plc  
Grosvenor Land (North) Limited  
Grosvenor Land (South) Limited  
Central African Gold Plc  
England and Wales Cricket Board Limited  
Southern African Mining & Exploration Company Plc  
London Fiduciary Ltd  
Southern African Trading & Investment Company Plc  
Central African Diamonds Ltd

### **Andrew Groves**

#### *Current Directorships/Partnerships*

African Medical Investments Plc  
Central African Mining & Exploration Company Plc  
Central African Tantalum Limited  
BioEnergy Africa Limited  
Holtwood Properties Limited  
Ocelot Investments LLC  
White Nile Limited  
Mayfair UK (Properties) Limited

#### *Previous Directorships/Partnerships*

Southern African Mining & Exploration Company Plc  
Central African Diamonds Ltd  
Southern African Trading & Investment Company Plc  
Capricorn Resources Plc  
Jaguar Property Investments Limited  
Southern African Resources Plc  
African Platinum Limited  
Central African Gold Plc  
INGWE Property Management Limited

## **Mike Pelham**

### *Current Directorships/Partnerships*

Ardan Energy Services DMCC  
Ardan Risk and Support Services (HK) Limited  
Ardan Risk and Support Services (Kenya) Limited  
Soszim Limited  
Dactari Medical Investments Limited  
Gunyan Safaris (Pvt) Ltd

### *Previous Directorships/Partnerships*

5.5 None of the Directors have:

- (i) any unspent convictions relating to indictable offences;
- (ii) had a bankruptcy order made against him or entered into any individual voluntary arrangements;
- (iii) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of, or within the twelve months preceding, such events;
- (iv) been a partner of a firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner of that firm at the time of, or within twelve months preceding, such events;
- (v) had any asset belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of, or within twelve months preceding, such receivership; or
- (vi) been publicly criticised by any statutory or regulatory authority (including any recognised professional body) or ever 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.

5.6 Save as disclosed above, no Director nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Sections 252 to 255 of the UK Companies Act 2006) has or has had any direct or indirect interest in any asset which has been acquired or disposed of by, or leased to, the Company since the date of its incorporation or which is proposed to be so acquired, disposed of or leased.

## **6. Directors Service Contracts and Remuneration**

6.1 Both Andrew Groves and Phil Edmonds (Chairman) have been appointed as directors of the Company. Both Mr Groves and Mr Edmonds were appointed as directors of the Company. Both Mr Groves and Mr Edmonds have entered into appointment letters with the Company which provide that they shall each receive a fee of £150,000 per annum (payable quarterly).

Each letter of appointment is terminable on one month's notice from each respective director or the Company and imposes standard confidentiality obligations upon the directors.

6.2 Mike Pelham was appointed as director of the Company on 4 December 2008 and has entered into an appointment letter with the Company which provides that he shall receive a fee of £25,000 per annum (payable quarterly).

The letter of appointment is terminable on one month's notice and imposes standard confidentiality obligations upon him.

6.3 Euan Kay has entered into a service agreement with the Company (conditional on completion of the Acquisition) which provides that from completion of the Acquisition he shall be employed by the Company as managing director of DECA, Compagri and Mozbife and shall receive a salary of US\$120,000 per annum. Mr Kay's service agreement is terminable on three month's notice by the Company or by Mr Kay and imposes standard confidentiality obligations upon Mr Kay.



## 7. Substantial Share Interests

- 7.1 Save as disclosed in paragraph 5.2 of Part IV of this document, the Company is only aware of the following persons who upon Admission, directly or indirectly, jointly or severally, hold or will hold 3 per cent. or more of the voting rights of the Company:

<i>Name of Shareholder</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of issued Ordinary Share capital immediately following Admission</i>
Central African Mining & Exploration Company plc	216,700,000	54.84
Lynchwood Nominees Ltd	15,437,259	3.91
BBHISL Nominees Ltd	13,247,308	3.35
State Street Nominees Ltd	12,881,500	3.26
Morstan Nominees Ltd	12,383,100	3.13
Forest Nominees Ltd	12,281,373	3.11

- 7.2 The major shareholders of the Company do not have different voting rights. There are no measures in place to ensure that control by a significant shareholder is not abused.
- 7.3 Save as disclosed in this paragraph 7 the Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally control over the Company.
- 7.4 There are no arrangements known to the Company which may, at a later date, result in a change of control of the Company.

## 8. Material Contracts

The following contracts have been entered into by the Company and its subsidiaries, DECA, Compagri and Mozbife, otherwise than in the ordinary course of business, during the period of two years prior to the date of this document, and are or may be material:

### 8.1 Acquisition Agreement

On 23 December 2008 the Company and its wholly owned subsidiary, Agriterra (Mozambique) Limited entered into the Acquisition Agreement with CAMEC pursuant to which it was agreed, subject to the satisfaction of certain conditions precedent, including the terms of the Acquisition being approved by the Shareholders of the Company, that:

- the Company's wholly owned subsidiary, Agriterra (Mozambique) Limited will acquire 75 per cent. of the issued share capital of each of DECA, Compagri and Mozbife; and
- the CAMEC Loan Agreement (referred to at paragraph 8.4 of this Part IV) will be novated to the Company,

for an aggregate consideration of US\$17 million, to be satisfied by the issue and allotment of the Consideration Shares to CAMEC, and the payment to CAMEC of US\$2 million.

### 8.2 Nomad Agreement

On 22 December 2008 the Company entered into an agreement with Seymour Pierce Limited pursuant to which Seymour Pierce agreed to act as the Company's nominated adviser in connection with the Admission for a fee of £150,000. The agreement contains indemnities given by the Company to Seymour Pierce.

### 8.3 CAMEC Administrative and Support Services Agreement

On 22 December 2008 the Company entered into an agreement with CAMEC pursuant to which CAMEC agreed to provide administrative and support services to the Company on an ad hoc basis. Such services include, but are not limited to the provision of financial reporting and accounting services. In consideration for the provision of the services by CAMEC, the Company has agreed to pay CAMEC £100,000 per annum, payable quarterly in advance.

#### 8.4 **CAMEC Loan Agreement**

On 22 December DECA entered into a working capital loan agreement with CAMEC. Under the terms of the CAMEC Loan Agreement CAMEC has agreed to make available to DECA a facility of up to £17 million, and to roll into this facility all amounts which had been advanced by CAMEC to DECA prior to the date of the CAMEC Loan Agreement. The purpose of the CAMEC Loan Agreement is to enable DECA to meet its capital expenditure and working capital requirements. The loan is not repayable prior to 22 March 2010. Interest is charged on all outstanding amounts at a rate of LIBOR plus 2 per cent., compounded monthly. The CAMEC Loan Agreement has been entered into on an arm's length basis.

Under the terms of the Acquisition Agreement the CAMEC Loan Agreement will be novated to the Company.

### 9. **Share Option Plan**

9.1 On the 4 February 2005 the Company adopted the Share Option Scheme, for which no application for approval was made to the Inland Revenue.

9.2 The principal features of the Share Option Scheme, which is administered by the Board, are as follows:

(a) *Eligible participants:*

Directors of, employees of and consultants to the Company or any of its subsidiaries from time to time who are not bound to retire within the period of two years after the date on which the Board invites such persons to apply for the grant of options.

(b) *Grant of options:*

(i) The Board may invite an eligible participant to apply to the Company for the grant of an option during the period of five years from the Commencement Date provided that an invitation to the directors of the Company may only be made during a period in which dealings are permitted under the model code on directors' dealings in securities published by the UK Listing Authority

(ii) An invitation to take up an option shall be personal to the eligible participant and shall not be capable of being transferred or assigned.

(c) *Exercise Price:*

The Board shall determine the option price for each share comprised in an option which shall not be less than the nominal value of a share.

(d) *Exercise of options:*

Options will be exercisable during a period (being not less than one year) determined by the Board, such period to commence on a date determined by the Board but not longer than five years from the grant of that option. Earlier exercise is permitted in the event of the takeover (although in this event there are provisions which may entitle the eligible participant to transfer into the acquiring company scheme), or a reconstruction or liquidation of the Company. Further, an earlier exercise is permitted if the eligible participant ceases to be a director of, employee of or consultant to the Company or any of its subsidiaries by reason of his death, ill-health, injury, disability, retirement or redundancy. There are time limits in which early exercise of options in such circumstances must be made, failing which the options lapse. Except in these circumstances, options will lapse if the eligible participant ceases to be employed by, a director of or a consultant to the Company or any of its subsidiaries.

(e) *Variation of share capital:*

On a variation of the issued share capital of the Company by way of capitalisation issue, rights issue, sub-division or consolidation, the option price and/or the number of shares subject to an option and/or the aggregate maximum number and/or nominal value of the shares available under the Share Option Scheme may be varied or adjusted by the Board (either generally or in relation to a particular participant) as it may in its absolute discretion determine to be appropriate, subject to (1) the auditors confirming in writing that in their opinion such variation

or adjustment is fair and reasonable and (2) such variation or adjustment not resulting in shares being issued on the exercise of an option would fall to be issued at a discount.

(f) *Allocation of shares:*

Shares allotted and issued following exercise of an option will rank *pari passu* with the Ordinary Shares then in issue, save as regards dividends payable by reference to a record date prior to the date of issue. The Company will at all times keep available sufficient authorised and unissued share capital to satisfy outstanding options except to the extent that such options may only be satisfied by the transfer of Ordinary Shares which have already been issued.

(g) *Variation:*

The Board has power from time to time to vary the regulations for, the administration and operation of the Share Option Scheme provided that such variation is not inconsistent with the provisions of the Share Option Scheme and (*inter alia*) does not operate to vary adversely the terms of any options granted prior to such variation. Further, the Board or the Company by Ordinary Resolution may at any time terminate the operation of the Share Option Scheme. Variation of the Scheme is not subject to prior Inland Revenue approval.

9.3 As at the date of this document, the following options been granted under the Share Option Scheme:

	<i>Exercise Price</i>	<i>Number of Shares under Option</i>	<i>Exercise Period</i>
Phil Edmonds	10p	5,000,000	8 February 2005 to 7 February 2010
Andrew Groves	10p	5,000,000	8 February 2005 to 7 February 2010
Ely Place Nominees Limited	10p	4,950,000	8 February 2005 to 7 February 2010
Mark Jenkins	90p	1,000,000	3 October 2006 to 2 October 2010

9.4 The options granted to Ely Place Nominees Limited have been issued to facilitate the payment or part payment in options to third parties for products or services.

## 10. Working capital

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Enlarged Group is sufficient for the Enlarged Group's present requirements, that is for at least twelve months from the date of Admission.

## 11. Litigation

Neither the Company nor any of DECA, Compagri, Mozbife or Vesta is engaged in any litigation or arbitration and, so far as the Directors are aware, neither the Company nor any of DECA, Compagri, Mozbife or Vesta has any litigation or claim pending or threatened against it which has, has had or may have a significant effect on the financial position of the Enlarged Group.

## 12. Taxation

The following information, which relates only to the UK and Guernsey, 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 Guernsey. 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 it does not become resident for taxation purposes in the UK and so that it does not carry out any trade in the UK (whether or not

through a permanent establishment situated therein). On this basis, the Company should not be liable for UK taxation on its income or gains, other than certain income deriving from a UK source.

It is intended that the Company will have underlying businesses conducted through subsidiary or associated companies in overseas jurisdictions. It is expected that tax will be payable by the overseas subsidiary companies in those jurisdictions. The Directors intend to organise the Enlarged Group's affairs so as to minimise (to the extent practicable), through appropriate planning and other opportunities, the incidence of taxation arising.

#### *UK Shareholders*

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 the gross amount of dividends paid by the Company whether directly or by way of reinvestment of income.

Depending on their circumstances, Shareholders who are resident, or in the case of individuals, ordinarily resident in the UK for taxation purposes may be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on capital gains) in respect of any gain arising on a disposal, including on redemption, of their Ordinary Shares unless the Shareholder is taxed as a dealer in securities, in which case the Directors have been advised that any gain will be treated as income and taxed as such.

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 Ordinary Shares. UK Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the nearest £5 of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK. However, if the consideration for the transfer is less than £1,000, no stamp duty will be payable. Provided that Ordinary Shares are not registered in any register of the Company kept in the UK the agreement to transfer Ordinary Shares should not be subject to UK SDRT.

#### *Non-UK Shareholders*

Shareholders 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 are connected will not normally be liable to UK taxation on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

#### **Guernsey**

In response to the review carried out by the European Code of Conduct Group, the States of Guernsey has, with effect from 1 January 2008, abolished exempt status for tax purposes for a majority of companies in Guernsey and introduced a zero rate of tax for companies carrying on all but a few specified types of regulated business (including banking business) or where income is derived from the ownership of land and buildings situate in Guernsey.

As a result of the changes to Guernsey's tax law, the company is resident for tax purposes in Guernsey and is subject to the company standard rate of income tax in Guernsey at a rate of 0%. The Company will be taxed at the standard rate of income tax provided the income of the Company does not include income from:

- (a) banking business;
- (b) trading activities regulated by the Office of the Director General of Utility Regulation; or
- (c) the ownership of land and buildings situate in Guernsey.

It is not intended that the income of the Company will derive from any of those sources.

There is an obligation on the Company, when it makes distributions, and in the case of certain deemed distribution events, to report those events to the Administrator of Income Tax on a quarterly basis and to

withhold and account for tax where those distributions are being made to Guernsey resident “beneficial members” (being for these purposes, either resident in Guernsey for tax purposes or operating in Guernsey through a permanent establishment). The liability to account for tax from the Company's distributions arises where the beneficial member is resident in Guernsey for Guernsey tax purposes, or where the beneficial member's nominee is a Guernsey resident for tax purposes and chooses to accept the tax liability on behalf of the beneficial member. Provided the beneficial member is not resident in Guernsey then the Company's distributions can be paid without further deduction of withholding tax except as indicated above.

Two types of distribution by the Company can give rise to a tax charge: an actual distribution and a deemed distribution. Tax on actual distributions and deemed distributions is collected through the system of deduction of withholdings. Whilst there are some exemptions from the requirement to report/account for tax in the case of deemed distribution events, there are no such exceptions where actual distributions are made.

Actual distributions paid by the Company will be treated as being declared gross but paid net and the Company is now required to deduct income tax at the appropriate rate from the grossed up dividend paid to Guernsey resident beneficiaries or their nominees as indicated above. The company must then file a return with the Administrator each quarter and remit the tax deducted. The Guernsey resident recipient of the distribution, or their nominee, must disclose in its tax return a figure equal to the dividend grossed up at the appropriate rate. The duty to file quarterly returns will only arise when the Company has paid a distribution or a deemed distribution has been triggered.

A deemed distribution will occur when there is undistributed income arising after 1 January 2008 which is assessable to income tax and which has not previously been distributed or deemed to be distributed. The effect of the deemed distribution regime is to render the Company's net undistributed income not taxed at the full rate of 20% taxable in the hands of a Guernsey resident who has a beneficial interest in the Company to the extent that such income would have become payable to the beneficial member if the Company had distributed all its income at the time of the trigger event.

Trigger events that can give rise to a deemed distribution include:

- (a) the disposal, repurchase and/or redemption of shares in the Company;
- (b) the death of the beneficial member;
- (c) the beneficial member ceasing to be resident in Guernsey;
- (d) the migration of the Company;
- (e) the amalgamation of the Company;
- (f) the dissolution of the Company;
- (g) where the Company has undistributed investment income at the end of a calendar quarter;
- (h) the cessation of the business or substantially the whole of the business of the Company, and
- (i) where the Administrator of Income Tax invokes his anti-avoidance powers.

Beneficial members who are not resident in Guernsey do not suffer withholding tax on accumulated profits in companies attributed to them under the deemed distribution regime. The Company will not be required to make any additional deduction or withholding in respect of Guernsey taxation from any payments made by the Company to non-Guernsey resident individuals or companies provided that such non-Guernsey resident individuals or companies do not carry on a business in Guernsey through a permanent establishment situated in Guernsey.

### **13. General**

- 13.1 No person (other than the Company's professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the twelve months preceding the date of this document, or entered into contractual arrangements (not otherwise

disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission fees totaling £10,000 or more, securities in the Company with a value of £10,000 or any other benefit with a value of £10,000 or more at the date of this document. Save as disclosed in this document, no payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.

13.2 Save as disclosed in Part I of this document there have been no significant recent trends concerning the business of the Enlarged Group since 31 March 2008 in the case of DECA, Compagri and Mozbife, since 30 June in the case of the Company.

13.3 No exceptional factors have influenced the Enlarged Group's activities.

13.5 Save for the management agreements summarized in paragraph 6 of this Part IV, the Enlarged Group is not dependent on patents, licences or industrial, commercial or financial contracts or new manufacturing processes.

13.6 The Company's accounting reference date is 30 June.

13.7 Save as disclosed, the Company has no significant investments in progress.

13.8 No financial information contained in this document is intended by the Company to represent or constitute a forecast of profits by the Company nor to constitute publication of accounts by it.

13.9 Save as described in Part I of this document there has been no significant change in the financial or trading position of the Company since 30 June 2008.

13.10 Save as described in Part I and Part IV of this document there has been no significant change in the financial or trading position of any of DECA, Compagri, Mozbife or Vesta since 31 March 2008.

13.11 Seymour Pierce 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 they appear.

13.12 It is estimated that the total expenses payable by the Company in connection with Admission amount to approximately £300,000 (including any applicable VAT).

#### **14. Availability of Admission Document**

Copies of this document will be available free of charge to the public during normal business hours on any weekday (excluding public holidays) at the offices of Salans, Millennium Bridge House, 2 Lambeth Hill, London EC4V 4AJ from the date of this document up to and including the date which is one month following Admission.

Dated: 24 December 2008

# White Nile Limited

(the "Company")

(in the process of changing its name to Agriterra Limited)

*(Incorporated and Registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) with number 42643)*

**Elizabeth House  
Les Ruettes Brayes  
St Peter Port  
Guernsey GY1 4LX**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ("Meeting") of White Nile Limited will be held at Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 4LX on 21 January 2009 at 8.30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

### SPECIAL RESOLUTION

1. That the Acquisition (as described in the readmission document dated 24 December 2008 ("Circular")) be approved, and that the directors of the Company be authorised to allot 200 million Ordinary Shares as part consideration for the Acquisition.

### ORDINARY RESOLUTION

2. That the Company's authorised share capital be increased by £1,500,000 to £2,500,000 by the creation of 1,500,000 new Ordinary Shares and the existing Article 4.1 of the Company's articles of association be deleted and replaced with the following:

*"4.1 The authorised share capital of the Company is £2,500,000 divided into 2,345,000,000 Ordinary Shares of 0.1p each ("the Ordinary Shares") and 155,000,000 Deferred Shares of 0.1p each ("the Deferred Shares")."*

### SPECIAL RESOLUTION

3. That the directors of the Company be generally and unconditionally authorised to allot further Ordinary Shares up to the amount of the Company's authorised share capital upon such terms as they think fit, such authority to expire 5 years after the date of the passing of this resolution.

By order of the Board

**Philip Enoch**  
*Company Secretary*

24 December 2008

*Notes:*

1. A member may appoint one or more proxies, who need not be members, to attend and, on a poll, to vote instead of him/her. The completion and return of a Form of Proxy will not prevent a member from attending the EGM and voting in person should he/she so wish.
2. Forms of Proxy if used (together with any power of attorney or other authority, if any, under which they are signed or a notarially certified or office copy of such power or authority) must be deposited at the UK Transfer Agent of the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 8.30 a.m. on 19 January 2009 (or not less than 48 hours before any adjourned meeting).
3. In the case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders. Seniority shall be determined by the order in which the names of the holders stand in the Register of Members in respect of the joint holding.
4. Defined Terms – Terms defined in the Circular shall have the same meaning in this EGM Notice unless the context otherwise requires.





