

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and other securities.

The Company is a closed-ended investment company with limited liability incorporated under the Companies (Jersey) Law 1991 (as amended). The Company constitutes and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 (as amended) (the "Jersey Funds Law"). The Company, the Administrator and the Registrar have all obtained permits under Article 7 of the Jersey Funds Law from the Jersey Financial Services Commission (the "JFSC") to operate as functionaries within the Island of Jersey. The JFSC is protected by the Jersey Funds Law against liability arising from the discharge of its functions under the Jersey Funds Law.

A copy of this document has been delivered to the Registrar of Companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. The JFSC has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of Ordinary Shares in the Company. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies in Jersey nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to the Company. The JFSC is protected by the Control of Borrowing (Jersey) Law 1947 against liability arising from the discharge of its functions under the law.

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly. You are wholly responsible for ensuring that all aspects of the Company are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and the potential risks inherent in the Company you should not invest in this Company.

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the Jersey Financial Services Commission at www.jerseyfsc.org.

This document comprises the Listing Document for the purposes of the application for the admission of the Ordinary Shares of the Company to the Daily Official List of the Channel Islands Stock Exchange, LBG (the "Channel Islands Stock Exchange" or the "CISX") and includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purpose of giving information with regard to the issuer in relation to the admission and listing of Ordinary Shares on the CISX.

The CISX has been recognised by the UK HM Revenue & Customs under Section 841 of the Income & Corporation Taxes Act 1988 (ICTA) and approved by the UK Financial Services Authority as a Designated Investment Exchange within the meaning of the Financial Services and Markets Act 2000.

Application has been made for all of the Ordinary Shares issued and to be issued pursuant to the Placing to be admitted to listing and trading on the CISX. It is expected that such Ordinary Shares will be admitted to listing and to trading on the CISX and that dealings will commence in the Ordinary Shares on 6 March 2007. Carey Olsen Corporate Finance Limited is acting as sponsoring member in relation to the application for the listing of the Ordinary Shares on the CISX.

Neither the admission of the Ordinary Shares to the Daily Official List nor the approval of this document pursuant to the listing requirements of the Channel Islands Stock Exchange shall constitute a warranty or representation by the Channel Islands Stock Exchange as to the competence of the service providers to, or any party connected with, the Company, the adequacy and accuracy of the information contained in this document or the suitability of the Company for investment or for any other purpose.

Cambium Global Timberland Limited

(Incorporated and registered in Jersey with registered number 95719)

Placing of up to 250 million Ordinary Shares of no par value at 100p each and Admission to trading on the CISX and AIM

Nominated Adviser, Broker and Placing Agent

Teather & Greenwood Limited

CISX Listing Sponsor

Carey Olsen Corporate Finance Limited

This document is an admission document required by the rules of AIM, a market of the London Stock Exchange plc ("AIM"). This document does not comprise a Prospectus for the purposes of the Prospectus Rules issued by the Financial Services Authority. Copies of this document will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Stephenson Harwood, One, St. Paul's Churchyard, London EC4M 8SH for a period of one month from Admission in accordance with rule 3 of the AIM Rules.

Application has been made for the Ordinary Shares issued and to be issued pursuant to the Placing to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. The rules of AIM are less demanding than those of the Official List of the United Kingdom Listing Authority. It is emphasised that no application is being made for admission of the Ordinary Shares 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. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. It is expected that Admission will take place, and dealings in the Ordinary Shares will commence on the CISX and AIM, on 6 March 2007.

The Directors of the Company, whose names appear on page 7 of this document, accept full responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information or would make any statement herein misleading.

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

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

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

This document is not, and the Placing Shares will not be offered under, a disclosure document under Part 6D.2 of the Corporations Act 2001 (Cth) of Australia (the “Corporations Act”). This document has not been lodged, filed or registered with any securities regulator in Australia and does not purport to contain all the information which would be required to be contained in a disclosure document under Part 6D.2 of the Corporations Act. Neither the Australian Securities and Investments Commission nor any other Australian regulatory body or their officers has reviewed this document, has in any way commented upon or passed upon the merits of the Placing Shares or the investment to which this document relates, or takes any responsibility for the contents of this document.

The Placing Shares may not be directly or indirectly offered for subscription, issue or sale in Australia. No invitation for applications for the purchase, issue or subscription of the Placing Shares or offer to issue or sell the Placing Shares may be made if the offer or invitation is received anywhere in Australia. These restrictions do not apply if and only if the offer or invitation is made in a manner specifically exempted under section 708(11) of the Corporations Act of Australia from the need for disclosure to investors, and is made to a person whose ordinary business it is to buy or sell shares, debentures or interests in managed investment schemes, whether as principal or agent. No person in Australia may acquire the Placing Shares with the purpose of selling or transferring the Placing Shares, or granting, issuing or transferring interests in, or options over, them in Australia within 12 months after their issue contrary to section 707 of the Corporations Act.

The Company does not hold an Australian financial services licence which authorises it to provide advice in relation to the Placing Shares. No cooling-off regime under the Corporations Act applies to an acquisition of the Placing Shares.

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

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

The Company is not and does not qualify as a foreign investment fund under Article 45 of the Swiss Federal Mutual Fund Act of 18 March 1994. Ordinary Shares may only be offered and this document may only be distributed in Switzerland to investors whose assets are professionally managed provided that no public offer is made.

Investors should consult their own professional advisers on the regulatory and tax implication of the acquiring, holding or disposing of shares under the laws of the jurisdiction in which they are liable to taxation.

CONTENTS

	<i>Page</i>
Placing Statistics	4
Expected Timetable	4
Definitions	5
Directors and Advisers	7
Part I Summary	8
Part II Risk Factors	10
Part III The Company	16
Part IV Background to the Investment Sector	20
Part V Management and Administration	23
Part VI Placing, Admission and Related Matters	29
Part VII Taxation	31
Part VIII Additional Information	34

PLACING STATISTICS

Placing Price	100p
Number of Ordinary Shares being issued pursuant to the Placing*	Up to 250 million
Estimated expenses of the Placing payable by the Company*	£8 million
Estimated net proceeds of the Placing receivable by the Company*	£242 million
Market capitalisation at the Placing Price*	£250 million

**Assuming the Placing is subscribed in full*

EXPECTED TIMETABLE

	2007
Closing Date for Share applications under the Placing	27 February
Admission to trading on AIM and to listing and trading on the CISX and commencement of dealings	6 March
CREST stock accounts credited (as applicable)	6 March
Definitive share certificates despatched (as applicable)	Week commencing 12 March

DEFINITIONS

“Admission”	the admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with the AIM Rules and admission of such Ordinary Shares to listing on the Daily Official List of the CISX and to trading on the CISX in accordance with the CISX Rules
“Administrator”	Investec Trust (Jersey) Limited
“AIM”	AIM, a market of the London Stock Exchange
“AIM Rules”	the rules of AIM
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company including a duly constituted committee thereof
“Channel Islands Stock Exchange” or “CISX”	the Channel Islands Stock Exchange, LBG
“CISX Rules”	the listing rules published by the CISX and applicable to securities listed on the CISX
“Closing Date”	27 February 2007
“Combined Code”	the Corporate Governance Code issued by the Financial Reporting Council in the UK
the “Company” or “Cambium”	Cambium Global Timberland Limited
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“CRESTCo”	CRESTCo Limited, a company incorporated under the laws of England and Wales and the operator of CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3272)
“Daily Official List”	the list of securities or units admitted to listing on the CISX which is published by the CISX on a daily basis
“FSA”	Financial Services Authority
“Investment Adviser” or “New Forests”	New Forests Advisory Pty Limited, incorporated in Australia and licensed under Australian Financial Services License number 301556
“Jersey Listed Fund Guide”	the Jersey Listed Fund Guide published by the JFSC in January 2007, as amended from time to time
“JFSC”	the Jersey Financial Services Commission
“Law”	the Companies (Jersey) Law, 1991 (as amended) and subordinate legislation made thereunder and every modification or re-enactment thereof for the time being in force

“London Stock Exchange”	London Stock Exchange plc
“Manager” or “Cogent”	CP Cogent Asset Management L.P.
“Net Asset Value” and “Net Asset Value per Ordinary Share”	respectively the net asset value of the Company and the net asset value of an Ordinary Share
“Ordinary Shares”	ordinary shares of no par value each in the capital of the Company
“Placing”	the placing by Teather & Greenwood of up to 250 million Ordinary Shares at the Placing Price pursuant to the Placing Agreement and as described in this document
“Placing Agreement”	the conditional agreement between the Company, the Manager and Teather & Greenwood relating to the Placing, as described in paragraph 7.7 of Part VIII of this document
“Placing Letter”	the placing letter dispatched by the Placing Agent to places in connection with the Placing
“Placing Price”	100p per Ordinary Share
“Placing Shares”	those Ordinary Shares to be issued pursuant to the Placing
“pounds sterling”, “£”, “p” or “pence”	the lawful currency of the United Kingdom
“Registrar”	Capita Registrars (Jersey) Limited
“Shareholders”	holders of Ordinary Shares
“special resolution”	a resolution of the Company passed by a majority of not less than two thirds of Shareholders who (being entitled to do so) vote in person, or by proxy, at a general meeting of the Company or at a separate meeting of a class of members of the Company of which, in either case, not less than 21 days’ notice, specifying the intention to propose the resolution as a special resolution, has been duly given
“Teather & Greenwood” or “Placing Agent” or “Broker” or “Nominated Adviser”	Teather & Greenwood Limited, incorporated in England and Wales and authorised and regulated by the FSA in the UK
“TIMO(s)”	timber investment management organisations(s)
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“United Kingdom Listing Authority” or “UK Listing Authority”	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part 8 of the Financial Services and Markets Act 2000
“US” or “United States”	the United States of America
“VAT”	value added tax

DIRECTORS AND ADVISERS

Directors

Donald Lindsay Adamson (*Chairman*)
Colin Sean McGrady
Martin Willaume Richardson
Robert James Rickman
William Taylor Spitz

Company Secretary, Administrator and Registered Office

Investec Trust (Jersey) Limited
5 Castle Street
St Helier
Jersey
JE4 8UZ
Tel: +44 1534 512512

all of:

5 Castle Street
St Helier
Jersey
JE4 8UZ

Manager

CP Cogent Asset Management L.P.
100 Crescent Court
Suite 500
Dallas
TX 75201
U.S.A.

Nominated Adviser, Broker and Placing Agent

Teather & Greenwood Limited
Beaufort House
15 St Botolph Street
London
EC3A 7QR

Investment Adviser

New Forests Advisory Pty Limited
The Zenith Centre, Tower A
Suite 1905, Level 19
821 Pacific Highway
Chatswood
NSW 2067
Australia

Channel Islands Listing Sponsor

Carey Olsen Corporate Finance Limited
47 Esplanade
St. Helier
Jersey
JE1 0BD

English Legal Adviser to the Company and the Placing Agent

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

Jersey Legal Adviser to the Company

Carey Olsen
47 Esplanade
St. Helier
Jersey
JE1 0BD

US legal Adviser to the Company

Seward & Kissel LLP
1200 G Street, Suite 350
Washington,
DC 20005
U.S.A.

Auditors

KPMG Channel Islands Limited
5 St. Andrew's Place
Charing Cross
St. Helier
Jersey
JE4 8WQ

Registrar

Capita Registrars (Jersey) Limited
P.O. Box 378
St. Helier,
Jersey, JE4 0FF

Principal Bankers

Investec Bank (Channel Islands) Limited
La Vieille Court
La Plaiderie
St. Peter Port
Guernsey GY1 1WG

PART I

SUMMARY

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

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

The Company

Cambium Global Timberland Limited has been established to invest in a global portfolio of forestry based properties. The Company proposes to raise up to £250 million of equity capital for this purpose.

Investment Policy

The Company will seek to invest primarily in forestry assets or operations which are or can be managed on an environmentally and socially sustainable basis. The Company will seek out opportunities to gain value from certification of its forest management systems, from the commercial development of environmental products and services, and from the reduction of risk by community engagement and workforce development. Investments may be managed for timber production, environmental credit production or both. The Company will not engage in processing facilities.

Investment Strategy

The Company aims to establish a portfolio comprising geographically diverse assets located both in mature markets and in developing markets where potentially higher returns may be generated but with commensurately higher risks. The Company will initially target investments in North and South America and the Asia-Pacific region (including Australia and New Zealand), but may invest in other regions on an opportunistic basis, as determined by the Manager with the approval of the Board. The Company's strategy is to generate superior total returns to investors by establishing an optimised portfolio of timberland properties and timberland related investments diversified by location, age class and species.

Investment Manager

The Company has engaged CP Cogent Asset Management L.P. to act as the global asset manager of the Company's portfolio of assets with responsibility for all investment decisions, subject to the overall supervision by the Board. New Forests Advisory Pty Limited has been retained by Cogent to provide investment advisory services in relation to the Company.

Market Opportunity

The US is the leading producer and consumer of global forest products. Within the three major timber regions in the US, distinct species occur and are produced. Of the estimated US\$20 billion held today by institutional investors in timberland, the majority is currently invested in the US. Non-US timberland can offer opportunities for diversification. Properties with the potential to generate longer-term growth are also more likely to become available in less saturated markets (such as Australia) than in mature markets such as the US.

The Directors

The Board consists of Donald Adamson (*Chairman*), Colin McGrady, Martin Richardson, Robert Rickman and Bill Spitz. Further details are set out in Part V of this document.

Fees and Expenses

The Manager will receive an annual management fee of 1 per cent. of the net asset value of the Company from time to time, payable quarterly in advance.

In addition, the Manager may be entitled to a performance fee subject to an 8 per cent. hurdle (compounded annually). Further details are set out under the heading 'Management fees and expenses' on page 25.

Dividend Policy

The Directors do not expect income (net of expenses) to be significant until the net proceeds of the Placing are fully invested, after which they intend, subject always to market conditions, to establish a sustainable dividend. The target dividend, after the Company is fully invested, will be at the annual rate of 5p per Ordinary Share and is expected to grow in due course as the portfolio matures. The target dividend is illustrative only and based on a number of assumptions which may not materialise. There can be no guarantee that the Company will generate a dividend at the target level and no profit or dividend forecast is being made or should be inferred.

Borrowings

The Company will have the capacity to borrow but the Company will not normally borrow for the purposes of making investments except on a short-term basis or where the investment opportunity is considered to be compelling. Borrowings will in any event be limited, as at the date on which the borrowings are incurred, to 30 per cent. loan to value.

Risk Factors

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

PART II

RISK FACTORS

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

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

Potential Shareholders should also take their own tax advice as to the consequences of their owning shares in the Company as well as receiving returns from it. Tax commentary in this document is provided for information only and no representation or warranty, express or implied, is given to Shareholders in any jurisdiction as to the tax consequences of their acquiring, owning or disposing of any shares in the Company and neither the Company, the Directors, the Manager, the Placing Agent, the Nominated Adviser nor Carey Olsen Corporate Finance Limited will be responsible for any tax consequences for any such Shareholder.

General

An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to investment, and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

The Company does not have a fixed winding up date and, therefore, unless Shareholders vote to wind up the Company, Shareholders will be able to realise their investment only through selling their Ordinary Shares in the market.

AIM and the CISX

The Ordinary Shares will be admitted to AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority. The rules of AIM are less demanding than those of the Official List of the UK Listing Authority. Further, the London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Furthermore, the Ordinary Shares are also being listed and traded on the Channel Islands Stock Exchange. This exchange is likely to provide less liquidity than if those Ordinary Shares were traded on the London Stock Exchange.

Volatility of the value of the Ordinary Shares

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

In addition, the price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are

extraneous. These factors could include the performance of the Company's operations, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes and general economic conditions. The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value.

Forward-looking statements

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

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

The potential investment opportunities referred to in this document cannot be guaranteed and it may be the case that only some or even none of these come to fruition.

Dividends

Shareholders should note that payment of any dividends by the Company will be at the discretion of the Board and that the level of dividend expected to be paid on Ordinary Shares is not guaranteed and may fluctuate. Any dividend growth on the Ordinary Shares will depend on, *inter alia*, income and capital growth in the underlying assets.

If, under Jersey law, there were to be a change to the basis on which dividends could be paid by Jersey companies, or if there were to be changes to accounting standards or the interpretation of accounting standards, this could have a negative effect on the Company's ability to pay dividends.

New company

The Company was incorporated in January 2007 and has no operating history. The Company is subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that the Company will not achieve its investment objective and that the value of a Shareholder's investment in the Company could decline substantially. There can be no assurance that the Company will be able to achieve the returns referred to in this document.

Land and ownership rights

Whilst the Company will use its reasonable endeavours to operate property owning structures that comply with local laws and regulations, as well as with a view to mitigating the tax effect of local tax regulations, there can be no guarantee that in the future, laws and regulations which may adversely impact on the Company's ability to own and operate forestry assets will not be adopted. In such circumstances, the returns to the Company may be materially and adversely affected.

Dependence on Manager

The Company is dependent on the diligence, skill and network of business contacts of the Manager. The Manager, together with other investment professionals, will evaluate, negotiate, structure, realise, monitor and service the Company's investments. The Company's ability to achieve its investment objectives is dependent on the Manager's ability to identify, acquire and manage investments profitably. There can be no assurance that the Manager will be able to do so. The Company's future success will depend on the continued service of the principals of the Manager, the loss of which could have a material adverse effect on the Company's performance.

Performance fees may create incentives for speculative investment

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

Competition to secure suitable investments

The Company will invest in assets which may generate higher cash yields through sales of timber. The Company will therefore be investing in a segment of the market with the highest competition for deals and lowest discount rates. Therefore, the Company will be involved in identifying and securing attractive investments which may from time to time be highly competitive and there can be no assurance that the Company will be able to identify and secure such investments that satisfy its rate of return objective or realise their values or that it will be able to fully invest its available capital.

Emerging market risks

The Company may invest in emerging markets and investments in such markets should be regarded as carrying associated risks of political, legal and economic instability.

Controlling person liability

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

Non-controlling interests

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

Investment vehicle risks

The intention is that the Company will, where possible, invest through special purpose vehicles ("SPVs") which have limited liability status. However, this may not be possible in all the jurisdictions in which the Company wishes to invest due to the laws of that jurisdiction or commercial circumstances. Therefore, the SPVs may not be limited liability companies. To the extent that the SPVs are not limited liability companies (or the corporate veil is pierced) and the underlying investments involve a liability incurred by the Company, the entire assets of the Company will be at risk. In this event, the liability for claims made (for example an environmental claim) or losses incurred in respect of an investment will be borne by the Company as a whole. The liability of the Company is not limited in such cases to the value of the investment involved, and the liability could equal the value of the Company as a whole.

Borrowings

The Company may use borrowings in relation to its investments. The extent of the borrowings and the terms thereof will depend on the Company's ability to obtain credit facilities. Any delay or failure in obtaining suitable or adequate financing from time to time may impair the Company's ability to invest in suitable investments and achieve its intended portfolio size within the anticipated timeframe or at all, which may impact negatively on the Company's investment performance and the return to Shareholders.

Whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

In the event that the Company enters into a bank facility agreement, such agreement may contain financial covenants. In particular, the agreement may require that the Company has assets exceeding a fixed percentage of the value of any loan drawn down. If the value of the Company's assets falls such that any such financial covenant is breached, or if any other covenant is breached, the Company may be required to repay the borrowings in whole or in part. In such circumstances the Company may be required to sell, in a limited time, part or all of its assets, potentially in circumstances where there has been a downturn in market values for timberland generally, such that the realisation proceeds do not reflect the valuation of the investments.

Legal and regulatory risk

Legal and regulatory changes could occur that may adversely affect the Company. Changes in the regulation of investment companies may adversely affect the value of the Company's investments and the ability of the Company to successfully pursue its investment strategy.

Certain government agencies have the ability to affect the market for timber due to their timberland holdings. A substantial increase in sales of timber from government owned lands could result in a reduction in timber prices.

Environmental laws and regulation may impose restrictions on harvesting from timberland. Such restrictions could adversely affect both the Company's revenues and the residual value of the Company's assets.

The Company's operations may be subject to laws and regulations governing forestry operations and health and safety. Such laws could increase the cost of the Company's operations and penalties could be imposed on the Company for any violation of these laws. Future regulations could cause the Manager to alter the Company's operating strategy and adversely affect the Company's performance.

Tax related risk

The tax regime in countries in which the Company or any of its special purpose vehicle subsidiaries invests may change, thereby affecting the Company's ability to invest in assets in these countries without suffering a material and adverse effect on its investments. Given that the Company intends to invest in land and timber, it may be limited in its ability to migrate its business in the event of an adverse change in the tax regime in any country in which it has invested. Some countries may also impose restrictions on the ownership of land by entities without a tax presence in that jurisdiction.

If the Company is unable to minimise its tax liabilities in the countries where it holds assets or in the jurisdictions of incorporation of any special purpose vehicle created for the purpose of investment, its financial condition will be adversely affected, as will the result of its operations, and therefore the amounts available for periodic dividends and also the amount of assets available for distribution upon any winding up of the Company. No assurance can be given that the Company will be able to achieve a sufficiently tax efficient structure (or that, if it does, the law will not thereafter change adversely) to prevent an adverse impact on the Company's ability to achieve its target dividend yield or the assets which would be available for distribution upon a winding up.

The tax regimes applying in the UK and Jersey may change, thereby affecting the Company's tax treatment in these jurisdictions.

Shareholder tax risk

Shareholders should take their own tax advice as to the consequences of owning Ordinary Shares in the Company as well as receiving returns from it. In particular, Shareholders should be aware that ownership of shares in the Company can be treated in different ways in different jurisdictions.

Valuation risk

Forestry assets are inherently difficult to value as there is no liquid market or pricing mechanism. As a result, valuations are subject to substantial uncertainty. The discount rates applied in the valuation of forests vary based on a number of factors. Immature forests with limited cashflow, or forests located in areas of poor market conditions, often have higher discount rates applied to further adjust for risk. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the date of the valuation.

Shareholders should be aware that the Company intends to perform independent valuations of its assets on a semi-annual basis and accordingly the published net asset value may not accurately reflect the value of its underlying assets between such valuations.

Liquidity risk

Timberland investments are best suited for long-term investors. Large tracts can take several months to sell because the acquisition costs can be high. Returns can be higher if investments are held for a longer period of time.

Currency exchange rate risk

The Company anticipates that its business may be conducted in jurisdictions which could generate revenue, expenses and liabilities in currencies other than pounds sterling. As a result, the Company will be subject to the effects of exchange rate fluctuations with respect to any of these currencies. These fluctuations could prove to be unfavourable to the Company.

Physical risks of an investment in timber

Physical risks include factors affecting the volume and quality of timber, such as fire, insect infestation, disease and extreme weather conditions. The degree of risk varies according to geographic region due to climate. Such risks may have an impact on the timing of harvests, or reduce the volume and value of timber harvested from the Company's forestry assets. For example, hurricanes could necessitate early or unplanned harvesting of timber or adversely affect the value of the harvest. This in turn may affect the Company's returns.

The Company will not necessarily insure against losses to its timber assets from natural causes, which is consistent with standard industry practice. In a managed forest, the total loss from natural causes is typically less than 0.5 per cent. per annum.

Whilst the Company will seek to diversify its investments over several geographic regions to minimise the risks posed by natural forces there can be no guarantee that the Company's returns will not be adversely affected by natural causes.

Economic risks of an investment in timber

The Company's revenues and in turn its ability to make distributions are dependent on the market price for wood products. Price changes occur based on supply and demand dynamics.

The demand for wood products is driven by the industries that use them. The demand for most sawtimber and "chip-n-saw" depends on the level of construction, repair and remodelling activity

occurring in the general economy. A slowdown in construction and/or remodelling is likely to reduce demand for the Company's timber, which may reduce the Company's revenues. Competition from wood substitutes and lower quality wood products could also reduce demand for the Company's timber. Furthermore, the industries that traditionally use wood products may use alternative materials, such as steel and plastics. Such competition may reduce the Company's revenues.

Pulpwood is primarily sold to large manufacturers of paper products (pulp mills). In the event of a decline in paper usage, retailers may reduce their demand on pulpmills, and the market for the Company's pulpwood could be adversely affected. Furthermore, many of the major international pulp and paper industry processors own large tracts of timberland in areas adjacent to some lands which might be held as investments by the Company. In times of high timber prices in the local market, mills may give preference to timber cut from their own holdings.

Additionally, if paper recycling were to become more widely practised, reduced demand for new paper made from the Company's pulpwood could result.

Demand for timber products is also affected by factors in the general world economy, such as changes in currency exchange rates, capital spending and construction activity. Adverse macro-economic conditions may result in limited investment in any or all of the markets in which the Company intends to sell its timber.

The number of timber sellers and the volume of timber available for sale determine the supply of timber. Historically, increases in timber prices have caused owners of timberland to increase their timber cutting. An increase in supply may partly offset price increases.

In addition to risks affecting the price of outputs from timberland, there are also economic risks affecting the price of inputs, such as fertiliser and seedlings. A substantial increase in the cost of inputs could adversely affect the returns to the Company.

PART III

THE COMPANY

Introduction

Cambium Global Timberland Limited has been established to invest in a global portfolio of forestry based properties. The Company's investment objective is to achieve capital growth and income primarily from a global portfolio of forestry based properties. Forests located in key timber-producing regions of the world and valued at between £5 million and £25 million will ordinarily be targeted. The portfolio is expected to include investments in both mature and developing markets.

The Company has appointed CP Cogent Asset Management L.P. as global manager of the Company's portfolio with responsibility for all investment decisions, subject to overall supervision by the Company's board of directors. New Forests Advisory Pty Limited will be retained as global investment adviser with primary responsibility to assess individual investment opportunities and provide advice to Cogent in relation to those opportunities.

The share capital of the Company, denominated in pounds sterling and consisting of a single class of Ordinary Shares, will be admitted to trading on AIM and the Daily Official List of the CISX. The Company proposes to raise up to £250 million (before expenses) pursuant to the Placing.

Investment policy

The Company will seek to invest primarily in forestry assets or operations which are or can be managed on an environmentally and socially sustainable basis. The Company will seek out opportunities to gain value from certification of its forest management systems, from the commercial development of environmental products and services, and from the reduction of risk by community engagement and workforce development. Investments may be managed for timber production, environmental credit production or both. The Company will not invest in processing facilities.

The Company will be a long-term investor in the countries and regions in which it invests and will therefore strive to ensure good community relations. The Company aims to establish effective policies and procedures to ensure all its investments make a positive contribution to the regions in which they are operating.

The Company will seek out opportunities for enhanced environmental performance and will actively seek commercial opportunities in emerging environmental markets. The Manager believes such developments can play a role in enhanced conservation efforts for forests in a regional context and can provide new and diversified sources of revenue to investments.

Investment strategy

Returns from timberland are influenced by three factors: (i) biological tree growth; (ii) timber price changes; and (iii) changes in the value of the underlying land asset. The Company aims to establish a portfolio comprising geographically diverse assets located both in mature markets and in developing markets where potentially higher returns may be generated but with commensurately higher risk.

The Company will initially target investments in North and South America and the Asia-Pacific region (including Australia and New Zealand), but may invest in other regions on an opportunistic basis, as determined by the Manager with the approval of the Board. The Company's strategy is to achieve a balance between generating income and producing superior total returns to investors by establishing an optimised portfolio of timberland properties and timberland related investments diversified by location, age class and species. Different age classes of tree will provide harvestable timber over time and diversification by region and species will provide exposure to different growth rates and different market segments. The Manager believes that this approach will maximise returns and help to control volatility and risk exposure.

Investment strategies related to timber market segments, improved management, new opportunities in emerging environmental markets such as carbon credits, and reduction of project risk may be employed to increase total returns.

There is no fixed period in which the Company is required to make an investment before being obliged to return funds to investors. Pending investment, Cogent will be responsible for managing the cash held by the Company which will be held on deposit or invested in money market funds or other near-cash investments in accordance with guidelines established by the Board from time to time. It is the intention, subject to market conditions, for the Company to be fully or substantially invested or committed in accordance with its investment policy within 18 months of Admission, assuming the Placing is fully subscribed.

Geographic spread of investments

Geographic diversification, which the Manager believes is integral to generating consistent risk-adjusted returns, should also assist in the management of regulatory risk, environmental policy risk and natural disaster risks. It can also provide exposure to different climate zones with unique growing conditions and regional timber market prices.

The table below outlines the Company's target diversification strategy based on current expectations. However, this is for illustrative purposes only, the ultimate profile of the portfolio may be materially different from this depending on a number of factors including market conditions and there is no guarantee that investments will be made in any particular region. An opportunistic region is defined as one in which the Company would not place significant attention unless an attractive opportunity arose that was considered suitable:

<i>Core Allocation Regions</i>	<i>Opportunistic Regions (10%)</i>
North America (25%)	Western Canada
Australia/New Zealand (25%)	Africa
South America (20%)	China
Asia-Pacific region (excluding Australia/New Zealand) (20%)	

Species diversification

The forestry sector includes a set of markets that respond to different demand drivers and with different supply side dynamics. An analysis of these factors by the Manager indicates that the Company should target allocations to specific timber market segments. Subject to prevailing market conditions, the Company's current expectation is to de-emphasise pulpwood plantations, be neutral on softwood structural lumber, and emphasise investments producing hardwood sawlogs.

Age class diversification

Mature forests typically generate steady cash flows of up to 10 per cent. per annum, but offer limited prospects for capital appreciation. Alternatively, new plantations will provide no cash flow and will require funding of continued operational costs during their period of growth but offer better prospects for capital appreciation and usually provide a higher rate of total returns over time. Forestry investment opportunities can be found in all stages of growth, and the Company will seek to create a portfolio (investing in plantations across all age classes) with a blended portfolio yield sufficient to support the target dividend yield. This assumes investment in assets at the immature growth stage or with unbalanced age classes which should over time facilitate potentially higher total returns, particularly in the Asia-Pacific region and South America.

Value enhancement

Traditional timberland investors have an opportunity to add value to forestry investments through a number of strategies which seek to exploit environmental option values of forests. These include, but are not limited to, the sale of carbon credits, water use rights, endangered species banks, tradeable development rights, conservation easements, leasing of ridgelines to wind farm operators, development of small scale hydro-electric generation facilities, and cooperating on biomass energy development. The Investment Adviser will seek to use its expertise in this area to exploit option values which may not be fully reflected in the price of assets acquired by the Company.

In emerging markets such as those in Latin America and the Asia-Pacific region, significant value can be added by rationalising underperforming management or changing management strategy so as to achieve greater efficiency. Many plantation operations suffer from inappropriate choice of tree species, poor timber, lack of capital for roads, plant and equipment and a general lack of management competency. Putting in place effective management can significantly increase returns.

Many emerging market transactions are complex and require negotiation with governments or governmental agencies and unsophisticated counterparties. There is a general perception of risk associated with such markets so that investors typically apply high discount rates when assessing the price of a primary transaction. However, once the assets are put under professional management, their marketability may significantly improve as the risk profile is seen to decline; this can provide substantial valuation uplift.

Risk management

The Manager will be responsible for overseeing the measurement and control of all aspects of financial and associated risk management. The Manager has at its disposal proprietary models designed to identify and monitor risk both on an individual investment level and in relation to the portfolio as a whole.

The Manager has internal guidelines for diversification specifically designed to ensure an embedded hedge against dramatic movements in any single risk factor that affects this asset class. The Manager believes that it is more important to monitor and control risk than merely to measure it passively.

Prospective investors are urged to read the “Risk Factors” at Part II of this document.

Investment process

As global manager of the Company’s portfolio, Cogent will have responsibility for all investment decisions, subject to overall supervision by the Board of Directors. New Forests, as global investment adviser, will have primary responsibility to assess individual investment opportunities and provide advice to Cogent in relation to those opportunities, regardless of who sourced the opportunity and where the subject property is situated.

New Forests will employ a proprietary due diligence process that is both quantitative and qualitative in order to identify TIMOs expected to generate above average risk-adjusted returns.

In addition, regional TIMOs will be retained by the Manager with responsibility to provide day-to-day management of underlying assets and to source high quality investment opportunities in the regions in which they operate. The management team has existing relationships with a number of TIMOs some of whom are expected to be retained for the management of the Company’s assets. Also, New Forests will act as a TIMO for the Company in relation to the Asia-Pacific region, where it is based. Due diligence on acquisitions will initially be undertaken by the TIMOs concerned and reviewed by Cogent and New Forests.

TIMOs will be appointed by the Manager, typically on a non-exclusive basis, so as to ensure that the Company has available the requisite expertise for the management of a global portfolio and to ensure a seamless approach to investment process, management, reporting and valuation.

As part of its overall responsibility for the Company’s affairs, the Board of Directors will be responsible for monitoring any conflicts of interest and ensuring that these are resolved equitably. In respect of New Forests’ dual role as global investment adviser and TIMO for the Asia-Pacific region, the Board will be assisted in this regard by Cogent.

Scope of investments

The Company may engage in all forms of timberland and timber-related investment and development. It will seek to structure investments in such a way as to achieve commercial and tax efficiency by reference to the laws of the jurisdiction in which it is investing and the nature of the underlying asset and expected returns. The following provides only examples but is not exhaustive nor is it intended to limit the scope or purpose of investments made by the Company.

The majority of the Company's investments are expected to be direct investments in forestry assets but these will usually be held through a special purpose vehicle established in the jurisdiction in which the underlying asset is located or, particularly with a view to achieving tax efficiencies, elsewhere; investment may also be made through joint venture arrangements and the Company may also co-invest with others or enter into syndicated investments as deemed appropriate by the Board.

Dividend policy

The Directors do not expect income (net of expenses) to be significant until the net proceeds of the Placing are fully invested, after which they intend, subject always to market conditions, to establish a sustainable dividend. The target dividend, after the Company is fully invested, will be at the annual rate of 5p per Ordinary Share and is expected to grow in due course as the portfolio matures. However, this target dividend is illustrative only and based on a number of assumptions which may not materialise. There can be no guarantee that the Company will generate a dividend at the target level and no profit or dividend forecast is being made or should be inferred. Your attention is drawn to the risk factors set out in Part II of this document.

In the initial period before the Company is fully invested, revenue is likely to be derived primarily from interest income and it is intended that surplus income over expenses, if any, would be distributed by way of an annual dividend. After the Company is fully invested, it is expected that dividends will be declared and paid quarterly.

The Company may, subject to the approval of the Royal Court in Jersey, use the reserve created by the reduction of capital referred to in paragraph 3.4 of Part VIII of this document, to pay dividends.

Bank borrowings

The Company will have the capacity to borrow but the Company will not normally borrow for the purposes of making investments except on a short term basis or where the investment opportunity is considered to be compelling. Borrowings will in any event be limited, as at the date on which the borrowings are incurred, to 30 per cent. loan to value.

Repurchase of Ordinary Shares

The Directors have been granted authority to buy back up to 14.99 per cent. of the Ordinary Shares in issue following Admission. The Company's authority to make purchases of its own issued Ordinary Shares will expire at the conclusion of the annual general meeting of the Company in 2008, when the Directors expect to seek shareholders' approval to renew the authority.

Shares will only be repurchased under this authority through the market, for cash, at prices below the prevailing Net Asset Value per Share. Any Ordinary Shares bought back by the Company will thereupon be cancelled. The timing of any purchases will be decided by the Board.

Conditional on the Placing becoming unconditional and the approval of the Royal Court of Jersey, the Company has resolved to cancel all, apart from £2 million, of the amount standing to the credit of its stated capital account following completion of the Placing. The amount released on cancellation will be credited as a distributable reserve to be established in the books of account and may be used by the Company for the purpose of funding purchases of its Ordinary Shares as described above as well as for the payment of dividends. Further information relating to this cancellation is set out in paragraph 3.4 of Part VIII of this document.

PART IV

BACKGROUND TO THE INVESTMENT SECTOR

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

Introduction

Total investment in forestry assets has increased by 20 per cent. per annum for the past 20 years. Today, over US\$35 billion dollars is invested in forestry assets, mostly in the United States, but also in South America, Oceania, South Africa and Europe. One study estimates that the total investable and leasable forestland in the world is 870 million hectares – worth approximately US\$480 billion. (*Source: International Woodland Company, “Global Forestland Investment Study”, July 2005.*)

As the amount of investment in timberland assets has increased, a growing number of investment products and strategies have emerged, providing investors with a range of alternatives for gaining exposure to forestry. Investment returns have been largely provided by the production of timber to service a range of markets such as pulp and paper, construction timber and furniture. Total returns from timberland include both revenue from the sale of harvested timber and asset value appreciation. Forests are unique as an asset because they can appreciate in value over time without timber harvesting, as the trees continue to grow in size and, consequently, value.

Returns from timberland

Information on the traditional drivers of timberland returns; biological tree growth, land prices and other income, is set out below:

Biological tree growth

The largest component of timberland returns is from the trees themselves and is driven by biological growth and timber prices (the market value).

Biological tree growth generates a largely consistent, absolute return on every timberland property. Tree growth accounts for an increase in timber volume year-on-year and higher timber unit values from increased tree size. It is important to note, however, that growth rates can vary substantially with species and climate. Widely varying growth rates, associated with different regions and species, can offer a natural diversifier in a timber portfolio, since the return profile and the rotation ages can also vary significantly.

Larger trees will achieve a higher value per unit of volume from the market. The increase in value created by the growth of a tree from one size range or age-class to another creates the potential for higher value use.

The rate of timber growth and increase in value can be enhanced through good management techniques such as the timing of timber harvests to capture market upturns. Harvesting is not the only option and timber managers can use a strategy of “storing on the stump” during periods in which prices for certain segments or for specific regions of the world are less attractive than future price expectations. This strategy involves storing timber by selecting not to harvest and leaving the tree to grow, giving the manager the flexibility of harvesting trees when timber prices are perceived to be favourable or delaying harvests when the market for timber is weak.

In addition to the timing of harvests and the size and age-class of the trees, returns from harvested timber are also affected by timber prices. The Manager believes that most timber is sold to mills that are located less than 150 miles from where the timber is grown. As a result, timber prices vary on a regional basis with each local market influenced by its own local supply and demand dynamics.

Land prices

Although the underlying property has value in its own right, appreciation of land value usually only represents a small percentage of the overall return from timberland investments (*Source: RMK Timberland Group Macroeconomic Trends on Timber Markets*). The land value can be estimated on an annual basis, but can be significantly impacted by tax management issues and a number of other factors, including fluctuations in the price of timber and the presence of timber processing facilities.

Other income

There is an alternative value inherent in timberland which can sometimes be realised. The land may be sold at a higher price for an alternative use, for example, recreational value along a lake shore. Such so-called “Highest and Best Use” strategies may be used to maximise returns upon exit.

Other income will vary by property but might include revenue from: hunting or recreational licensing, granting mineral or water rights, carbon credits or other timberland related secondary income. Biodiversity offsets and conservation easements, which place a value on the conservation of forestland, are now worth hundreds of millions of dollars annually, particularly in the US and other developed markets. The Company aims to use these environmental credits and other methods of generating income as an overlay to enhance returns.

The market opportunity

US and non-US timber investing

The US is the leading producer (approximately 27 per cent.) and consumer (approximately 30 per cent.) of global forest products. Within the US, there are three major timber regions (West, South and North). Within each region, distinct species occur and are produced. To date, US timberlands have set the standard for silviculture management techniques and US timber investment vehicles have evolved rapidly. Of the estimated \$20 billion held today by institutional investors in timberland, the majority is currently invested in the US. However, acquisition prices in the US have risen making it more challenging to identify opportunities with attractive long-term return on investment.

Non-US timberlands can offer opportunities for diversification. Growth rates for trees in parts of Latin America and other tropical or sub-tropical latitudes are consistently higher than in temperate climates such as the US. Properties with the potential to generate long-term growth are also more likely to become available in less saturated markets (such as Australia) than in mature markets such as the US.

Potential investors should note that the risk profile for the investments in the portfolio will be slightly different for each investment, taking into account the additional considerations of currency and tax exposure as well as local forest management techniques.

Timberland as an ethical and socially responsible investment

Cambium environmental and social policies

Investment in Cambium Global Timberland Limited is expected to be a socially responsible investment (SRI). Cambium will predominantly make long-term investments in sustainable forestry assets. It will focus on environmentally and socially sustainable management of forest plantations. Furthermore, the Company will strive to ensure good community relations and establish effective policies and procedures to ensure all its investments make a positive contribution to the regions in which they are operating. The objective is to be regarded as a helpful and proactive partner in the process of regional economic development.

Cambium aims to meet all government laws and regulations related to environmental protection and will maintain effective policies and records on environmental protection. In addition, the Company will undertake, to the extent practicable, certification of its operations in accordance with accepted standards and procedures. This may include Forest Stewardship Council Certification or other comparable certification schemes in the regions in which it invests.

Sustainable forestry investments as an environmental solution

Forests intersect at least three major environmental issues facing society in the 21st century: climate change, conservation of soil and freshwater, and loss of biodiversity. Forestry systems play a critical role in managing all of these problems: forests regulate atmospheric carbon dioxide, the most prevalent greenhouse gas; regulate the hydrological cycle; purify water; and provide two-thirds of the habitat for the world's plant and animal species. However, together the growing global population and the growing global economy are placing increasing pressure on forests. The area of global forest cover is being drawn down by over-logging and conversion to agriculture. With deforestation occurring in different parts of the world, there has been a significant decline in these critical benefits provided by forestry systems.

Consequently, via sustainable forest management, well-designed forestry investments can contribute to solutions to critical local and global environmental problems. Such investments may take place in areas where Cambium intends to invest. For example, the Company may invest in regions where there are opportunities to establish conservation easements in areas of high conservation value, to manage streamside corridors, to re-connect fragments of endangered species habitats, to re-establish carbon stocks in degraded land, to reduce erosion, and to rebalance water tables.

In many cases, there are government payment schemes, environmental markets, and conservation finance partners that will contribute financially to these outcomes. In effect, Cambium's forestry investments can not only be managed to maximise the value of timber, but also to maximise the value of the environmental services provided by its forests. For instance, 20 per cent. of global greenhouse gas emissions come from deforestation and the subsequent release of carbon dioxide into the atmosphere. Via the emerging global greenhouse gas emissions market, investors are increasingly purchasing the "carbon sequestration" service provided by trees. Markets for biodiversity offsets and conservation easements, which place a value on the conservation of forestland, are now worth hundreds of millions of dollars annually, particularly in the United States and other developed markets. Forestry assets can be managed as a renewable energy source as well, whether for biomass energy plants or for the production of bio-diesel. Even traditional timber products have significant environmental benefits—timber only uses 1/100th of the energy needed to produce a similar quantity of aluminum, for example. In summary, the forest sector appears poised to shift to a new paradigm where both traditional timber goods and environmental services can be produced and sold on a sustainable basis.

Through the promotion of sustainable forestry investments, Cambium aims to make a positive contribution toward the management of critical environmental problems.

With growing public concern about environmental sustainability and global climate change, the Manager and Investment Adviser anticipate that markets for natural products such as timber and renewable energy that can be produced by forests will grow and that forestry assets can be viewed as being on the right side of key sustainability trends expected to unfold in the 21st century.

PART V

MANAGEMENT AND ADMINISTRATION

Board of Directors

The Board consists of five non-executive directors, as follows:

Donald Lindsay Adamson (aged 47), Independent non-executive Chairman

Donald Adamson is the founder of Research & Consulting Associates Ltd, a specialist offshore consultancy firm in Jersey. He is a director of Equity Partnership Investment Company Plc, F&C Commercial Property Trust, INVESCO Leveraged High Yield Bond Fund and Lindsell Train Investment Trust plc. Donald has an MA in History and Economics and completed a post-graduate research project on private equity investments at Oxford. He is a member of the Securities Institute and chairman of the Offshore Committee of Association of Investment Companies.

Colin Sean McGrady (aged 35), Non-executive Director

Colin McGrady is a founding partner of Cogent and is head of its asset management business. Colin is a director of Cogent GP, LLC and Cogent Partners Investment, LLC. He currently serves on the investment committee and the risk committee of PrimeEdge, a €175 million securitised private equity vehicle. Prior to co-founding Cogent, Colin was a member of the eight person investment team at The Crossroads Group, a US\$2 billion private equity fund of funds in Dallas, Texas. Prior to Crossroads, Colin spent three years at Bain & Company in the USA and Japan.

Martin Willaume Richardson (aged 59), Independent non-executive Director

Martin Richardson has been a partner of the Jersey practice of Rawlinson & Hunter, chartered accountants, since 1987, specialising in Trust and Mutual Fund Administration Services to the Financial Services Sector. He is a director of Diversified Portfolios Fund Limited, Equity Partnership Investment Company Plc, Real Estate Opportunities Limited and a number of other companies. He has a BA in Science Engineering from the Royal Military College of Science, Shrivenham and served in the Royal Engineers between 1968 and 1977. On leaving the army, he qualified as a Chartered Accountant with Coopers & Lybrand, Jersey for whom he worked from 1977 to 1981.

Robert James Rickman (aged 49), Independent non-executive Director

Robert Rickman is a non-executive director of the AIM quoted Highland Timber P.L.C, with forestry operations in the UK and formerly in New Zealand; a member of the board of managers of CSC LLC in the US and a director of Forscot Ltd in Scotland. He is also the executive chairman of GSL Capital Ltd, a director of Lynton Downs Ltd, both with forestry operations in New Zealand, and a member of the advisory board of Green Biologics Ltd. Robert was a non-executive director of Bookham Technology PLC from 1994 to 2004 during which time the company was listed on the LSE and NASDAQ. He has held various non-executive and executive positions with a number of forestry companies (including until 1999, FIM Services Limited) and was an economist for the Government of St. Lucia. He is a current member of the UK Institute of Chartered Foresters. Robert has a MA in Agriculture and Forest Science and a MSc in Forestry and its relation to Land Management from the University of Oxford.

William Taylor Spitz (aged 55), Independent non-executive Director

Bill Spitz is vice chancellor for Investments and Treasury for Vanderbilt University's executive administration where he is responsible for the management of financial assets, banking relations and cash management, university real estate transactions and outstanding debt. Bill is the founder and director of Diversified Trust Co., which runs the DTC Private Equity fund of funds, among other investment vehicles. Additionally, he has also served as an adviser to a number of private firms and advisories, including Council Ventures, The Bradford Funds and Endowment Advisors. In April 2006 Bill received the 2005 Award for Investment Leadership from law firm, Hirtle, Callaghan & Co. Prior to joining Vanderbilt, Bill was president of NSR Asset Management Corporation and vice president of Wertheim & Company, both investment management firms in New York. He began his career at Citibank NA where he was senior research officer. Bill is a chartered financial analyst.

Corporate governance

The Directors recognise the value of high standards of corporate governance and will take appropriate measures to ensure that the Company complies, as soon as practicable and to the extent appropriate given the Company's size and nature of business, with the Combined Code.

The Board will establish an audit committee, which will consist of all members of the Board, which has formally delegated duties and responsibilities. The audit committee will meet at least twice a year and will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies.

The Board will meet on a quarterly basis (or on a more frequent basis if necessary) to review the investment strategy, the performance of the Company and the performance of the Company's functionaries.

The fees payable to the Chairman have been set at £40,000 per annum and the fees payable to the other non-executive directors at £25,000 per annum. Colin McGrady has agreed to waive his non-executive director's fee for so long as he remains interested in the Management Agreement.

Manager

The Company has engaged CP Cogent Asset Management L.P. to act as global manager of the Company's portfolio of assets with responsibility for all investment decisions, subject to the overall supervision by the Company's board of directors.

The Manager was incorporated as a limited partnership registered under the laws of Texas. The address of the Manager is 100 Crescent Court, Suite 500, Dallas, TX 75201, USA and contact telephone number is +214 871 5400. The partnership interests in the Manager are entirely held by Cogent Partners, L.P.

The Cogent group is an independent investment bank specialising in alternative assets. The bank was established in 2002 and its initial business was providing research and advice to investors in private equity funds. Cogent's asset management business includes funds of hedge funds, funds of private equity funds, currency and timberland. Recognised globally as a leader in traditional and structured private equity secondary transactions, Cogent has provided advisory services to transactions totalling more than US\$10 billion in private equity commitments.

The terms of the Management Agreement are summarised in paragraph 7.1 of Part VIII of this document.

Key individuals

The senior management at the Manager with responsibility for discharging Cogent's duties under the Management Agreement are:

Colin McGrady

Please refer to page 23 of this document for further information on Colin McGrady.

Arthur Selender

Dr Art Selender leads the investment activity for Cogent Capital Partners' Hedge Fund Division and is experienced in portfolio allocation, fund management and derivative products across a range of trading strategies. Art previously held positions with Goldman Sachs & Co., McKinsey & Co., and NatWest Markets. At NatWest Markets, he was head of exotic option sales and structured markets. Art has a Ph.D and MBA from the University of Chicago Graduate School of Business and holds BA degrees in chemistry, mathematics, economics and history from Duke University.

Matt Haertzen

Matthew Haertzen, the Chief Investment Officer for Timberland, was recruited from the State of Idaho Endowment Fund Investment Board as the manager of investments responsible for managing

US\$850 million in financial assets. While with the Idaho Endowment Fund, he also served as the investment representative on the real asset management committee setting risk, return, and portfolio structure for the \$2 billion Idaho real asset portfolio comprising 90 per cent. timberland investments. Matt previously served as vice president, equity portfolio manager of Washington Trust Bank in Spokane and was previously responsible for all research and analysis of the timberland investment sector at the University of Minnesota Endowment Fund.

Management fees and expenses

The Manager will receive an annual management fee of 1 per cent. of the Net Asset Value of the Company from time to time, payable quarterly in advance.

In addition, the Manager shall be entitled to a performance fee in certain circumstances. This fee is payable by reference to the increase in Net Asset Value per Ordinary Share. The Manager will become entitled to a performance fee in respect of the period from Admission to 30 April 2010 and any subsequent financial period at the end of which the Net Asset Value per Ordinary Share (adjusted so as to add back any dividends during the period) is above the performance hurdle. The performance hurdle is 100p per Ordinary Share increased at a rate of 8 per cent. per annum (compound). The performance hurdle will also be subject to a “high watermark”.

If the performance hurdle is met, the performance fee payable will be an amount equal to 20 per cent. of the excess of the Net Asset Value per Ordinary Share multiplied by the time weighted average of the number of Ordinary Shares in issue since inception or (if later) the end of the last financial period by reference to which a performance fee was earned.

The Manager shall also be entitled to re-charge to the Company all and any reasonable costs and disbursements properly incurred by it in the performance of its duties including costs of travel save to the extent that such costs are staff costs or other internal costs of the Manager.

Out of its management and performance fees the Manager will be responsible for the payment of all fees due to the Investment Adviser.

Investment Adviser

New Forests Advisory Pty Limited has been retained to provide investment advisory services to the Manager. The Investment Adviser was incorporated on 1 June 2005 as a limited company registered under the laws of Australia. The address of the Investment Adviser is The Zenith Centre, Tower A, Suite 1905, Level 19, 821 Pacific Highway, Chatswood, NSW, Australia and contact telephone number is +61 2 9406 4100. The share capital of the Investment Adviser consists of 100 fully paid ordinary shares issued at AU\$100 each.

New Forests Advisory Pty Limited is a forestry investment management and advisory services firm currently managing forestry assets of approximately AU\$110 million throughout Australia, New Zealand and Asia-Pacific. The company believes its investment thesis is unique in seeking assets that deliver traditional timber returns as well as returns from emerging environmental markets, such as carbon, biodiversity and water quality. New Forests was established in mid 2005 as a MBO from Hancock Natural Resource Group (“HNRG”). New Forests holds an Australian Financial Services License to provide advice on and deal in derivatives, interests in managed investment schemes and in securities on behalf of wholesale clients.

Key individuals

The senior management at the Investment Adviser with responsibility for discharging New Forests’ duties as Investment Adviser are:

David Brand

Dr David Brand, managing director, is the founder of New Forests. Previously he was a director of the New Forests Program with HNRG and was responsible for the design and oversight of forest investment programs. Prior to joining HNRG, David was the executive general manager of State Forests of New South Wales (NSW), Australia’s largest operating forestry business. From 1985-1995 he worked

with the Canadian Forest Service as a scientist, director of scientific programs and ultimately as national director-general of Science and Sustainable Development. David is currently a member of the board of directors of the Washington DC-based organisation Forest Trends and of Environment Business Australia. He has a Ph.D. from the University of British Columbia and a Bachelor of Science, Forestry from the University of Toronto in Canada.

Radha Kuppalli

Radha Kuppalli supports the forestry and ecosystem services investment programs of New Forests' clients and manages New Forests' international business strategy. In 2007, she will open and manage New Forests' new Washington DC office. She was previously an analyst at Natsource LLC for two years. At Natsource she advised clients on a range of issues related to greenhouse gas emissions markets and renewable energy credit markets and developed extensive experience in environmental markets-related investments. Radha has a Bachelor of Arts degree in International Studies and Economic Theory from American University in Washington, D.C., and Masters degrees in Business Administration and Environmental Management from Yale University's School of Management and School of Forestry and Environmental Studies.

Keith Lamb

Keith Lamb has over 16 years' experience in professional forestry with private sector and government agencies in Australia and New Zealand. In his current role, he is responsible for all operational matters regarding assets under management by New Forests, totalling 75,000 hectares of forests and land in Australia, New Zealand and the Pacific. Prior to New Forests, Mr. Lamb's work as carbon pool manager with HNRG Australia involved the development of new and innovative forest projects aimed at creating value from traditional timber as well as emerging opportunities in environmental services. Keith has a Master of Forestry and a Graduate Diploma of Resource and Environmental Management from the Australian National University and a Bachelor of Forest Science degree from the University of Melbourne.

Gavin Le Roux

Gavin Le Roux performs New Forests' client account reporting functions, including corporate financial management, accounting systems, and analytical work on operations and acquisitions. He has 10 years' experience in commercial and chartered accounting and has worked with a wide range of clients, including manufacturing companies, financial services providers, educational institutions, and local governments. Before joining New Forests, Gavin was the senior financial account at Mirvac Funds Management Limited. He is a Chartered Accountant (South Africa) and has a Bachelor of Commerce (Honours) degree from the University of Natal in South Africa and a Master of Environmental Studies from Macquarie University.

Dr. Nick O'Brien

Dr. Nick O'Brien is a leading expert in carbon accounting. In his work at New Forests, he is involved in assessing investment opportunities in timberland asset management and modeling carbon profiles for the creation of carbon credits. Before joining New Forests, Nick was responsible for developing the carbon accounting system that enabled State Forests New South Wales to become one of the first organisations to register as a forest carbon Abatement Certificate Provider under the New South Wales Greenhouse Gas Abatement Scheme. Nick has a Bachelor and a Ph.D in Forestry from the University of Melbourne.

Dave Shelton

Dave Shelton is a specialist in investment transactions and is responsible for sourcing and evaluating new investment opportunities on behalf of New Forests' clients. Previously, Dave worked as a research manager and natural resource economics policy researcher for CSIRO. Dave has worked on investment transactions and research projects in more than 15 countries and has delivered numerous investment papers, consulting reports, conference presentations and research articles. He has a Bachelor of Environmental Science with Honours from Charles Stuart University and a Master of Business Administration from the Australian Graduate School of Management.

TIMOs

In addition, regional TIMOs will be retained by the Company with responsibility to provide day-to-day management of underlying assets in the regions in which they operate and to source high quality investment opportunities. The Manager has existing relationships with a number of TIMOs, some of which are expected to be retained for the management of the Company's assets. New Forests will act as a TIMO for the Company in relation to the Asia-Pacific region, where it is based.

TIMOs will be appointed by the Manager, typically on a non-exclusive basis, so as to ensure that the Company has available the requisite expertise for the management of a global portfolio and to ensure a seamless approach to investment process, management, reporting and valuation.

The fees of the TIMOs typically range between 0.7 per cent. and 2.0 per cent. of cost per annum with an incentive fee of 20 per cent. over a hurdle (in real terms) of between 9.5 per cent. and 14.5 per cent. and will be borne by the Company.

Conflicts management

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

As part of its overall responsibility for the Company's affairs, the Board will be responsible for monitoring any conflicts of interest and ensuring that these are resolved equitably. In respect of New Forests' dual role as Investment Adviser and TIMO for the Asia-Pacific region, the Board will be assisted in this regard by the Manager.

The Manager has contractually agreed with the Company that, until the Company is at least 80 per cent. (or such other level as may be agreed by the Board) invested, it will not, without the Company's prior consent, carry on or be concerned or interested or engaged as principal or adviser in any timberland acquisition and/or management in respect of timberland assets (save in respect of transactions entered into prior to the date hereof) without offering the Company a right of first refusal in respect of the same.

Valuation policy

The Directors will appoint one or more internationally recognised firms as valuers, who will value the timberland portfolio and other timber related investments semi-annually as at the half-year and full year-end. In addition, the Manager will provide internal estimates of value as at the other two quarter ends. Timberland held directly or indirectly by the Company will be valued on an open-market basis. The Net Asset Value will be calculated quarterly by the Administrator based on the valuations and/or estimates described above of the property portfolio and other property related investments and calculated on the basis of International Financial Reporting Standards ("IFRS"). Such Net Asset Values will be announced through a regulatory information service (in the preliminary announcement of the Company's final and interim results, where applicable). The Manager may also, at its discretion, arrange for additional valuations from time to time if market conditions warrant it.

All audited and unaudited Net Asset Value calculations shall in addition be notified to the CISX as soon as practicable after calculation.

Financial information and reports

The Company's financial statements will be prepared in accordance with IFRS and reported in pounds sterling.

The first accounting period of the Company will run until 30 April 2008 and, thereafter, accounting periods will end on 30 April in each year. It is expected that the audited annual accounts will be sent to Shareholders within five months of the year end to which they relate. Unaudited half yearly reports, made up to 31 October, are expected to be announced in December and sent to Shareholders shortly thereafter. The first unaudited half yearly report will cover the period from incorporation to 31 October 2007.

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

Administration and secretarial

The Administrator is Investec Trust (Jersey) Limited, a private limited company incorporated in Jersey on 15 April 1994, certificate number 58347. The Administrator is licensed and regulated by the JFSC. The Administrator has its registered office at 5 Castle Street, St. Helier, Jersey JE4 8UZ and its share capital consists of £50,000 divided into 50,000 shares of £1 each, of which all 50,000 have been issued.

The Administrator has been appointed to provide administration and secretarial services to the Company, including the determination and calculation of the Net Asset Value per Ordinary Share, as set out in the Administration Agreement. The Administrator will also provide safe custody services in respect of the assets of the Company. For these services the Administrator will be paid an annual fee of 10 basis points per annum on the net assets of the Company between nil and £50 million; 9 basis points per annum on the net assets of the Company between £50 million and £100 million and 6.5 basis points per annum of the net assets of the Company in excess of £100 million, subject to a minimum annual fee of £75,000. The Administrator will also be paid a one-off set up fee of £5,000 and a transaction fee of £1,000 per property or non-listed company transaction. The Administration Agreement is terminable by either party giving not less than six months' written notice to the other.

Further details of the agreement between the Company and the Administrator are set out in paragraph 7.2 of Part VIII of this document.

Registrar

The Company has appointed Capita Registrars (Jersey) Limited to provide registrars services in respect of the Company. The share capital of the Registrar consists of £10,000 divided into 10,000 shares of £1.00 each, of which 10,000 have been issued. Further details of the agreement between the Company and the Registrar are set out in paragraph 7.3 of Part VIII of this document.

Ongoing operating costs

The Company will bear its ongoing operational expenses, which will include, but are not limited to, the direct costs of investing and realising the assets of the Company (including dealing costs and registration fees) and professionals' costs associated therewith (including the fees and expenses of surveyors, valuers, consultants, lawyers and accountants).

PART VI

PLACING, ADMISSION AND RELATED MATTERS

The Placing and use of proceeds

Teather & Greenwood has undertaken to use its reasonable endeavours to place with investors up to 250 million Ordinary Shares, as agent for the Company, at the Placing Price. The Placing, which is not being underwritten, is conditional upon the admission of the Ordinary Shares to trading on AIM and the CISX. It is intended that the net proceeds of the Placing will be applied principally to the Company's investment strategy as described in this document.

Assuming the Placing is fully subscribed, the expenses of the launch of the Company and the Placing are estimated at approximately 3.20 per cent. of the funds raised. In any event, Teather & Greenwood has undertaken that if the total expenses (excluding VAT, if any) payable by the Company in respect of the launch of the Company and the Placing would otherwise exceed 3.25 per cent. of the gross proceeds of the Placing, the corporate finance fee payable to Teather & Greenwood shall be reduced by an amount equal to the excess. In addition, Teather & Greenwood has agreed to pay to Cogent a proportion of its corporate finance fee in respect of Cogent's contribution to the structuring of the Company and the Placing.

Placees who subscribe in the Placing for a minimum of £10 million will be entitled, for so long as they maintain a holding of 10 million Ordinary Shares or more, to be paid a trail commission of 0.2 per cent per annum of the Net Asset Value attributable to the number of Ordinary Shares held by them, calculated and payable quarterly in advance by the Manager out of its management fee.

The Company may accept minimum total subscriptions of £100 million, or such other amounts as the Board, at their discretion, may determine. The Directors reserve the right either to return subscriptions received for the Placing Shares if this minimum amount is not raised or to proceed with the Placing regardless of the level of subscriptions received.

Dealings in the Placing Shares on AIM and the CISX are expected to commence on 6 March 2007. In the case of placees requesting their Placing Shares in uncertificated form, it is expected that such Placing Shares will be issued into CREST and placees' CREST accounts will be credited with the Placing Shares comprising their placing participation with effect from that date and settlement will take place through Teather & Greenwood's CREST account. Placees requesting their Placing Shares in certificated form will be asked to settle by means of telegraphic transfer to Teather & Greenwood before Admission and it is expected that certificates in respect of such shares will be despatched by post within 10 days of the commencement of dealings.

Further share issues

If the Placing is not initially fully subscribed, the Company shall have the ability to issue additional Ordinary Shares for cash pursuant to the Placing for a period of 40 dealing days following Admission, where the Board perceives the issue of such Ordinary Shares to be in the interest of Shareholders generally. No such Ordinary Shares shall be issued at a discount to the Placing Price. Any additional Ordinary Shares so issued shall be treated for the purposes of this document and the Placing Agreement as having been issued pursuant to the Placing and no such Ordinary Shares shall be issued if as a result the total number of Ordinary Shares in issue were to exceed the maximum number permitted to be issued pursuant to the Placing.

Application will be made for any Ordinary Shares which may be issued as referred to above to be admitted to trading on AIM and to listing and trading on CISX.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the Uncertificated Securities Regulations 2001. The Articles of the Company permit the holding of

Ordinary Shares under the CREST system. All the Ordinary Shares will be in registered form and no temporary documents of title will be issued.

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

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

Risk factors

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

Taxation

Information regarding United Kingdom and Jersey taxation is set out in Part VII of this document. If any potential Shareholder is in any doubt as to his or her tax position, he or she should consult his or her professional adviser immediately.

PART VII
TAXATION

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

UK taxation

The Company

It is the intention of the Directors to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the United Kingdom and so that the Company does not carry out any trade in the United Kingdom (whether or not through a permanent establishment situated there) and is not resident in the United Kingdom for taxation purposes. On this basis, the Company should not be liable for United Kingdom taxation on its income and gains unless it were to derive from a United Kingdom source.

UK Shareholders

Shareholders who are resident in the United Kingdom for tax purposes may, depending on their circumstances, be liable to United Kingdom income tax or corporation tax in respect of dividends paid by the Company whether directly or by way of reinvestment of income. Individual Shareholders and corporate Shareholders owning fewer than 10 per cent. of the issued shares in the Company will not be able to obtain any relief in respect of any tax incurred by the Company. Whether corporate Shareholders with a greater than 10 per cent. shareholding are able to obtain relief will depend on their circumstances.

- (a) In the case of those Shareholders who are individuals or otherwise not within the charge to corporation tax, capital gains tax may be payable on a disposal of Ordinary Shares. Non-business taper relief may be available to reduce the amount of any chargeable gain on disposal. No indexation allowance will be available to such holders. Individual Shareholders are entitled to an annual exemption from capital gains.

Shareholders within the charge to UK corporation tax may be subject to corporation tax on capital gains in respect of any gain arising on a disposal of Ordinary Shares. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Ordinary Shares but will not create a gain or increase an allowable loss.

- (b) It is not expected that the Company would be regarded as a close company if it were resident in the UK. Therefore, capital gains realised by the Company should not be attributed to Shareholders under section 13 of the Taxation of Chargeable Gains Act 1992.
- (c) A shareholding in the Company should not be regarded as a material interest in an offshore fund for the purposes of Sections 757 to 764 of the Income and Corporation Taxes Act 1988 (the "Taxes Act"). On this basis, gains realised on such holdings should not be subject to tax as income under that legislation.
- (d) A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 per cent. of the Ordinary Shares should note the provisions of the controlled foreign companies legislation contained in Sections 747 to 756 of the Taxes Act.
- (e) The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of section 739 to 756 of the Taxes Act which may render such individuals liable to tax on the

income of the Company (taken before any deduction for interest) in certain circumstances where the avoidance of tax may be in question.

Stamp duty and stamp duty reserve tax

The following comments are intended as a guide to the general UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”) position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK Stamp Duty or SDRT will be payable on the issue of the Placing Shares. UK Stamp Duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5, of the amount of the value of the consideration for the transfer) is in principle payable on any instrument of transfer of Ordinary Shares executed within, or in some cases brought into, the UK. Any agreement to transfer Ordinary Shares, including any transfer effected through CREST, should not be subject to SDRT provided that Ordinary Shares are not registered in any register of the Company kept in the UK. The Company’s shareholder register will be held at the offices of the Registrar in Jersey.

Individual savings accounts (“ISA”) and personal equity plans (“PEP”)

Ordinary Shares in the Company will be eligible to be held in the stocks and shares component of an ISA or an existing PEP provided they are acquired in the market following the Placing. Ordinary Shares acquired pursuant to the Placing are not eligible for inclusion in a PEP or ISA.

Self-invested personal pension schemes (“SIPPs”) and small self administered schemes (“SSASs”)

Ordinary Shares may be held for the purposes of a SIPP or a SSAS provided they are considered suitable investments by the scheme administrator.

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

Jersey taxation

The Company

The Company has applied, and will continue to apply on an annual basis, for tax exempt status in Jersey in accordance with Article 123A of the Income Tax (Jersey) Law 1961 (as amended). The Comptroller of Income Tax in Jersey has confirmed, based on the proposed activities, that the Company will qualify for exempt company status. A company that has been granted exempt company status will be regarded as non-resident for Jersey tax purposes. As such, it will be exempt from Jersey income tax on its non Jersey source income. As an exempt company, the Company will be liable to an exempt company charge, currently at the rate of £600 per annum. It is not intended to conduct the business of the Company so as to give rise to taxable Jersey income. The Company will not have any liability in Jersey to tax on capital gains, value added tax, inheritance tax or stamp duty.

On 3 June 2003, the EU Council of Economic and Finance Ministers reached political agreement on the adoption of a Code of Conduct on Business Taxation. Jersey is not a member of the European Union; however, the Policy & Resources Committee of the States of Jersey has announced that, in keeping with Jersey’s policy of constructive international engagement, it intends to propose legislation to replace the Jersey exempt company regime by the end of 2008 with a general zero rate of corporate tax. The States of Jersey have agreed, in principle, the introduction of a Goods and Services Tax (“GST”) with effect from 1 January 2008. The rate of tax is expected to be 3 per cent. However, the final detail has yet to be agreed regarding matters such as exemptions and turnover threshold. It is possible that the GST will be levied in respect of costs that may be incurred by the Company after 1 January 2008.

Shareholders resident in the European Union

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third

party countries, Jersey introduced, with effect from 1 July 2005, a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in a European Union member state by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to European Union member states of information regarding such payments. During this transitional period, such an individual beneficial owner resident in a European Union member state will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the European Union member state in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the European Union member states, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, dividend distributions to Shareholders by the Company and income realised by Shareholders upon the sale of Ordinary Shares will not constitute interest payments for the purposes of the retention tax system and, therefore, none of the Company, the Manager, the Administrator or any paying agent appointed by them in Jersey is obliged to levy retention tax in Jersey under these provisions in respect thereof. However, the retention tax system could apply in the event that an individual resident in a European Union member state otherwise receives an interest payment in respect of a debt claim (if any) owed by the Company to the individual.

Shareholders resident in Jersey

Shareholders who are resident in Jersey for Jersey income tax purposes will suffer deduction of tax on payment of dividends by the Company at the standard rate of Jersey income tax for the time being in force. The attention of Jersey resident investors is drawn to Article 134A of the Income Tax (Jersey) Law 1961 (as amended), the effect of which may be to render such a resident liable to income tax on any undistributed income or profits of the Company.

Jersey does not levy a tax in respect of gains of a capital nature. Therefore, no charge to Jersey income tax should arise in respect of a disposal of Ordinary Shares by a Jersey resident Shareholder.

Shareholders not resident in Jersey

Shareholders who are not resident in Jersey for Jersey income tax purposes will receive dividends without deduction of Jersey income tax.

PART VIII

ADDITIONAL INFORMATION

1. Directors' Responsibility

The Directors, whose names are set out on page 7 of this document, accept full responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information or would make any statement herein misleading.

2. The Company

- 2.1 The Company was incorporated on 19 January 2007 with limited liability in Jersey under the Law with registered number 95719. The Company has an unlimited life.
- 2.2 The Company's registered office and its principal place of business are in Jersey and are located at 5 Castle Street, St. Helier, Jersey JE4 8UZ.
- 2.3 Save for entering into the material contracts summarised in paragraph 7 of this Part VIII since its incorporation the Company has not carried on business nor incurred borrowings.
- 2.4 For statutory purposes under the provisions of the Law, and in accordance with the Articles, the Company may not proceed to allot any shares unless a minimum of two shares have been subscribed for.

3. Share Capital

- 3.1 The authorised share capital of the Company is represented by an unlimited number of ordinary shares of no par value, as permitted under the Law. On the Company's incorporation, two Ordinary Shares were issued to the subscribers to the memorandum of association of the Company and have been transferred to the Administrator. These Ordinary Shares will be made available, fully paid, pursuant to the Placing.
- 3.2 On the assumption that all of the Ordinary Shares available pursuant to the Placing are fully taken up and are issued, the share capital of the Company will consist of an unlimited number of Ordinary Shares of no par value and the issued share capital of the Company (all of which will be fully paid) will, immediately following Admission, consist of 250 million Ordinary Shares.
- 3.3 On 22 February 2007, conditional upon Admission and the payment in full of the Placing Price in respect of the Ordinary Shares issued pursuant to the Placing, the Company took authority by special resolution, in accordance with Article 57 of the Jersey Companies Law, to make market purchases of fully paid Ordinary Shares, provided that:
 - (i) the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue immediately following Admission; and
 - (ii) such authority shall expire at the first annual general meeting of the Company unless before that the authority is varied, revoked or renewed by a special resolution of the Company in general meeting.

The Company is permitted to fund the payments for purchases of Ordinary Shares in any manner permitted by the Law and the solvency tests prescribed by the Law must be satisfied before making any such purchase.

- 3.4 By a special resolution dated 22 February 2007 it was resolved that, subject to the Placing becoming unconditional and the approval of the Royal Court in Jersey, the amount standing to the credit of the stated capital account of the Company following completion of the Placing apart from £2 million be cancelled and the amount of the stated capital account so cancelled be credited as a distributable reserve to be established in the books of account of the Company which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with the Law) are able to be applied, including the purchase of the Company's own shares and payment of dividends.
- 3.5 There are no provisions under Jersey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company. Accordingly, the Articles authorise the Directors to allot an unlimited number of Ordinary Shares without pre-emption rights applying.
- 3.6 The liability of Shareholders is limited to the amount payable in respect of Ordinary Shares held.
- 3.7 The Ordinary Shares carry the right to vote at general meetings and the entitlement to receive any dividends and surplus assets of the Company on a winding-up.

- 3.8 Save pursuant to the Placing and for the subscription of the two Ordinary Shares referred to above, since the date of incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, for cash or any other consideration and, save pursuant to the Placing, no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- 3.9 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 3.10 As of the date of this document, the Company has no listed or unlisted securities not representing share capital.

4. Directors' and other Interests

- 4.1 The maximum amount of remuneration payable to the Directors permitted under the Articles is £200,000 in aggregate in any financial year.
- 4.2 The Directors were appointed as non-executive directors by letters dated 13 February 2007 which state that appointment and any subsequent termination or retirement shall be subject to the Articles. There are no existing or proposed service contracts between any of the Directors and the Company.
- 4.3 There are no contracts entered into by the Company in which the Directors have a material interest save that Colin McGrady is a director and partner of Cogent which, pursuant to the Management Agreement (details of which are set out in paragraph 7.1 of this Part VIII), is engaged to provide investment management services to the Company.
- 4.4 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 4.5 No Director has any interest in any transactions which are or were unusual in their nature or significant to the business of the Company and which have been effected by the Company since incorporation or have been effected by the Company since incorporation and remain in any way outstanding or unperformed.
- 4.6 No Director (nor any member of a Director's family) has had a related financial product (as defined in the AIM Rules and the CISX Rules) referenced to Ordinary Shares.
- 4.7 Based on the intentions of the Directors (and persons connected with the Directors) to subscribe under the Placing, the Directors (and persons connected with the Directors) are expected to hold, following Admission, the number of Ordinary Shares set out below:

<i>Name</i>	<i>Ordinary Shares</i>	
	<i>Number</i>	<i>%*</i>
Donald Adamson	50,000	0.02
Colin McGrady	50,000	0.02
Martin Richardson	50,000	0.02
William Spitz	50,000	0.02

**Assuming the Placing is fully subscribed*

In accordance with the lock-in arrangements contained in the AIM Rules, the Directors have agreed not to dispose of their Ordinary Shares for a period of one year from the date of Admission.

Save as set out in this sub-paragraph, 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) an interest in the share capital of the Company or in any options in respect of such capital.

- 4.8 The Company is not aware of any person or persons who directly or indirectly, jointly or severally, exercise or could exercise control of the Company.
- 4.9 Save as set out below, the Company is not aware of any person holding directly or indirectly more than 3 per cent. of the Company's issued share capital or any person who will hold, directly or indirectly, more than 3 per cent. of the Company's issued share capital after Admission*:

<i>Name</i>	<i>Ordinary Shares</i>	
	<i>Number</i>	<i>%*</i>
Funds managed by Baillie Gifford & Co	16,500,000	6.6
Funds managed by AXA Framlington	10,000,000	4.0
British Steel Pension Fund	10,000,000	4.0

**Assuming the Placing is fully subscribed*

- 4.10 The Company will purchase directors' and officers' liability insurance for the benefit of the Directors.
- 4.11 No Director has any unspent convictions relating to indictable offences, has been bankrupt or has made, or been the subject of, any individual voluntary arrangement.
- 4.12 None of the Directors has been a director of any company at the time of or within twelve months preceding the date of its receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors. None of the Directors has been a partner of any partnership at the time of or within twelve months preceding the date of its compulsory liquidation, administration or partnership voluntary arrangement or the receivership of any assets of such partnership nor have any of their assets been the subject of receivership.
- 4.13 None of the Directors has been publicly criticised by any statutory or regulatory authority or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- 4.14 The directorships held by each of the Directors over the five years preceding the date of this document and the partnerships in which they have been partners in the five years preceding the date of this document are as follows:

Donald Adamson

Current directorships and partnerships

Daglingworth Ltd, Equity Partnership Investment Company Plc, F & C Commercial Property Trust Limited, Forbes Ltd, Gsteig Ltd, Hanseatic Asset Management LBG, Hotel Corporation PLC, Invesco Leveraged High Yield Fund Ltd, Launen Ltd, Lindsell Train Investment Trust Ltd, Lindsell Train Japan (Distributor) Inc, Lindsell Train Japan (Accumulator) Inc, Lindsell Train Japan (Gen Partner) Inc, Lindsell Train Global Media (Distributor) Inc, Lindsell Train Global Media (Accumulator) Inc, Lindsell Train Global Media (Gen Partner) Inc, Meridian Asset Management (CI) Ltd, Network CPD Ltd, Pantheon Asia Fund Ltd, Pantheon Asia Fund II Ltd, Pantheon Asia Fund III Ltd, Pantheon Asia Fund IV Ltd, Pantheon Europe Fund Ltd, Pantheon Europe Fund II Ltd, Pantheon Europe Fund III Ltd, Pantheon Europe Fund IV Ltd, Pantheon USA Fund Ltd, Pantheon USA Fund II Ltd, Pantheon USA Fund III Ltd, Pantheon USA Fund IV Ltd, Pantheon USA Fund V Ltd, Pantheon USA Fund VI Ltd, Pantheon Global Secondary Fund Ltd, Pantheon Global Secondary Fund II Ltd, Pantheon Global Secondary Fund III GP Ltd, Pantheon Europe Fund V GP Ltd, Pantheon USA VII Fund Ltd, Park Heights Ltd, Research & Consulting Associates Ltd, Saanen Ltd.

Past directorships and partnerships

450 Wire Free Systems Fund Ltd, Aberdeen Asset Managers Jersey Ltd, Aberdeen Graham Asset Mgt Ltd, Alternative Investment Strategies Ltd, Bayard Cayman Ltd, Counterpoint Corporate Consultants Ltd, EPIC Reconstruction PLC, European Fund Dynamics Ltd, Fitzrovia International Ltd, Janus Participations Ltd, Juno International Participations Ltd, Juno Participations (Canada) Ltd, Murray Johnstone (Jersey) Ltd, Murray Scots Portfolios Ltd, North American Growth Investments Ltd, Pantheon Global PCC Limited, Pantheon Secondary Interests Ltd, Scottish Asian Investment Co Ltd, The Bayard Fund (Euro) Ltd, The Bayard Fund Ltd.

Colin McGrady

Current directorships and partnerships

Cogent GP, LLC
 Cogent Partners Investments, LLC
 Cogent Partners, LP

Past directorships and partnerships

None

Martin Richardson

Current directorships and partnerships

1 Beacon Court 43F LLC, 110 Drayton Gardens Management Company Limited, A.G.S. Investments Limited, A.N.T.I.M. Limited, ABR Investment Limited, ACP Mezzanine Asset Holdings 1 Limited, ACP Mezzanine Asset Holdings 2 Limited, Alemah Limited, Alpha 12 Holdings Limited, Altair Limited, Amidala Investments Ltd, Anser Limited, Arazan Limited, Arbomo Financial Limited, Arklow Property Limited, Arkona Investment Holdings Limited, Arunda Limited, Auldearn Holdings Inc, Automotive Design Limited, BA Investment Service Ltd, BB International Design Limited, Beacon Court (BVI) Ltd, Beacon Court 43F Corporation, Billiton ESOP Trustee Limited, Birdie Investments Limited, Blackfriars

Properties Ltd, BOI Restaurants Limited, Brentstone Ltd, Bridgewater Plaza Limited, British Airways Employee Benefits Trustees (Jersey) Ltd, Broadfoot Investments Limited, Brora Investments Holdings Ltd, Burty Property Limited, Bushland Investments Limited, Cadogan Property Holdings Limited, Cadogan Property Management Limited, Capotat Limited, Car Parks Development Limited, Caumillaun Limited, Chesterfield Global Ventures Limited, Chesterton Global Ltd, Chestnut International AG, Chima Limited, Chittoe Property Limited, Chris Craft Limited, Clip Limited, Cloud McSky Investments Limited, Compagnie Financiere Singapore PTE Ltd, Compass Overseas Limited, Counterslip Center Limited, Credence Limited, Crown Securities Holding Limited, Daimler Investments Limited, Dali Holdings Inc, Danshell Limited, Dendra Holdings Limited, DHK Investments Limited, Discovery Chalice Ltd, Diversified Portfolios Fund Limited, DM Partners (BVI) Limited, Domingo Associates Inc, Drayton Properties Limited, Eaglemount Limited, East Hotel Development Limited, Econometric Analysis Limited, Elm Park Limited, Emergence Limited, EPIC Securities plc, Equity Partnership Investment Company Plc, Euro American Fine Arts Trading Limited, Falutdsan Limited, Findhorn Property Limited, Finlay Investment Holdings Ltd, Finzels Commons Limited, Finzels Reach Limited, Finzels Square Limited, Food and Agricultural Development Services Ltd, G.T & L.J. Properties Limited, Gibbs Overseas Ltd, Giffex International Trading Company Limited, Glade Limited, Glencoe Management Holdings Limited, Grantown Management Company Ltd, Gulf Venture Capital Limited, Halcyon Estates Limited, Hamble Investments Limited, Hampton Investments Management Ltd, Handbrake Limited (in Liquidation), Harvest Property Ltd, Headland Developments Limited, Herbert Estates Limited, Hidare Limited, Highgrove Limited, HR Global Holdings Limited, IFS (Panama) Inc., Indian Motorcycle Limited, Innervation Limited, Intelligent Engineering (Bahamas) Limited, Intelligent Engineering Holdings Limited, Jacana Property Holdings Limited, Javerna Holdings Limited, JOHIM (Cayman) II Limited, Jordan Investments Limited, Kay Co. Ltd, Kemp Town Limited, Killala Fine Art Limited, Kin-Too Holding Inc, Kordis Holdings Limited, Labasa Property Limited, Lairg Investments Limited, Lambhill Properties Limited, Lannarth Limited, Lanoitan Limited, Laporta Assets Limited, Lattice Building Development, Lautoka Property Limited, Lerwick International Holding Corp, Leverty Overseas Limited, Liffe Investment Holdings Ltd, Lilienberg Investments Limited, Lockley Holdings Limited, Lucton Holdings Limited, Madrigal Holdings Limited, Magnolia Properties Limited, Mainrock Investments Limited, Mallaig Limited, Malmsley Properties Limited, Manning Services Limited, Marine Finance Limited, Marmot Holdings Limited, Matignon Ltd, Melior Street Ltd, Mendoza Property Limited, Mercantile Group Limited, Mercantile Construction Limited, Mercantile Real Estate Holdings Limited, Merchants Hansa Limited, Mercutio Investments Limited, Messery Holdings Ltd, Minifa Holdings Limited, Miracross Limited, Mylestone Holdings Limited, Mylestone Promotions Limited, N.P. Finance Limited, Nexus Holdings Limited, North Atlantic Capital Limited, Northern Hemisphere Investments Limited, Oasis Park Limited, Ocarina Properties Limited, OH Securities Limited, Ordnance Nominees Limited, Parket Limited, Parnassus Investment Limited, Peaktrade Holdings Limited, Penseys Limited, Peregrine Properties Limited (Alastair Best), Peterhorn Property Limited, Picachon Investments Limited, Polo Events Limited, Polo Events Management Limited, Portogon Investments SA, Portogon Properties Inc, Power Station Development Limited, Prevost Limited, R&H Fund Services (Jersey) Limited, R&H Investments Limited, R&H Registrars (Jersey) Limited, R&H Trust Co (Jersey) Limited, Rawlinson & Hunter, Jersey, Radar Trust Co. Limited, Rampart Holdings Limited, Real Estate Opportunities Investment Properties Ltd, Real Estate Opportunities Limited, Rebus Finance Limited, Reckitt Benckiser Employees' Trustees (Jersey) Ltd, REO (Bund) Limited, REO (Oriental) Limited, Reo (Powerstation) Limited, RHM Trust Co Limited, RHR Trust Co Limited, Riga Treasury Limited, Rockmount Investments Limited, Rosebay Limited, Ross Securities Limited, Rubrique Holdings Limited, S.I.C.S Investments Holdings Limited, Sablonniere Ltd, Sage International Investments Limited, Sambad Systems Limited, Sandpiper Property Ltd, Sandringham Limited, Sandy Financing Limited, Scawton Limited, Scott Gordon Limited, Seaharvest Property Ltd, Shambhala Holdings Limited, Slipway Investments Limited, Southacre Investments Limited, Southern Hemisphere Investments Limited, Squirrel Financial Services Ltd, St Barnabas (Jersey) Limited, Strand Management Ltd, Strathpeffer Capital Limited, Success Diversified Global Ltd, Tai Chi Fund Limited, Talico Overseas Ltd., Talya Limited, Tarant Investments Ltd, Tasso Investments Holding Limited, Theatre Development Limited, Thistle Properties Limited, Thompson Clive (Jersey No.3) Limited, Thompson Clive (Jersey No.4) Limited, Thompson Clive (Jersey No.4) Limited (Directorship), Tolworth Investments Limited, Tops Investments Limited, Tops Trustees Limited, Torpy Limited, Triennial Investments Limited, Twist Building Development Limited, UBE-consulting Limited, Utilities Centre Development Limited, Valley Farmhouse (Jersey) Limited, Vallonia Enterprises Limited, Varine Holdings Ltd, Velan Software Limited, Ventouse Limited, Verbena Investment Holdings Limited, Voltige Limited, Wardew Investments Limited, Watermint Investments Limited, Weighbridge Holdings Limited, West Hotel Development Limited, Woodbourne Nominees Limited, Woodbourne Secretaries (Jersey) Limited, Workvale Ltd – BVI

Past directorships and partnerships

3 A Investments Limited, A-Can Technology (Bahamas) Limited, Alkanet Limited, Alpha Care Services Limited, Alps Global Holdings Ltd, Alyan Capital Ltd, Amberley Overseas Developments Limited, Anamorphic Limited, Antalya Holdings Limited, Ararimu Holdings Limited (in Liquidation), Asdaico Limited, aSmallWorld Ltd, Auroro Investments Limited, Avro Leasing Limited, Badier Holdings Limited, BAMT Limited, Beckett Limited, Best Investments Limited, Black Pearl Entertainment Limited, Blue Stream Management Limited, Bonny & Blythe Limited, Boston Interinvest Limited, Bramley Properties Limited, Cahill & Stuart Properties Limited, CAL International Limited, CAL Trading Systems Limited, Caledonian European Enterprises Limited, Calix Technology Limited, Cama Assets Limited, Capstone Consulting Limited, Catkin Limited, Chakra Holdings Limited, Chalet No. 3 Limited – BVI, Champion Investments Limited, Chrysalis Global Limited, Coastlands Limited, Cofina Limited, Computer Personnel Limited, Control Investments Limited, Coortown Holdings Limited, Damon Hill Grand Prix Limited, Delaford Limited, Derynd Limited, Disegni Limited, Droy Limited, Dunlin Holdings Limited, Ellen House Investments Limited, Emerald Investments, Emperor Holdings Limited, Estatecord Limited, Eterna Limited, F. M. Holdings Inc, Fair Oaks S.A., Farthingwood Investments (BVI) Limited, Fern Investments Limited, Flight Charter Services Limited, Fort Securities Limited, Fountain Limited, Fresco Holdings Limited, Galet Investments Limited, Gioia Limited, Goal Investments Limited, Greenhart Inc, Greystone Investment Holdings Limited, Hampvest Ltd (CAD), Hansal Holdings Limited, HDB Limited, Helenia Limited, Highbrow Limited, Hill Crescent Holdings Limited, Honeycombe Holdings Limited, Horizon Investment & Asset Management Holdings Ltd, Horizon Investment Management International Ltd, Ilona M.Y. Limited, Inker Properties Limited, Intent Management Ltd, Investar Financial Assets Limited, Jackie Stewart Events Limited (in Liquidation), Jermuda Limited, Jersey Phoenix Trust Limited, Joule Limited, Karola Agencies Limited, Keppel Holdings Limited, Knowlex a.r.l, Kyzyl Tan Consultants Limited, Lawtop Trustees Limited, Libgroup Jersey Holdings Limited, Life Benefit Investment Company Limited, Life Benefit Investors Limited, Liftec Limited, Lyndale Real Estate S A, Lyon-Burwell Limited (in Liquidation), Macaque Limited, MAM B.V.I. Company Ltd, Maunsell Jersey Holdings Limited (in Liquidation), Mellow International Corp, Menlo Company Limited, Mervel Limited, Morlake Investments Limited, Multiplex Investments Limited, Murray Johnstone (Jersey) Limited (in Liquidation), MV Racing Ltd, Nai Thon 1 Limited, Nai Thon 2 Limited, Napton Holdings Limited, Nikat Investments Limited, Norris Embry Artworks Collection Limited, North Pole Limited (in Liquidation), Nutcracker Holdings Limited, Nutmeg Limited, Oakum Limited, Oakwood Education Limited, Okapi Trading Limited, Old Hanover Holdings Limited, Olive Group Solutions Limited, Olvestment Limited, Omega Holdings Limited, Onsgar Limited, Ormolu Holdings Limited, Oxtan Property Limited, Palmyra Properties Limited, Panther Management Ltd, Parameter Limited, Parota Holdings S.A., Partridge Properties Ltd, Patina Limited, Pedestal Investments Limited, Peerless Investments Limited, Peregrine Limited (Greenbury), Perigee Investments Limited, Personal Choice Portfolios Limited, Petroci Trading International Limited, Phoenix Park Investments Limited, Pillar Holdings Limited, Podium Investments Limited (in Liquidation), Poivre Holdings Limited, Polytec Holdings Limited, Practice Services Limited, Premiership Marine Management Limited, Quality Management & Investments Limited, Quarrington Holdings Limited, Quinprop Limited, R&H US Canadian Property Limited, Rare Aero Limited, Robertson Properties Ltd, Romany Holdings Limited, RSG Consulting Limited, Sandringham Limited, Santana Investments (Cayman) Limited, Santana Shipping Group Limited, Second Titan Limited, Selandia Limited, Selbourne Limited, Spackman Consultancy Services Limited (in Liquidation), Spanner Holdings Limited, Spinico Limited, Stagerwing Limited, Star Hunter Limited, Statprop (Jersey) Limited, Steadfast Investments Limited, Sthenos Holdings Limited, Stoney (Nottingham) Limited, Stuart Cloete Print Holdings Limited, Sunbeat Limited, Sword Holdings Limited, T.R.M. Investments Limited, Tamerton Limited, TCRG Holdings Limited, Terra Firma Construction Ltd, The Virginia Estate Company Timberly Ltd, Titan Trust Services Limited, Toplaw First Nominees Limited, Toplaw Second Nominees Limited, Toplaw Secretarial Services Limited, Toplaw Trustees Limited, Topmost Investments Limited, Tortoise Investment Holdings Ltd, Touch Line Limited, Tredegar Investments Limited, Treyford Holdings Limited, Trophy Investments Limited, United Cash Back Holding Limited, Verso Properties Limited, Virtual Sea Limited, Vital Asset Management Limited, Volcafe International Limited (in Liquidation), Warwick Antiques Centre Limited, Werdenfels Investments Ltd, West Property Holdings Limited (in Liquidation), Whitburn Investments Limited, Woodbourne Management Services Limited, Yachtcord Limited, Yellow House Holdings Limited, Yewfield Properties Limited, Yorkton Properties Inc, Zeta Holdings Limited.

Robert Rickman

Current directorships and partnerships

CSC LLC, Clarendshel 43 Ltd, Forscot Ltd, GSL Capital Ltd, GSL Capital (NZ) Ltd, Highland Timber P.L.C., Lynton Downs Ltd, Nitens Services Ltd.

Past directorships and partnerships

Bookham Technology PLC
Knapdale Nominees Ltd

William Spitz

Current directorships and partnerships

Diversified Trust Company

Past directorships and partnerships

None

5. Memorandum and Articles of Association

Memorandum of Association

The memorandum of association of the Company does not provide for any restrictions on the objects of the Company. Accordingly, the objects of the Company are unrestricted. However, the Company intends to carry on the business of an investment company.

Articles of Association

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

(i) *Issue of Shares*

Subject to the provisions of the Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share in the Company (a “share”) may be issued with or have attached thereto such rights or restrictions as the Company may from time to time by ordinary resolution determine or if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide.

Subject to the Articles, the unissued shares shall be at the disposal of the Directors, and they may allot or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they decide.

The Company may on any issue of shares pay such brokerage or commissions as may be lawful.

No person shall be recognised by the Company as holding any shares upon any trust and the Company shall not be bound by or recognise any interest or other right in or in respect of any share, except the holder’s absolute right to the entirety of the share.

(ii) *Voting Rights*

Subject to any special rights or restrictions for the time being attached to any class of shares, on a show of hands every registered holder of shares (a “shareholder”) who is present in person (or, being a corporation, by representative) shall have one vote. On a poll every shareholder present in person (or, being a corporation, by representative) or by proxy shall be entitled to one vote in respect of each share held by him. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the shares.

(iii) *Dividends and Reserves*

The Company may, by ordinary resolution, declare a dividend but no dividend shall exceed the amount recommended by the Directors.

Dividends shall be paid in accordance with the Law.

The Directors may if they think fit from time to time pay the members such interim dividends as appear to be justified by the profits of the Company.

No Dividend or other amount payable to any Ordinary Shareholder shall bear interest against the Company. All unclaimed dividends and other amounts payable as aforesaid may be invested or otherwise made use of for the benefit of the Company until claimed. Any dividend unclaimed for a period of 6 years from the date when it first became payable, shall be forfeited and cease to remain owing by the Company.

The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper, which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in

the business of the Company or be invested. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Law.

(iv) *Transfer of Shares*

The Directors may determine that shares be issued in certificated or uncertificated form. Where shares are held in certificated form, the following shall apply to the transfer of shares held in such form. The instrument of transfer of a share shall be in writing in the usual form or in any other form permitted by law or approved by the Board, signed by or on behalf of the transferor. The Directors may refuse to register any transfer of shares unless the transfer is in respect of one class of shares and is in respect of no more than 4 transferees and the instrument of transfer is lodged at the registered office of the Company or such other place at the Directors may reasonably require, accompanied by the relevant share certificate(s) and such other evidence as the Directors may determine to show the right of the transferor to make the transfer. The Directors may in their discretion refuse to register any transfer of a share which is not fully paid provided that where any others are admitted to trading on AIM or the CISX, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class taking place on an open and proper basis.

Subject to such of the restrictions of the Articles as may be applicable, where shares are held in uncertificated form, a member may transfer such shares in accordance with the CREST Regulations and the Companies (Uncertificated Securities) (Jersey) Order 1999 and the Directors shall have power to implement such arrangements as they may in their absolute discretion think fit for such transfer subject always to such Order.

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

(v) *Variation of Rights*

Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of two-thirds of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of such shares. The necessary quorum shall be two persons at least holding or representing by proxy or by a duly authorised representative (if a corporation) one-third in number of the issued shares of the class (but at any adjourned meeting of such holders where a quorum as defined above is not present, those members who are present in person or by proxy shall be a quorum).

(vi) *Alteration of Capital and Purchase of Shares*

The Company may from time to time by special resolution alter its share capital and purchase its own shares in any of the ways permitted or provided for under the Law and in accordance with any relevant restrictions on companies whose ordinary shares are listed or traded on AIM or the CISX.

(vii) *General Meetings*

At least 21 business days' notice (or such other notice, being not less than 21 clear days, approved by the Directors) specifying the place, the day and the hour of the meeting and, in case of special business, the general nature of such business (and, in the case of an annual general meeting, specifying the meeting as such) shall be given. Notices calling a meeting of the Company or of any class meeting of the Company are required to state with reasonable prominence that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a shareholder. The accidental omission to give, or the non-receipt of, notice will not invalidate proceedings at a general meeting.

(viii) *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital.

(ix) *Directors*

Number and Residency

The number of Directors shall not be less than two and shall not be subject to any maximum. A majority of the Directors shall not be resident in the United Kingdom or Ireland.

Appointment, Retirement and Disqualification

At any general meeting at which a Director retires or is removed from office the Company shall elect a Director to fill the vacancy, unless the Company determines to reduce the number of Directors in office. If

the Company in general meeting determines to increase the number of Directors in office, the Company shall elect additional Directors.

Not less than seven nor more than forty two clear days' notice before the date appointed for any general meeting shall be given to the Company of the intention of any member of the Company to propose any person for the appointment to the office of Director.

All Directors shall submit themselves for election by shareholders at the first opportunity after their appointment, and shall not remain in office for longer than three years since their last election or re-election without submitting themselves for re-election. At each annual general meeting, the Directors subject to retirement shall retire from office. On retiring a Director who is re-elected or deemed to have been re-elected will continue in office without a break. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and any Director who has been, or who by the time of the next annual general meeting will have been, in office for three years. In so far as the number of Directors retiring is not three or a multiple of three the number nearest to but not exceeding one-third of the Directors shall retire. As between two or more Directors who have been in office an equal length of time, the Directors to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from the date of his last election or appointment when he has previously vacated office. A retiring director shall be eligible for re-election.

The Company may from time to time by ordinary resolution remove any Director before expiration of his period of office and may by ordinary resolution appoint another person to the Board. The Directors may from time to time appoint one or more Directors but any Director so appointed shall hold office until the next annual general meeting of the Company when they shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Directors' Interests

Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Board (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) a material interest (other than by virtue of his interest, directly or indirectly, in shares or debentures or other securities of the Company).

A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (i) the giving of any security, guarantee or indemnity in respect of money lent to or obligations incurred by him or any other person for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or the giving of security;
- (iii) where the Company or its subsidiaries is offering securities in which offer the Director is or may be entitled to participate or in the underwriting or sub-underwriting of which he is to or may participate;
- (iv) any contract, transaction, arrangement or proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of any such company (or of any third company through which his interest is derived) or of the voting rights of such company;
- (v) any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
- (vi) any proposal for the purchase or maintenance for any Director of insurance against any liability.

Any Director may act by himself or by his firm in a professional capacity for the Company, other than as auditor to the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits.

Remuneration

The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £200,000 per annum (or such greater sum as the Company in general meeting shall from time to time determine by ordinary resolution). The Directors shall

also be entitled to be paid all expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the business of the Company. The Directors may, in addition, grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company.

Other

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

The Directors may from time to time appoint one or more of their body to the office of managing director or to any other office for such term and at such remuneration and upon such terms as they think fit.

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting at which he or any other Director is appointed to hold any such office or place of profit under the Company, or where the terms of such appointment are arranged or any contract in which he is interested is considered and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.

(x) *Distribution of Assets upon a Winding-up*

On a winding-up the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the number of shares held at the commencement of the winding-up, subject to the rights of any shares which may be issued with special rights or privileges.

On a winding-up the liquidator may, with the authority of a special resolution, divide among the members in specie the whole or any part of the assets of the Company, and may set such value as he deems fair upon any one or more class of property, and may determine the method of division of assets between members or different classes of members. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.

6. Overseas Investors

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

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

The Company's Articles contain provisions designed to restrict the holding of Shares by persons, including US Persons, where in the opinion of the Directors such a holding could cause or be likely to cause the Company some legal, regulatory, pecuniary, tax or material administrative disadvantage.

7. Material Contracts

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

- 7.1 The Management Agreement dated 27 February 2007 between the Company and the Manager pursuant to which the Manager has agreed to provide investment management services to the Company in relation to the assets held by it from time to time.

In consideration for its services thereunder, the Manager is entitled to the following remuneration:

The Manager will receive an annual management fee of 1 per cent. of the Net Asset Value of the Company from time to time, payable quarterly in advance.

In addition, the Manager shall be entitled to a performance fee in certain circumstances. This fee is payable by reference to the increase in Net Asset Value per Ordinary Share. The Manager will become entitled to a performance fee in respect of the period from Admission to 30 April 2010 and any subsequent financial period at the end of which the Net Asset Value per Ordinary Share (adjusted so as to add back any dividends during the period) is above the performance hurdle. The performance hurdle is 100p per Ordinary Share increased at a rate of 8 per cent. per annum compound. The performance hurdle will be subject to a “high watermark”.

If the performance hurdle is met the performance fee payable will be an amount equal to 20 per cent. of the excess of the Net Asset Value per Ordinary Share multiplied by the time weighted average of the number of Ordinary Shares in issue since inception or (if later) the end of the last financial period by reference to which a performance fee was earned.

Out of its management and performance fees the Manager will be responsible for the payment of all fees to the Investment Adviser.

The Manager shall also be entitled to re-charge to the Company all and any reasonable costs and disbursements properly incurred by it in the performance of its duties including costs of travel save to the extent that such costs are staff costs or other internal costs of the Manager.

The Management Agreement is for an initial period of three years and may be terminated thereafter on 12 months' notice. The Company is entitled to terminate the Agreement if the Manager becomes insolvent or commits a material unremedied breach of the Agreement.

The Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Manager in the discharge of its duties other than those arising by reason of any fraud, wilful default, negligence or bad faith on the part of the Manager or its delegate.

- 7.2 The Administration Agreement dated 27 February 2007 between the Company and the Administrator whereby the Company has appointed the Administrator to provide administrative and secretarial services to the Company. The Administrator will also provide safe custody services in respect of the assets of the Company. Under the Administration Agreement, the Administrator has the authority to delegate the discharge of certain of its functions thereunder provided that the Administrator remains fully responsible for the acts and omissions and costs of any delegate it shall appoint for such purposes.

The agreement is terminable on six months' notice in writing and on shorter notice in the event of breach of contract or insolvency.

The Administrator will be paid an annual fee of 10 basis points per annum on the net assets of the Company between £0 and £50 million; 9 basis points per annum on the net assets of the Company between £50 million and £100 million and 6.5 basis points per annum on the net assets of the Company in excess of £100 million, subject to a minimum annual fee of £75,000. The Administrator will also be paid a one-off set up fee of £5,000 and a transaction fee of £1,000 per property or non-listed company transaction. The Company will reimburse the Administrator in respect of reasonable out of pocket expenses properly incurred in the performance of its duties.

- 7.3 A Registrar Agreement dated 27 February 2007 between the Company and Capita Registrars (Jersey) Limited (the “Registrar”) whereby the Registrar is appointed to act as registrar of the Company. The Registrar shall be entitled to receive a fee from the Company at the basic fee of £2.00 per shareholder account per annum, subject to an annual minimum charge of £5,500, payable quarterly in arrears. Additional fees payable by the Company include, *inter alia*, fees in the sum of £2,000 per annum for the provision of UK transfer agency. The Registrar shall also be entitled to reimbursement of all reasonable out of pocket expenses properly incurred on behalf of the Company. The Registrar Agreement is terminable by either party giving not less than three months' notice, such notice to expire at any time on or after the first anniversary of Admission.
- 7.4 A Nominated Adviser Agreement dated 27 February 2007 between the Company, the Directors and Teather & Greenwood under which Teather & Greenwood has agreed, *inter alia*, to act as the Company's Nominated Adviser as required by the AIM Rules. Teather & Greenwood has agreed to provide such advice and guidance to the Company to facilitate compliance by the Company on an on-going basis with the AIM Rules as the Directors may reasonably request from time to time.

Teather & Greenwood will receive an annual fee of £17,500 for its services, payable half-yearly in advance. The Company has also given certain undertakings and indemnities to Teather & Greenwood in connection with its appointment as Nominated Adviser. This agreement is terminable by either Teather & Greenwood or the Company on one month's notice, such notice not to expire earlier than the first anniversary of the date of the agreement.

- 7.5 A Nominated Broker Agreement dated 27 February 2007 between the Company, the Directors and Teather & Greenwood under which Teather & Greenwood has agreed to act as the Company's broker on an on-going basis.

Teather & Greenwood will receive an annual fee of £17,500 for its services, payable half-yearly in advance. The Company has also given certain undertakings and indemnities to Teather & Greenwood in connection with its appointment as Broker. This agreement is terminable by either Teather & Greenwood or the Company on one month's notice, such notice not to expire earlier than the first anniversary of the date of the agreement.

- 7.6 A CISX Sponsorship Agreement dated 27 February 2007 between the Company and Carey Olsen Corporate Finance Limited pursuant to which the Company appointed Carey Olsen Corporate Finance Limited as sponsor of the listing of the Ordinary Shares on the Channel Islands Stock Exchange.

Carey Olsen Corporate Finance Limited will be paid a fee determined by reference to the number of hours spent on the work undertaken by Carey Olsen Corporate Finance Limited by reference to its standard hourly charging rates. The Company has also given certain indemnities to Carey Olsen Corporate Finance Limited in connection with its appointment as sponsor. The Agreement may be terminated by either party giving to the other not less than 60 days' notice in writing at any time or on shorter notice in certain circumstances.

- 7.7 A Placing Agreement dated 28 February 2007 between the Company, Teather & Greenwood and the Manager under which Teather & Greenwood has agreed to use its reasonable endeavours as agent for the Company to procure places at the Placing Price for the Placing Shares.

In consideration for its services, Teather & Greenwood will be paid a commission of 2.25 per cent. together with a corporate finance fee of 0.75 per cent. of the aggregate value, at the Placing Price, of the Placing Shares issued pursuant to the Placing. The Company will also pay the other expenses of the Placing and Admission including legal and other professional costs, stock exchange fees and distribution costs, provided that if the total of such other expenses (excluding VAT, if any) would otherwise exceed 0.25 per cent. of the gross proceeds of the Placing, Teather & Greenwood's corporate finance fee shall be reduced by an amount equal to the excess (but not to less than nil). The Placing Agreement contains certain warranties and indemnities given by the Company (which are of a customary nature) and the Manager in favour of Teather & Greenwood. The Placing Agreement may be terminated in certain circumstances prior to Admission including by reason of *force majeure*.

8. Working Capital

The Directors believe that, in their opinion having made due and careful enquiry, the working capital available to the Company will be sufficient for its present requirements (that is for at least twelve months from Admission).

9. Financial Information

Since its incorporation and save for having entered into the material contracts described in paragraph 7 above, the Company has not traded and no accounts have been made up.

Unaudited Balance Sheet as at 27 February 2007

	£
Current assets	
Debtors	0.02
	<hr/> <hr/>
Capital and reserves	
Called up share capital	0.02
	<hr/> <hr/>
Share Capital	
Authorised:	
Unlimited Ordinary Shares of no par value each	Unlimited
	<hr/> <hr/>
Issued:	
2 Ordinary shares of no par value each	0.02
	<hr/> <hr/>

10. Miscellaneous

- 10.1 The Company will be applying to CRESTCo for the Ordinary Shares to be admitted to CREST as participating securities. It is expected that the admission of the Ordinary Shares to CREST as participating securities will be effective from or soon after Admission. Shareholders who are direct or sponsored members of CRESTCo will be able to dematerialise the Ordinary Shares in accordance with the rules and practices instituted by CRESTCo.
- 10.2 The Company has not been and is not currently engaged in any legal or arbitration proceedings nor, so far as the Company is aware, are there any such legal or arbitration proceedings pending or threatened by or against the Company which may have or have had since the Company's incorporation a significant effect on the Company's financial position.
- 10.3 None of the Ordinary Shares available under the Placing is being underwritten.
- 10.4 The Company has no subsidiaries.
- 10.5 The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 2.1 above and that, save for entering into the material contracts described in paragraph 7 above, the Company has not traded, no accounts have been made up and no dividends have been declared.
- 10.6 There has been no significant change in the financial or trading position of the Company since the date of its incorporation. The Company does not have nor has it had since incorporation any employees and it neither owns nor leases any premises.
- 10.7 Assuming the Placing is fully subscribed, the total costs and expenses payable by the Company in connection with the Placing and Admission (including professional fees, the costs of printing and the other fees payable, excluding sales commission) are estimated to be approximately 3.20 per cent. of the gross amount raised. The estimated expenses in relation to the application for listing on the CISX is £10,000. The net amount raised will be applied in accordance with the Company's investment policy.
- 10.8 The Company is not dependent on any patents or other intellectual property rights or licences.
- 10.9 Save as disclosed in this document, no person since the date of incorporation of the Company has received, directly or indirectly, from the Company or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more, calculated by reference to the Placing Price, or any other benefit with a value of £10,000 or more at the date of Admission.
- 10.10 The accounting reference date of the Company is 30 April.
- 10.11 Teather & Greenwood has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears. Teather & Greenwood is authorised and regulated by the FSA.
- 10.12 The Manager has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.13 The Investment Adviser has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

- 10.14 The Administrator has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.
- 10.15 The ISIN number of the Ordinary Shares is JE00B1NNWQ21. The SEDOL code of the Ordinary Shares is B1NNWQ2.
- 10.16 The Company will not make any material change to the investment objectives and policy of the Company without the approval of Shareholders by ordinary resolution. Any changes to the Company which are contrary to the terms of the Jersey Listed Fund Guide or contrary to any of the JFSC's published policies applicable to the Company will require the prior consent of the JFSC.
- 10.17 Other than as provided in the City Code on Takeovers and Mergers there are no rules or provisions relating to mandatory takeover bids in relating to the Ordinary Shares. There are no rules or provisions relating to squeeze-out and/or sell-out rules relating to the Ordinary Shares.
- 10.18 The Directors confirm that, in accordance with the AIM Rules, they will seek Shareholder approval of the Company's investment strategy at each annual general meeting of the Company until the Company is substantially invested.
- 10.19 There is currently no intention to issue further Ordinary Shares subsequent to the Placing. However, if further Ordinary Shares are issued, such shares will not be issued at a price which is less than the then Net Asset Value per Ordinary Share.
- 10.20 There is currently no intention to convert the Ordinary Shares into a different class of share(s). However, if the Ordinary Shares are to be converted, such conversions will not be made without the approval of a majority of the Shareholders.
- 10.21 The Company may be wound up, in accordance with Article 146 of the Law, by passing a special resolution that the Company be wound up summarily, within 28 days after a statement of solvency has been signed by the Directors. A copy of the Law is available for inspection at the registered office of the Company.
- 10.22 KPMG Channel Islands Limited have been the only auditors of the Company since its incorporation and are independent. Their address is 5 St. Andrew's Place, Charing Cross, St. Helier, Jersey JE4 8WQ. KPMG Channel Islands Limited are members of the Institute of Chartered Accountants in England and Wales.
- 10.23 The register of Shareholders will be kept at the registered office of the Registrar.

11. Documents available for Inspection

Copies of the following documents will be available for inspection from the date of Admission at the registered office of the Company. In addition, copies of these documents will also be available for inspection at the offices of Stephenson Harwood, One St Paul's Churchyard, London EC4M 8SH and Carey Olsen Corporate Finance Limited, 47 Esplanade, St Helier, Jersey, JE1 0BD during business hours on any weekday from the date of this document (weekends and public holidays excepted) until one month from the date of Admission:

- 11.1 the Memorandum and Articles of Association of the Company;
- 11.2 the material contracts referred to in paragraph 7 above;
- 11.3 the Law;
- 11.4 the consent letters referred to in paragraph 10 above; and
- 11.5 this document.

Dated: 28 February 2007

