

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this Document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names appear on page 3 of this Document, accept responsibility for 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.

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. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document.

The Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that admission to AIM and dealings in the Placing Shares will commence on 18 August 2006.

Blackstar Investors PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 2396996)
(R.C.S. Luxembourg number B 114 318)*

Placing of 42,857,143 new Ordinary Shares at a price of 105 pence per share

Notice of Extraordinary General Meeting

Shore Capital and Corporate Limited

Nominated Adviser to the Company

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this Document and which recommends you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting referred to below.

Shore Capital and Corporate Limited, which is authorised and regulated in the UK by the Financial Services Authority, is acting as nominated and financial adviser to the Company for the purposes of the AIM Rules in connection with the matters described in this Document. Persons receiving this Document should note that Shore Capital and Corporate Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital and Corporate Limited or for advising any other person on the arrangements described in this Document. Shore Capital and Corporate Limited has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Shore Capital and Corporate Limited for the accuracy of any information or opinions contained in this Document or for the omission of any information. Shore Capital and Corporate Limited's responsibilities as nominated adviser pursuant to the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or the Directors.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia or Japan, nor has any prospectus in relation to the Placing Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia or Japan. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this Document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Notice of an Extraordinary General Meeting of Blackstar Investors PLC, to be held at 6 rue Adolphe Fischer, L-1520 Luxembourg at 10 a.m. CET on 16 August 2006, is set out at the end of this Document. To be valid, the accompanying Form of Proxy for use in connection with the Extraordinary General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 10 a.m. CET on 14 August 2006. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting.

CONTENTS

	<i>Page</i>
Directors and Advisers	3
Placing Statistics	4
Expected Timetable of Principal Events	4
Definitions	5
Glossary	7
Part 1 Letter from the Chairman	8
Part 2 Risk Factors	13
Part 3 Additional Information	15
Notice of Extraordinary General Meeting	21

DIRECTORS AND ADVISERS

Directors	Julian André Treger (<i>Non-executive Chairman</i>) Andrew David Bonamour (<i>Non-executive Director</i>) Wolfgang Andreas Baertz (<i>Non-executive Director</i>) David Michael Brock (<i>Non-executive Director</i>) Marcel Ernzer (<i>Non-executive Director</i>) John Broadhurst Mills (<i>Non-executive Director</i>) Dr Denis Worrall (<i>Non-executive Director</i>) The business address for the above Directors is at the Company's principal place of business
Principal place of Business	6 rue Adolphe Fischer L-1520 Luxembourg
Registered Office	22 Arlington Street London, SW1A 1RD
Nominated Adviser	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Broker	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Solicitors to the Company (as to English law)	Macfarlanes 10 Norwich Street London EC4A 1BD
International Advisers	Maitland & Co 44-48 Dover Street London W1S 4NX
Solicitors to the Placing	Rosenblatt Solicitors 9-13 St Andrew Street London EC4A 3AF
Auditors	BDO Stoy Hayward LLP Northside House 69 Tweedy Road Bromley Kent BR1 3WA
Registrars and Receiving Agents	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

PLACING STATISTICS

Placing Price	105 pence
Number of Ordinary Shares in issue prior to the Placing	35,607,855
Number of Placing Shares being placed on behalf of the Company	42,857,143
Estimated proceeds receivable by the Company, net of expenses	£43 million
Number of Ordinary Shares in issue following the Placing	78,464,998
Number of Placing Shares as a percentage of the enlarged issued share capital	54.6 per cent

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	10 a.m. CET 14 August 2006
Extraordinary General Meeting	10 a.m. CET 16 August 2006
Admission and dealings in the Placing Shares expected to commence on AIM	18 August 2006
Expected date for CREST stock accounts to be credited for the Placing Shares in uncertificated form	18 August 2006
Expected date for posting of share certificates for the Placing Shares	by 25 August 2006

DEFINITIONS

The following definitions apply throughout this Document unless the context otherwise requires:

“Act”	the Companies Act 1985 (as amended)
“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies whose shares are traded on AIM and their nominated advisers and published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company (known as the articles of incorporation in Luxembourg)
“Audley Capital”	Audley Capital Advisers LLP
“Blackstar Managers”	Blackstar Managers Limited (registration no: 629747), a private company incorporated in the British Virgin Islands
“Capita Registrars”	a trading division of Capita IRG Plc
“certificated form” or “in certificated form”	an ordinary share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
“Company” or “Blackstar”	Blackstar Investors PLC
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which CRESTCo is the operator (as defined in those regulations)
“CRESTCo”	CRESTCo Limited, the operator of CREST
“Directors” or “Board”	the directors of the Company whose names are set out on page 3 of this Document, or any duly authorised committee thereof
“Document”	this Document
“EGM”	the extraordinary general meeting of the Company to be held at 6 rue Adolphe Fischer, L-1520 Luxembourg at 10 a.m. CET on 16 August 2006 (or any adjournment thereof)
“EGM Notice”	the notice convening the EGM which is set out on pages 21 and 22 of this Document
“Form of Proxy”	the form of proxy for use in connection with the EGM which accompanies this Document
“FSA”	the Financial Services Authority
“Group”	the Company and its subsidiaries
“Investing Strategy”	the investing strategy of the Company as detailed on page 9 of this Document
“Investment Advisory Agreement”	the investment advisory agreement dated 22 December 2005 entered into between the Company and Blackstar Managers as amended by an amendment agreement dated 19 July 2006 between the same parties
“JSE”	JSE Limited, a public company duly registered and incorporated with limited liability under the company laws of South Africa under registration number 2005/022939/061 licensed as an exchange under the Securities Services Act, 2004 of South Africa
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the UKLA
“Ordinary Shares”	ordinary shares of £1 each in the capital of the Company

“Placing”	the conditional placing of the Placing Shares by Shore Capital, as agent on behalf of the Company, pursuant to the Placing Agreement, further details of which are set out in this Document
“Placing Agreement”	the conditional agreement dated 14 July 2006 and made between Shore Capital and the Company in relation to the Placing, further details of which are set out in this Document
“Placing Price”	105 pence per Placing Share, being the price at which each Placing Share is to be issued under the Placing
“Placing Shares”	the 42,857,143 new Ordinary Shares to be issued pursuant to the Placing
“Record Date”	the date and time of entitlement for Shareholders in respect of receipt of the proxy to vote by Capita Registrars
“Resolutions”	the resolutions to be proposed at the EGM as set out in the EGM Notice
“Shareholders”	holders of Ordinary Shares
“Shore Capital”	Shore Capital and Corporate Limited, the Company’s nominated adviser, authorised and regulated in the UK by the FSA
“South Africa”	the Republic of South Africa
“SCT”	Shore Capital Trading Limited
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the FSA, acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000
“US” or “United States”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
“uncertificated” or “in uncertificated form”	an ordinary share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001, may be transferred by means of CREST

Note: Amounts in Rand (R) have been translated into Pounds Sterling (£) on the basis of R13.10 : £1. The approximate exchange rate as at 18 July 2006 (being the latest practicable date prior to the date of this document) was R13.10 : £1.

GLOSSARY

“BEE”	Black Economic Empowerment in South Africa
“CET”	Central European Time
“CGT”	Capital Gains Tax
“Codes”	Codes of Good Practice issued by the South African Minister of Trade and Industry pursuant to the terms of the BEE Act
“DTA”	Double Tax Agreements
“EBITDA”	Earnings before Interest, Taxation, Depreciation and Amortisation
“GDP”	Gross Domestic Product
“IDC”	The Industrial Development Corporation of South Africa Ltd, which is a self-financing, national Development Finance Institution. It was established in 1940 to promote economic growth and industrial development in South Africa
“IRR”	Internal Rate of Return
“NEF”	The National Empowerment Fund, which is a government initiative to be the catalyst of broad-based Black Economic Empowerment in South Africa. It enables, develops, promotes and implements innovative investment and transformation solutions to advance sustainable black economic participation
“PIC”	The Public Investment Corporation, which is an investment management company wholly owned by the South African government. It invests funds on behalf of public sector entities
“SPV”	Special Purpose Vehicles
“STC”	Secondary Tax on Companies

PART 1

LETTER FROM THE CHAIRMAN

Blackstar Investors PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 2396996)
(R. C. S. Luxembourg number B 114 318)*

Directors:

Julian André Treger *(Non-executive Chairman)*
Andrew David Bonamour *(Non-executive Director)*
Wolfgang Andreas Baertz *(Non-executive Director)*
David Michael Brock *(Non-executive Director)*
Marcel Ernzer *(Non-executive Director)*
John Broadhurst Mills *(Non-executive Director)*
Dr. Denis Worrall *(Non-executive Director)*

Registered Office:

22 Arlington Street
London SW1A 1RD

Principal place of business:

6 rue Adolphe Fischer
L-1520 Luxembourg

19 July 2006

To Shareholders

Dear Shareholder

Placing of 42,857,143 new Ordinary Shares at a price of 105 pence per share

Introduction

Your Board announced today that it proposes to raise £45 million, before expenses, by way of a placing of 42,857,143 new Ordinary Shares at a price of 105 pence per share. The net proceeds of the Placing will allow the Group to invest in further opportunities in line with its Investing Strategy. The Placing is conditional, *inter alia*, upon the Company obtaining Shareholders' approval.

The purpose of this Document is to provide you with information about the background to and the reasons for the Placing, to explain why the Directors consider the Placing to be in the best interests of the Company and its Shareholders as a whole and why they recommend that you should vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this Document.

Background to and reasons for the Placing

Following the change in the Investing Strategy to make investments in BEE opportunities in South Africa and the successful raising of £35 million (before expenses) in January 2006, the Company has completed investments in four BEE opportunities as detailed in the paragraph entitled 'Investments' below.

The Directors have identified further opportunities for investment which, if implemented, they believe would enable the Company to be fully invested before the end of the current financial year. They believe that these opportunities also provide a significant pipeline for potential investment in the event that the Company had access to further funds and, consequently, to larger opportunities on attractive terms. In particular, the Company is currently considering potential investments in three companies listed on the JSE in the financial services, services and transportation sectors through primary and secondary transactions of, in aggregate, up to R134.5 million (£10.27 million). The Directors believe that each of these opportunities will be at a significant discount to current market values.

As a result, the Directors have decided to raise £45 million by means of the Placing in order to provide the Company with sufficient net funds to invest in BEE opportunities as they arise.

The Placing

The Company proposes to raise £45 million, before expenses, by the issue of 42,857,143 new Ordinary Shares at the Placing Price of 105 pence per share.

The Placing Shares have been conditionally placed, subject to Shareholders' approval, at 105 pence per share with institutional and other investors. At the Placing Price, the net proceeds of the Placing receivable by the Company are approximately £43 million. As part of the Placing, E2Investors Limited, a company associated with Julian Treger, Director, has agreed to subscribe for 205,575 Placing Shares.

Application is expected to be made on 14 August 2006 for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the Placing Shares will commence on AIM on 18 August 2006. The Placing Shares represent approximately 54.6 per cent of the issued share capital of the Company as enlarged by the Placing.

Investing Strategy

The Investing Strategy of the Company is to make investments in BEE opportunities in South Africa as an indirect and passive investor in a limited number of companies most of which are expected to be traded on the JSE with annual turnover in excess of R100 million (£7.63 million) operating within the resources, energy, automotive, logistics/distribution and infrastructure/telecoms sectors. The Directors do not intend to concentrate more than 50 per cent of the net funds available for investment in the resources sector and do not intend to invest more than 25 per cent of such net funds in any single BEE opportunity. In addition, the Directors may seek to raise debt finance in respect of each investment.

The Directors, in accordance with the AIM Rules, will propose a resolution at each annual general meeting of the Company under the terms of which Shareholders will be requested to approve the Investing Strategy.

In addition, the Directors will undertake an annual strategic review of the Company and its investments.

Investments

Following the successful raising of £35 million, before expenses, in January 2006, the Company has announced the following investments:

- (i) On 8 March 2006, an investment of R6.3 million (£480,900) in a consortium in Eurosteel Group Pty Limited ("Eurosteel"), the proposed terms of which were outlined in the Company's admission document dated 18 January 2006. The investment comprised a primary transaction and was completed on 12 July 2006.

Eurosteel is a supplier of specialised stainless steel plate, sheet and related products in South Africa. It is the second largest supplier of stainless steel in South Africa with approximately 15 per cent of the market share. The Directors believe that the investment in Eurosteel gives the Company exposure to the projected growth in capital spending on infrastructure within South Africa and in Africa.

The Company, together with Capricorn Capital Partners (Pty) Limited ("Capricorn"), invested R31.5 million (£2.4 million) in a SPV called Isitali (Pty) Limited ("Isitali") in the form of a redeemable preference share with a preferred return of 16 per cent. Blackstar together with Capricorn holds 49.9 per cent of the equity of Isitali. 50.1 per cent of the equity of Isitali is held by Siyahamba Engineering (Pty) Limited. Isitali has applied the capital to buy 35.857 per cent of Eurosteel, in a capital replacement transaction. Blackstar has funded 20 per cent of the transaction through an investment of R6.3 million (£480,900).

The effective valuation of Eurosteel of R127 million (£9.69 million) equates to an EBITDA multiple of 2.2 times and profit after taxation of 4.3 times based on results of Eurosteel for the year ended February 2005. Capricorn has also agreed to make a direct investment to acquire 14 per cent of Eurosteel which equates to a valuation of approximately R138 million (£10.53 million) and which the Directors believe represents an increase in valuation of 9.52 per cent.

- (ii) On 8 March 2006, an investment of R12 million (£916,000) in a major JSE-listed telecommunications company. The investment comprised a secondary transaction and was completed on 8 March 2006.

The Company has provided liquidity to an empowerment investor within a consortium which has invested in a major telecommunications company listed on the JSE which has a significant market share. The cost of the investment was R12 million (£916,000), R10 million (£763,400) was paid on completion and a further R2 million (£152,600) is payable in 12 months. Furthermore, based on the performance of the underlying company, an additional R1.5 million (£114,500) is to be paid in 12 months. The investment attributes a value to the company which represented a discount of 66.1 per

cent to its market value at the date of this transaction. The funding structure has a further four years to run but may be subject to an early realisation.

The Directors believe that the telecommunications market in South Africa will expand significantly over the next couple of years and that there will be an opportunity to participate in expected growth elsewhere in Africa over the medium term. Furthermore, they believe that the current market capitalisation of the JSE-listed company is undervalued compared to other local and international companies within the same sector.

- (iii) On 12 May 2006, an investment of R32.3 million (£2.47 million) to acquire an indirect interest in a large business listed on the JSE giving an effective equity exposure of R66 million (£5 million). The investment comprised a secondary transaction and was completed on 31 May 2006.

The transaction value represented a 52 per cent discount to its equity value at the date of this transaction.

- (iv) On 16 May 2006, an investment of R22.5 million (£1.72 million) in a consortium which acquired an indirect interest in a services, trading and distribution company (the “BEE Company”) which is listed on the JSE. The investment comprised a secondary transaction and was completed on 1 June 2006.

Blackstar acquired an effective 2.5 per cent interest in the BEE Company, through investment of R22.5 million (£1.72 million) in an empowerment consortium, which has a current equity valuation of R50.2 million (£3.83 million). The transaction value represented a 54 per cent discount to the equity value at the date of this transaction.

The Directors believe that the investment will benefit from expected continued organic growth in the BEE Company as it is well positioned for the growth currently being experienced in the South African economy.

Net asset value

The Directors believe that the current unrealised, unaudited net asset value of the Company to be in excess of 100 pence per share.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Shore Capital has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares at the Placing Price with certain institutional and other investors. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the EGM and Admission becoming effective on or before 8 a.m. on 15 September 2006 (or such later time and/or date as the Company and Shore Capital may agree, but in any event by no later than 8 a.m. on 29 September 2006).

The Placing Agreement contains warranties from the Company in favour of Shore Capital in relation to, amongst other things, the accuracy of the information contained in this Document and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Shore Capital in relation to certain liabilities it may incur in respect of the Placing. Shore Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, for *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement.

Related party transactions

Julian Treger is deemed to be a related party under the AIM Rules as, in addition to being a Director, he is a possible beneficiary of discretionary trusts which own E2Investors Limited, a vehicle interested in 2.23 per cent of the issued share capital of the Company, funds associated with which have agreed to subscribe for 205,575 new Ordinary Shares in the Placing. In addition, a family trust associated with Julian Treger is a major shareholder in Audley Capital which has agreed to provide financial advisory services to the Company in relation to the Placing amounting to £40,000 together with expenses. Blackstar Managers has also agreed to pay a consultancy fee to Julian Treger at the rate of £40,000 per annum.

Andrew Bonamour is deemed to be a related party under the AIM Rules. Andrew Bonamour is a director of Blackstar Managers which has entered into the Investment Advisory Agreement to provide various investment advisory services to the Company. Under the terms of this agreement (as amended by the terms of an amendment agreement dated 19 July 2006), the Company has agreed to pay Blackstar Managers an annual

fee at the rate of 2.0 per cent of the aggregate funds raised up to £60 million and at the rate of 1.75 per cent on aggregate funds raised in excess of £60 million. The Directors (other than Andrew Bonamour) consider, having consulted with the Company's nominated adviser, Shore Capital, that the terms of this agreement are fair and reasonable insofar as Shareholders are concerned.

Family trusts associated with Andrew Bonamour (through Blackstar Managers) and Julian Treger are also interested in the performance fee ("Carried Interest") payable under the terms of the Investment Advisory Agreement. The Carried Interest is equal to 20 per cent of the gain on investments realised by the Company, subject to a 10 per cent hurdle and making good any investment write-downs and management-related expenses. In relation to Carried Interest attributable to the first investments applying the net proceeds from the placing in January 2006 which raised £35 million, before expenses, this performance fee will be distributed as to 66.5 per cent to Blackstar Managers, as to 23.5 per cent directly to family trusts associated with Julian Treger and as to 10 per cent to SCT. In connection with, and conditional upon, the Placing, family trusts associated with Julian Treger have agreed to reduce their ongoing entitlement to carry to an amount equal to 5 per cent of the Carried Interest. The interests of SCT are aligned with the interests of the family trusts associated with Julian Treger in relation to entitlement to the Carried Interest and therefore, to the extent that there is any adjustment in these interests, SCT's interests will adjust pro rata. On this basis, SCT's interests will reduce to an amount equal to 2.176 per cent of the Carried Interest. The remaining 92.824 per cent of the Carried Interest will be distributed to Blackstar Managers.

Extraordinary General Meeting

Set out on pages 21 and 22 of this Document is the EGM Notice convening the EGM to be held on 16 August 2006 at 6 rue Adolphe Fischer, L-1520 Luxembourg at 10 a.m. CET at which the Resolutions, all of which are inter-conditional, will be proposed for the purposes of implementing the Placing.

Resolution 1 increases the authorised share capital of the Company from £75,000,000 to £90,000,000 in order to provide sufficient authorised share capital for the Placing.

Resolution 2 authorises the Directors to allot and issue the Placing Shares in connection with the Placing and other relevant securities up to £11,535,002 in nominal value provided that such authority shall expire on the date falling 15 months after the date of Resolution 2 or the next annual general meeting of the Company, whichever is the earlier.

Resolution 3 authorises the Directors to disapply statutory pre-emption rights in certain circumstances (including in connection with the Placing).

Under English Law, Resolutions 1 and 2 require to be proposed as ordinary resolutions and Resolution 3 as a special resolution. However, in accordance with the provisions of the Articles and as required by Luxembourg Law, all three resolutions to be approved are special resolutions, which require a 75 per cent majority by value of the Ordinary Shares present or represented at the EGM. In addition, a quorum of more than half of the issued Ordinary Shares by value is required to be present or represented at the EGM. If these requirements are not met, the Directors will not put the Resolutions to the EGM as they would not be capable of being validly passed under the Articles.

Irrevocable undertakings

The Company has received irrevocable undertakings from institutional investors, in respect of, in aggregate, 6,685,000 Ordinary Shares representing approximately 18.77 per cent of the issued share capital of the Company, to vote in favour of the Resolutions as set out in the notice of EGM.

Action to be taken

You will find enclosed a Form of Proxy for use at the EGM. Shareholders are asked to complete and return it to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received as soon as possible and, in any event, no later than 48 hours before the meeting or any adjournment thereof. Completion and return of a Form of Proxy will not affect your right to attend and vote at the EGM should you wish to do so.

Shareholders should note that a 75 per cent majority by value of the Ordinary Shares present or represented at the EGM is required to approve the Resolutions; and that a quorum of more than half of the Ordinary Shares by value is required to be present or represented at the EGM. If these requirements are not met, the

Directors will not put the Resolutions to the EGM as they would not be capable of being validly passed under the Articles.

Recommendation

Your Directors consider that the Placing, and the Resolutions to be proposed at the EGM, are in the best interests of the Company and its Shareholders as a whole. Your Directors therefore unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the EGM, as they, together with associated interests, have undertaken to do so in respect of their own beneficial holdings amounting to, in aggregate, 933,522 Ordinary Shares representing approximately 2.62 per cent of the issued share capital of the Company.

Yours faithfully

Julian Treger
Chairman

PART 2

RISK FACTORS

In addition to all other 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 personal adviser authorised and regulated under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal regulatory and tax requirements.

1. Market capitalisation

The market price of the Ordinary Shares may not reflect the underlying value of the Company.

2. Issue of shares

The Company needs capital in order to implement its investing strategy and subsequently may seek to raise additional capital by way of the issue of new Ordinary Shares for further investments. Any equity financing may be dilutive to Shareholders. In addition there can be no assurance that such funding will be available to the Company.

3. Suitability

The investment offered hereby may not be suitable for all recipients of this Document. Investors are accordingly advised to consult an appropriate person authorised and regulated under the Financial Services and Markets Act 2000 before making their decision.

4. AIM

The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid and therefore the Ordinary Shares may be or may become difficult to sell.

5. Nature of the Company's investments

An investment in the Company requires a long-term commitment, with no certainty of return. A high probability exists that there will most likely be little or no near-term cash flow available to investors. Many of the Company's investments will be highly illiquid and there can be no assurance that the Company will be able to realise such investments in a timely manner. Consequently, realisations of such investments may require a lengthy time period or may result in distributions *in specie* to the investors. The Company will invest in securities and other financial instruments using strategies and investment techniques having significant risk characteristics. Since the Company may only make a limited number of investments and since the Company's investments may involve a high degree of risk, the Company may lose all or substantially all of its investment in any particular instance. The investors may lose their entire investment, including principal.

6. Country risk

It is expected that all of the investments will be in companies operating in South Africa and thus the Company will have a concentrated country exposure. Whilst an effort will be made to diversify such exposure by making investments in multi-national companies, any problems in South Africa may affect the Company's net asset value.

7. Currency risk

As above, investors will be exposing themselves to the Rand which has appreciated over the past few years against the US Dollar. Whilst some commentators believe the Rand will appreciate further, historically the currency has been extremely volatile. The Company will seek to minimise such exposure by concentrating on companies with Rand hedge characteristics. The Company may also hedge its currency exposure from time to time.

8. Illiquid direct holdings

Whilst it is expected that a majority of the Company's underlying investments will be in quoted companies, the immediate direct investments are and will be in a series of private, illiquid SPVs. The Company seeks to negotiate appropriate exit mechanisms ideally involving put options and/or liquidation to realise its underlying holdings. Although, in most cases, it should be possible to mark-to-market the investments, investors should not expect continual and immediate liquidity for their investments.

9. Competitive nature of the Company's business

The Company will be competing for investments against other groups, backed by local institutional investors, investment managers, industrial groups and merchant banks owned by large and well-capitalised investors. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available and adversely affecting the terms upon which investment can be made.

10. Importance of the members of Blackstar Managers

The success of the Company depends in part on the skill and expertise of the members of Blackstar Managers as well as the other individuals employed to assist them. Whilst they have incentives in relation to their activities on behalf of Blackstar Managers and its affiliates, there can be no assurance that any of them will continue such employment.

11. Limited operating history

Although the Directors and the management of Blackstar Managers have extensive experience advising and investing in the public and private equity markets, the Company has only recently commenced the implementation of its Investing Strategy following the fundraising in January 2006 and therefore there is limited operating history upon which to evaluate the Company's likely performance.

12. General economic conditions

General economic conditions may affect the Company's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Company or considered for prospective investment. The Company is also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearing house.

13. Potential conflicts of interest

In the ordinary course of its business, Blackstar Managers may engage in activities in which its interests or the interests of its clients may conflict with or be adverse to the interests of the Company. In addition, such clients may utilise the services of Blackstar Managers and affiliates for which they will pay customary fees and expenses which will not be shared with the Company or the investors.

14. Material, non-public information

From time to time, Blackstar Managers or any of its affiliates may come into possession of material, non-public information concerning specific companies. Under applicable securities laws, this may limit Blackstar Managers' flexibility to advise the Company in relation to buying or selling securities issued by such companies. The Company's investment flexibility may be constrained as a consequence of Blackstar Managers' inability to use such information for advising on investments.

15. South African exchange control

Non-resident South Africans are not subject to exchange control (although South African subsidiaries and branches of foreign companies are treated as residents for exchange control purposes). Consequently, as a general rule, non-residents may freely invest in and divest from South Africa without restriction. All income is freely remittable abroad. It is, however, a requirement of the Exchange Control Department of the South African Reserve Bank that share certificates representing shares held by a non-resident in a South African company be endorsed by one of the South African Reserve Bank's authorised dealers with the words "non-resident" for as long as such shares are held by non-resident investors.

16. Tax treatment

There may be changes in relevant tax laws or interpretations of such tax laws adverse to the Company or its investors. The Company and Blackstar Managers will attempt to structure the Company's investments in a tax-efficient manner. However, there can be no assurance that the structure of the Company or of any investment will be tax-efficient to any particular investor.

PART 3

ADDITIONAL INFORMATION

1. Responsibility statements

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

2. Share capital

The share capital of the Company as at 18 July 2006 (being the latest practicable date prior to the publication of this Document) and as it will be following the Placing is as follows:

	<i>Existing</i>	<i>Following the Placing</i>
<i>Authorised share capital</i>		
Number of Ordinary Shares	75,000,000	90,000,000
<i>Issued share capital</i>		
Number of Ordinary Shares	35,607,855	78,464,998

3. Directors and other interests

3.1 The interests of the Directors and their immediate families in the share capital of the Company which are required to be entered into the register maintained under the provisions of section 325 of the Act, together with the interests of persons connected with a Director within the meaning of Section 346 of the Act which, if the connected person were a Director would otherwise be disclosed pursuant to this paragraph and the existence of which is known or, following reasonable due diligence, has been ascertained by such a Director, will as at 18 July 2006, being the latest practicable date prior to the publication of this Document and immediately following the Placing be as follows:

	<i>Existing</i>			<i>Following the Placing</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>		<i>Placing Shares acquired</i>	<i>Number of Ordinary Shares</i>
<i>Director</i>					
Julian Treger*	794,425	2.23%	205,575	1,000,000	1.27%
Andrew Bonamour†	30,000	0.08%	—	30,000	0.04%
Wolfgang Baertz	—	—	—	—	—
David Brock	109,097	0.31%	—	109,097	0.14%
Marcel Ernzer	—	—	—	—	—
John Mills	—	—	—	—	—
Dr Denis Worrall	—	—	—	—	—

Note:

* These shares are held by Julian Treger and his family in their personal capacities and also by E2Investors Limited, a company that is ultimately owned by discretionary trusts of which Julian Treger is a possible beneficiary.

† These shares are held by funds associated with Andrew Bonamour.

- 3.2 The Company is aware of the following interests (within the meaning of Part VI of the Act) which represent, or will represent, 3 per cent or more of the Company's issued share capital as at 18 July 2006 (being the most recent practicable date prior to the publication of this Document) or immediately following the Placing, including the interests of those who, directly or indirectly, jointly or severally, control or could exercise control of the Company:

<i>Shareholders</i>	<i>Existing</i>		<i>Following the Placing</i>	
	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>
Kleinwort Benson Investment Management	3,240,000	9.1%	9,144,761	11.65%
Bear Stearns Securities Corp.	—	—	8,571,428	10.92%
Eton Park Capital Management LP	3,450,000	9.69%	7,678,671	9.79%
Lansdowne Partners LP	3,000,000	8.43%	5,857,142	7.46%
Jupiter Asset Management	150,000	0.42%	5,626,190	7.17%
Credit Suisse	—	—	4,761,904	6.07%
Fidelity Investments	3,500,000	9.83%	3,500,000	4.46%
Midas Capital Partners	1,200,000	3.37%	3,100,000	3.95%
Merrill Lynch Investment Management	745,988	2.10%	3,041,892	3.88%
Allianz AG	2,000,000	5.62%	2,000,000	2.55%
Charlemagne Capital (IOM) Limited	1,500,000	4.21%	1,500,000	1.91%
LM Moore LP	1,150,000	3.23%	1,150,000	1.47%

- 3.3 Save as disclosed in paragraphs 3.1 and 3.2 above, the Company is not aware of any person who, as at 18 July 2006, being the latest practicable date prior to the publication of this Document or immediately following the Placing, is or will be directly or indirectly interested in 3 per cent or more of the issued share capital of the Company or, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 3.4 Save as disclosed in this Document, no Director has or has had any interest in any transactions which are or were unusual in their nature or conditions, or significant to the business of the Group, and which:
- 3.4.1 were effected by the Company during the current or immediately preceding financial year; or
- 3.4.2 were effected by the Company during an earlier financial year and remain in any respect outstanding or unperformed.

4. Taxation

UK Taxation

- 4.1 The following summary is only intended as a brief and general guide at the date of this Document to certain aspects of current UK tax law and HM Revenue & Customs practice applicable to the holding and disposal by UK resident individuals and companies of Ordinary Shares in the Company (which may change in the future). It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. It is addressed to ordinary investors who are the absolute beneficial owners of Ordinary Shares held as investments and not, therefore, to special classes of Shareholder such as financial institutions. Accordingly, its applicability will depend upon the particular circumstances of individual Shareholders. Any prospective UK resident Shareholder who is in any doubt as to his UK tax position in relation to the Company should consult his UK professional adviser.

The Company

- 4.1.1 On the basis that the Company is not resident in the UK for tax purposes and that its activities do not amount to trading in the UK, it should not be subject to UK income tax or corporation tax on any income or other profits or gains of an income nature which it derives from sources outside the UK and it will not be within the scope of UK capital gains tax or corporation tax in respect of capital gains wherever arising. It may, however, incur charges to corporation tax under the UK's controlled foreign companies legislation.
- 4.1.2 It is the intention of the Directors, so far as they are able, to conduct the affairs of the Company in such a way that it does not become resident in the UK for UK tax purposes and that its

activities do not amount to trading in the UK. However, no assurance can be given that this intention will be achieved.

Shareholders

4.1.3 Taxes on income

Dividends paid on Ordinary Shares held by UK resident Shareholders may, whether or not reinvested, be subject to UK income tax or corporation tax.

UK resident individuals are subject to income tax on foreign dividends at the dividend ordinary rate (currently 10 per cent) if they are not higher rate taxpayers and at the dividend upper rate (currently 32.5 per cent) if they are higher rate taxpayers, subject in either case to any available double tax relief.

UK resident companies are subject to corporation tax on foreign dividends generally at the rate of 30 per cent.

4.1.4 Taxes on capital gains

Shareholders who are resident or ordinarily resident in the UK (including, in some cases, those temporarily non-resident) will generally be liable to UK capital gains tax or corporation tax on chargeable gains in respect of gains arising on the disposal of their Ordinary Shares.

UK resident or ordinarily resident individuals are subject to capital gains tax at rates which depend on the extent to which they have income falling within certain income tax bands. It is charged, broadly, at 10 per cent on gains falling within the unused part of their starting rate band, at 20 per cent on gains falling within the unused part of their basic rate band and at 40 per cent on gains falling above that band. They may be entitled to “taper” relief against their liability to capital gains tax on gains arising on the disposal of their Ordinary Shares, the availability and extent of which depends on the number of years for which they held the Ordinary Shares. They may also be entitled to set all or part of such gains against their annual capital gains tax exemption (£8,800 for 2006-07).

UK resident companies are subject to corporation tax on chargeable gains generally at the rate of 30 per cent.

4.1.5 Inheritance tax

A gift of Ordinary Shares or the death of a holder of Ordinary Shares may give rise to a liability to UK inheritance tax. For these purposes, a transfer of assets at less than their full market value may be treated as a gift.

4.1.6 Anti-avoidance provision

The attention of Shareholders who are individuals ordinarily resident in the UK is drawn to sections 739 and 740 of the Income and Corporation Taxes Act 1988 (the “1988 Act”). These sections contain provisions to prevent avoidance of UK income tax by such individuals by means of transactions (which could include acquiring Shares in the Company) which result in income arising to persons abroad (such as the Company). These provisions may render such individuals liable to UK income tax in respect of income and profits of the Company not distributed to them.

In addition, prospective Shareholders should consult their UK professional adviser as to their UK tax position in relation to the Company. This should, in particular, include advice as to whether or not the provisions of sections 739 and 740 the 1988 Act will apply to Shares in the Company acquired by them.

Other anti-avoidance provisions

The attention of Shareholders within the charge to UK tax is drawn to sections 703 to 709 of the 1988 Act. These sections contain provisions to cancel tax advantages from certain transactions in securities which may render such Shareholders liable to taxation in respect of, *inter alia*, the issue, redemption or sale of Ordinary Shares or distributions of a capital nature in respect of them.

The attention of Shareholders who are resident or ordinarily resident in the UK (and who, if individuals, are domiciled in the UK) is also drawn to section 13 of the Taxation of Chargeable Gains Act 1992. If the Company is not resident in the UK but would be a “close” company if it

were so resident, the provisions of this section may in certain circumstances have the effect of subjecting such a Shareholder to UK capital gains tax (or, in the case of companies, corporation tax on chargeable gains) on an apportioned part of any capital gains accruing to the Company. Such a charge to tax would not, however, apply where 10 per cent or less of the capital gain would be apportioned to the Shareholder and to persons connected with him.

The provisions concerning controlled foreign companies included in Chapter IV of Part XVII of the 1988 Act have the effect in certain circumstances of making a company resident in the UK liable to UK corporation tax on, or by reference to, the profits of a company resident outside the UK (such as the Company). Such charge to tax would not, however, apply where less than 25 per cent of the non-resident company's "chargeable profits" could be apportioned to the resident company or to associated or connected persons, if the "public quotation condition" is satisfied or if the non-UK resident company pursues an "acceptable distribution policy".

EU Directive on taxation of savings income

4.1.7 Any person regarded as a "paying agent" for the purposes of the Taxation of Savings Income Directive (EC Directive 2003/48/EC) may be required to disclose details of payments of interest and other income to certain categories of investor to HM Revenue & Customs, who will pass such details to the Member State where the investor resides.

A holder of shares in the Company or potential investor who is in any doubt as to his or her tax position (in the UK or otherwise), or is subject to tax in any jurisdiction other than the UK should consult his or her professional advisers without delay.

4.2 *Luxembourg and South African taxation*

If the Company is effectively managed in Luxembourg, then pursuant to the UK/Luxembourg DTA, it would be regarded as resident in Luxembourg and not resident in the UK and the tax consequences set out below would apply to it.

The Company

4.2.1 Luxembourg tax treatment of foreign dividends

Dividends received by the Company will be exempt from Luxembourg corporate income tax under the participation exemption if the following requirements are satisfied:

4.2.1.1 the SPV is subject to a tax that is similar to Luxembourg corporate income tax i.e. in practice at a rate of at least 11 per cent on a comparable basis; and

4.2.1.2 at the time of distribution, the shares in the SPV must have been held for a period of 12 months (or the Company must undertake to hold the shares in the SPV for such a period); and

4.2.1.3 the participation must either consist of at least 10 per cent of the issued nominal share capital of the SPV or have an acquisition price of at least €1.2 million.

4.2.2 Luxembourg corporate income tax on gains made from the sale of shares in the SPV

If the Company met the requirements of the Luxembourg participation exemption, any capital gains realised on the sale of shares in the SPV would be exempt from Luxembourg tax. The requirements that need to be satisfied are:

4.2.2.1 the shareholding must represent at least 10 per cent of the capital of the SPV throughout the 12 month period referred to below or the acquisition cost must be at least €6 million;

4.2.2.2 the shares in SPV must be held for a period of 12 months (or if only part of the participation is sold within the 12 month period, the balance must continue to be in excess of 10 per cent or to have an acquisition price in excess of €6 million for the balance of that period); and

4.2.2.3 the SPV must be a non-resident capital company fully subject to a tax comparable to Luxembourg corporate income tax.

Other income received by the Company will generally be regarded as trading income and will therefore be taxable at the aggregate corporate tax rate of 29.63 per cent. This rate of tax increase to 29.85 per cent from 1 January 2007 in the case of companies with a principal establishment

located in Luxembourg City, which is the case for the Company. It is envisaged that the Company will not receive any income other than distributions consisting of dividends from qualifying shareholdings or proceeds from the sale of qualifying shareholdings.

Capital duty

Capital duty is chargeable on any increase in the Company's issued share capital. The duty is charged at a rate of 1 per cent on the consideration for the issue of shares.

Net wealth tax

Net wealth tax at a rate of 0.5 per cent applies to the net asset value of a Luxembourg resident company at the end of an accounting period. A shareholding held by a Luxembourg tax resident company will not be subject to net wealth tax where that shareholding has the same characteristics as described above in relation to dividend income except that:

4.2.2.4 the "subject to tax" requirement (set out above) does not include a requirement that such tax must correspond to Luxembourg corporate tax; and

4.2.2.5 there is no holding period requirement (as set out above).

4.2.3 South African withholding tax

The dividends paid by the SPV will not be subject to any South African withholding tax. To the extent that these dividends do not carry a STC credit, STC in the amount of 12.5 per cent of the dividend declared will be payable by the SPV. The SPV will be responsible for withholding and paying the STC over to the South African Tax Authorities.

4.2.4 South African tax on capital gains

Under South African domestic law, the Company as a non-resident will not be subject to South African CGT upon the sale of the shares in the SPV, unless the SPV were a land-rich company (which includes mining titles). In the case of a land-rich SPV, the provisions of the South Africa/Luxembourg DTA could preclude South Africa from taxing the Company on any gain made on the shares in the SPV, provided that the South Africa/Luxembourg DTA applied to the Company (rather than the South Africa/UK DTA).

4.2.5 South African tax on trading gains

If any gain on the sale of the shares in the SPV were characterised under South African domestic tax principles as a trading gain, the trading gain should in terms of the South Africa/Luxembourg DTA not be subject to South African tax, unless the Company had a permanent establishment in South Africa. It is generally envisaged that the activities of BMSA (the Investment Sub-Advisor) may not cause the Company to have a permanent establishment in South Africa.

Shareholders

4.2.6 Luxembourg withholding tax

Dividends declared to the Company's Shareholders will be subject to a 15 per cent Luxembourg withholding tax when paid to United Kingdom shareholders having a less than 10 per cent shareholding in the Company. Dividends paid to Shareholders who are not resident in a country that has a DTA with Luxembourg will be subject to a 20 per cent Luxembourg withholding tax.

A share buy-back would also trigger the Luxembourg withholding tax to the extent that it was funded out of reserves.

No Luxembourg withholding tax is, however, levied upon distributions of capital and surplus made on a liquidation of a company. Accordingly, if the Company were to be liquidated after a period of, for example, five years and Company's assets were to be distributed to its shareholders pursuant to the liquidation, no Luxembourg dividend withholding tax would be levied upon the distribution.

Generally, non-resident persons may dispose of shares in a Luxembourg company without incurring Luxembourg tax. However, where a person who is regarded as a substantial shareholder, disposes of their shareholding within six months of acquisition, the gain may be liable to tax in Luxembourg unless exempted under the terms of a double taxation agreement. A

person will be regarded as a substantial shareholder if the person held more than 10 per cent of the shares in the company at any time within the previous five years.

5. General

- 5.1 The total charges (exclusive of value added tax) payable by the Company in connection with the Placing are estimated to amount to approximately £2 million including the capital duty payable in Luxembourg at the rate of 1 per cent on the total consideration received by the Company for the issue of the Placing Shares and the commissions payable referred to in paragraph 5.4 below.
- 5.2 Shore Capital and Shore Capital Stockbrokers Limited have given and not withdrawn their written consent to the issue of this Document with the inclusion in it of their names and references to them in the form and context in which they appear.
- 5.3 The Company entered into a financial advisory agreement with Audley Capital dated 30 December 2005, appointing Audley Capital to act as the Company's financial adviser in connection with, *inter alia*, any fundraising activities in which the Company may participate. In connection with these arrangements, the Company has agreed to pay Audley Capital a success fee of £40,000 on completion of the Placing.
- 5.4 Under the terms of the Placing Agreement and subject to it becoming unconditional in all respects and not being terminated in accordance with its terms, the Company has agreed to pay Shore Capital a commission equivalent to approximately 2.7 per cent on the value at the Placing Price of the Placing Shares, together with all reasonable expenses and any applicable value added tax.
- 5.5 The Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the EGM from the following Shareholders:

<i>Shareholders</i>	<i>Number of Ordinary Shares</i>	<i>% of issued share capital</i>
Eton Park International LLP	3,450,000	9.69%
Charlemagne Capital (IOM) Limited	1,500,000	4.21%
Savoy Asset Management	535,000	1.50%
Midas Capital Partners	1,200,000	3.37%

- 5.6 Copies of this Document are available free of charge from the Company's registered office at 22 Arlington Street, London SW1A 1RD and from the Company's principal place of business at 6 rue Adolphe Fischer, L-1520 Luxembourg during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this Document for a period of one month from Admission.

Blackstar Investors PLC

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 2396996)
(R.C.S. Luxembourg number B 114 318)*

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Blackstar Investors PLC (the “Company”) will be held at 6 rue Adolphe Fischer, L-1520 Luxembourg at 10 a.m. CET on 16 August 2006 for the purpose of considering and, if thought fit, passing the following resolutions:

Increase of authorised share capital

1. TO RESOLVE THAT the authorised share capital of the Company be increased from £75,000,000 (represented by 75,000,000 Ordinary Shares with a par value of £1 each) to £90,000,000 (represented by 90,000,000 Ordinary Shares with a par value of £1 each).

Directors’ authority to allot shares

2. TO RESOLVE THAT, subject to the passing of Resolution 1 above and in place of all existing authorities, the directors be generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (“the Act”) to exercise all the powers of the Company to allot and issue relevant securities (within the meaning of section 80) up to an aggregate nominal amount of £54,392,145 for a period expiring (unless previously revoked, varied or renewed) on 16 February 2007 or, if sooner, the end of the next annual general meeting of the Company.

Disapplication of pre-emption rights

3. TO RESOLVE THAT subject to the passing of Resolutions 1 and 2 above and in place of all existing powers, the directors be generally empowered pursuant to section 95 of the Act to allot and issue equity securities (within the meaning of section 94(2) to 94(3A) of the Act) for cash, pursuant to the authority conferred by Resolution 2 as if section 89(1) of the Act did not apply to such allotment and issue, provided that this power shall expire on 16 February 2007 or, if sooner, the end of the next annual general meeting of the Company. This power shall be limited to the allotment and issue of equity securities:

- 3.1 in connection with the placing of ordinary shares in the capital of the Company by the Company as described in the circular posted to shareholders on 19 July 2006 up to an aggregate nominal amount of £42,857,143;
- 3.2 in connection with an issue by way of rights (including, without limitation, under a rights issue, open offer or similar arrangement) in favour of holders of Ordinary Shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares, but subject to such exclusions or other arrangements as the directors deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
- 3.3 otherwise than pursuant to paragraph 3.1 or 3.2 up to an aggregate nominal amount of £7,846,500.

Under English Law, Resolutions 1 and 2 require to be proposed as ordinary resolutions and Resolution 3 as a special resolution. However, in accordance with the provisions of the Articles and as required by

Luxembourg Law, all three resolutions to be approved are special resolutions, which require a 75 per cent majority by value of the Ordinary Shares present or represented at the EGM. In addition, a quorum of more than half of the issued Ordinary Shares by value is required to be present or represented at the EGM. If these requirements are not met, the Directors will not put the Resolutions to the EGM as they would not be capable of being validly passed under the Articles.

By Order of the Board

Julian André Treger
Secretary

Dated: 19 July 2006

Registered Office:
22 Arlington Street
London SW1A 1RD

Notes

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, to vote at the Meeting instead of him. A proxy need not be a member of the Company.
2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power or authority should be sent to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive not less than 48 hours before the time fixed for the meeting.
3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of members at 10 a.m. CET on 14 August 2006 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 6 p.m. CET two days before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

