Leaf
clean energy company

Leaf Clean Energy Company

AIM Admission Document

Nominated Adviser and Broker
Cenkos Securities plc

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 (''FSMA'') who specialises in advising on the acquisition of shares and other securities.

This document is an admission document prepared in accordance with the rules of AIM, a market operated by the London Stock Exchange (''AIM''). This document does not constitute a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the Financial Services Authority. A copy of this document has been delivered to the London Stock Exchange as required by the AIM Rules for Companies.

The Company and the Directors of the Company, whose names appear on page 4 of this document, accept responsibility both individually and collectively, for the information contained in this document and compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and 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 this document makes no omission likely to affect the import of such information.

Application will be made for the whole of the issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 28 June 2007. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with his or her own 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.

NO OFFER OR INVITATION TO SUBSCRIBE FOR ORDINARY SHARES MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has passed judgement upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The whole of this document should be read. Your attention is particularly drawn to the section entitled ''Risk Factors'' on pages 32 to 43 of this document.

LEAF CLEAN ENERGY COMPANY

(Incorporated under the Companies Law of the Cayman Islands and regulated in the Cayman Islands under number MC-187481)

PLACING

of 200,000,000 Ordinary Shares of £0.0001 each at 100p per Ordinary Share and Admission to trading on AIM

CENKOS SECURITIES PLC

NOMINATED ADVISER AND BROKER

SHARE CAPITAL

The following table shows the expected authorised and issued share capital of the Company immediately following Admission:

Authorised ordinary shares		*Issued and fully paid ordinary shares*	
£	Number	£	Number
25,000	250,000,000	20,000	200,000,000

The Placing Shares will, on issue, rank in full for all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the existing Ordinary Shares in issue at the date of this document.

Cenkos Securities plc is regulated by the Financial Services Authority and is acting exclusively for the Company and for no one else in connection with the Placing and Admission. Cenkos Securities plc will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos Securities plc or for advising any other person on the contents of this document or the Placing and Admission. The responsibility of Cenkos Securities plc as nominated adviser and broker to the Company is owed solely to the London Stock Exchange. No representation or warranty, express or implied, is made by Cenkos Securities plc as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him to purchase or subscribe for ordinary shares nor should he in any event purchase or subscribe for ordinary shares unless such an invitation or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the UK into whose possession this document comes or who wishes to purchase ordinary shares should satisfy himself that, in doing so, he complies with the laws of any relevant jurisdiction and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

The Ordinary Shares have not been nor will they be, registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in the United States, Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan or the Republic of South Africa or any person located in the United States. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction and is not for distribution in, or into, the United States, Australia, Canada, Japan or the Republic of South Africa. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe such restrictions.

Copies of this document will be available during the normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of Cenkos Securities plc, 6.7.8 Tokenhouse Yard, London EC2R 2AS, United Kingdom for one month from the date of Admission.

IMPORTANT NOTICE

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

Forward-looking statements appear in "Key Information", "Part I – Information on the Company", "Part II – Risk Factors" and elsewhere throughout this document and includes statements regarding the intentions, beliefs or current expectations of the Company and its Directors concerning, amongst other things, the investment objectives and investment policies, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the markets in which it, directly and indirectly, will invest.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from those predicted by the forward-looking statements contained in this document. In addition, even if the performance, results of operations, financial condition, liquidity and dividend policy of the Company and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause the Company's actual performance, results of operations, financial condition, liquidity and dividend policy and the development of the Company's financing strategies to differ from the current expectations of the Company and its Directors include, but are not limited to, changes in economic conditions generally and in the clean energy market specifically, legislative/regulatory changes, changes in taxation regimes, changes in interest rates, currency exchange rate fluctuations and the Company's ability to utilise the proceeds of the Placing in suitable acquisitions on a timely basis; the availability and cost of capital for future acquisitions; changes in the quantitative and qualitative details of prospective acquisitions; the Company's ability to execute binding agreements for acquisitions; the Company's ability to resolve conflicts of interest; the Company's reliance on the Management Company and the Sponsors; cost overruns; leverage; competition; the Company's concentration of investments; litigation; inflation; the continued provision of services by the Asset Adviser, the Management Company and the Sponsors and the Management Company's ability to attract and retain suitably qualified personnel.

The Company urges potential investors to read "Part I – Information on the Company" and "Part II – Risk Factors" for a more complete discussion of the factors that could affect the Company's future performance and the industry in which the Company operates. In light of these risks and uncertainties, the events described in the forward-looking statements in this document may not occur.

These forward-looking statements speak only as at the date of this document. Subject to any obligations under the AIM Rules for Companies, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document that could cause actual results to differ from expectations before making an investment decision.

CONTENTS

DIRECTORS, OFFICERS AND ADVISERS

Directors	Peter Tom (Non-executive Chairman) Bran Keogh (Non-executive Director) J. Curtis Moffatt (Non-executive Director) Peter O'Keefe (Non-executive Director)
Registered Office	P.O. Box 309GT Ugland House South Church Street George Town Grand Cayman Cayman Islands
Asset Adviser	EEA Fund Management Limited 7th Floor 22 Billiter Street London EC3M 2RY United Kingdom
Management Company	Energy and Climate Advisors P.O. Box 309GT Ugland House South Church Street George Town Grand Cayman Cayman Islands
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS United Kingdom
Registrar	Computershare Investor Services (Channel Islands) Limited P.O. Box 83 Ordnance House 31 Pier Road St. Helier Jersey JE4 8PW United Kingdom
Depositary	Computershare Investor Services plc P.O. Box 82 The Pavilions Bridgwater Road Bristol BS99 7AH United Kingdom
Administrator	Equity Trust Fund Services (Luxembourg) S.A. 46a Avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg

Reporting Accountants and Auditors to the Company	KPMG LLP 8 Salisbury Square London EC4Y 8BB United Kingdom
Solicitors to the Company as to English Law	Shepherd and Wedderburn LLP 10 St. Paul's Churchyard London EC4M 8AL United Kingdom
Cayman Islands Legal Advisor to the Company	Maples and Calder P.O. Box 309GT Ugland House South Church Street George Town Grand Cayman Cayman Islands
Legal Advisers to the Company as to US Law	Chadbourne & Parke LLP 30 Rockefeller Plaza New York, NY 10112 USA
Solicitors to the Nominated Adviser and Broker	Travers Smith 10 Snow Hill London EC1A 2AL United Kingdom

PLACING STATISTICS

Placing Price	100p
Number of Placing Shares being placed	200,000,000
Number of Ordinary Shares in issue immediately following the Placing and Admission	200,000,000
Market capitalisation of the Company at the Placing Price immediately following Admission	£200.0m ($398.5m)
Gross proceeds of the Placing receivable by the Company	£200.0m ($398.5m)
Estimated expenses/fees to be paid by the Company	£6.6m ($13.1m)
Estimated net proceeds of the Placing receivable by the Company	£193.4m ($385.4m)
Estimated net asset value per Ordinary Share	96.7p ($1.93)
ISIN	KYG541351014

Note: Exchange rate of £1:US$1.9925 used, which was the exchange rate at 21 June 2007.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	22 June 2007
Admission effective and dealings commence on AIM	28 June 2007
CREST accounts credited	28 June 2007
Definitive share certificates dispatched	by 12 July 2007

Each of the times and dates in the above timetable is subject to change. All times are London times unless otherwise stated.

DEFINITIONS

"Administrator"	Equity Trust Fund Services (Luxembourg) S.A., a public company incorporated under the laws of the Grand Duchy of Luxembourg, the registered office of which is at 46a Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg;
"Admission"	admission of the whole of the ordinary share capital of the Company to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"AIM"	AIM, a market operated by the London Stock Exchange;
"AIM Rules for Companies"	the rules for AIM companies published by the London Stock Exchange from time to time;
"AIM Rules for Nominated Advisers"	the rules for nominated advisers to AIM companies published by the London Stock Exchange from time to time;
"Appointed Representative Deed"	the deed dated 22 June 2007 and entered into between the Asset Adviser and the Management Company, pursuant to which the Asset Adviser appointed the Management Company as its appointed representative for the purposes of the Asset Advisory Agreement, a summary of which is contained in paragraph 7.1 of Part IV of this document;
"Articles of Association" or "Articles"	the articles of association of the Company as amended from time to time;
"Asset Adviser"	EEA;
"Asset Advisory Agreement"	the agreement dated 22 June 2007 between the Company and the Asset Adviser, a summary of which is set out in paragraph 8.3 of Part IV of this document;
"Benefit Plan Investor"	an investor subject to Title 1 of ERISA or section 4975 of the Code;
"Board" or "Directors"	the directors of the Company;
"Cenkos"	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8. Tokenhouse Yard, London EC2R 7AS;
"Certificated" or in "Certificated form"	not in uncertificated form (that is, not in CREST);
"City Code"	The City Code on Takeovers and Mergers published by the UK Panel on Takeovers and Mergers;
"Climate Exchange"	Climate Exchange plc, a company incorporated in the Isle of Man on 13 August 2003 with registered number 109015C;
"Code"	the Internal Revenue Code of 1986, as amended, of the United States;
"Combined Code"	the code of best practice including the principles of good governance published in June 2006 by the Financial Reporting Council;
"Companies Law"	the Companies Law (2004 Revision) of the Cayman Islands;
"Company"	Leaf Clean Energy Company, an exempted company incorporated with limited liability in the Cayman Islands on 14 May 2007 with registered number MC-187481 and having its registered office at P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands;

"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo 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, the operator of CREST;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
"Deed Poll"	the deed entered into by the Depositary for the creation and issue of Depository Interests, a summary of which is contained in paragraph 10.2 of Part IV of this document;
"Depositary"	Computershare Investor Services plc of The Pavilions, Bridgwater Road, Bristol BS99 7AH;
"DI" or "Depositary Interests"	the depositary interests representing the Ordinary Shares and issued by the Depositary pursuant to the Deed Poll, further details of which are contained in paragraph 10 of Part IV of this document. If you would like to know more, please refer to the CREST International Manual;
"EEA"	EEA Fund Management Limited, a company incorporated in England and Wales with registered number 04872946 and having its registered office at 7th Floor, 22 Billiter Street, London EC3M 2RY;
"EEA Retainer Agreement"	the agreement dated 22 June 2007 and entered into between the Management Company and EEA, a summary of which is contained in paragraph 7.2 of Part IV of this document;
"EEA Right of First Refusal Deed"	the letter dated 22 June 2007 from EEA to the Management Company, a summary of which is contained in paragraph 7.4 of Part IV of this document;
"ERISA"	the Employee Retirement Income Security Act of 1974, as amended, of the United States;
"EU"	European Union;
"FSA"	the Financial Services Authority;
"FSMA"	the Financial Services and Markets Act 2000, as amended, of the United Kingdom;
"Group"	means the Company and its subsidiary undertakings from time to time;
"IFRS"	accounting policies, practices, principles and conventions using all relevant International Financial Reporting Standards as adopted by the EU, including all IFRS (International Financial Reporting Standards), IAS (International Accounting Standards), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC) and all relevant statements and recommendations from professional accountancy bodies;
"Investment Committee"	the investment committee of the Management Company, initially comprising Simon Shaw, Dan Shapiro, Ricardo Nogueira and Kevin McNulty;
"Investment Company Act"	the Investment Company Act of 1940, as amended, of the United States and the regulations promulgated thereunder;
"London Stock Exchange"	London Stock Exchange plc;

"Management Company"	Energy and Climate Advisors, a company incorporated in the Cayman Islands on 29 May 2007 with registered number 188208 and having its registered office at P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands;
"Net Asset Value"	the net asset value of the Company or Group, calculated as provided for in paragraph 6.7 of Part I of this document (and Net Asset Value per Ordinary Share shall be construed accordingly);
"Novation Agreement"	the agreement dated 22 June 2007 among the Asset Adviser, the Management Company and the Company, a summary of which is contained in paragraph 8.5 of Part IV of this document;
"Official List"	the Official List of the UK Listing Authority;
"Ordinary Shares"	shares of £0.0001 each in the share capital of the Company or Depositary Interests representing such shares;
"PFIC"	a passive foreign investment company, as defined in the Code;
"Placee"	a subscriber for Placing Shares pursuant to the Placing;
"Placing"	the conditional placing of the Placing Shares by Cenkos at the Placing Price pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 22 June 2007 in connection with the Placing between the Company, the Directors, the Sponsors and Cenkos, further details of which are set out in paragraph 8.2 of Part IV of this document;
"Placing Price"	100p per Placing Share;
"Placing Shares"	200,000,000 new Ordinary Shares to be allotted and issued pursuant to the Placing, such allotment being conditional on Admission, or Depositary Interests representing such shares;
"Project Companies"	companies or projects operating, or that will be operating, in the clean energy sector and in which the Company will acquire interests;
"Prospectus Rules"	the prospectus rules issued by the FSA pursuant to Part VI FSMA;
"Registrar"	Computershare Investor Services (Channel Islands) Limited, PO Box 83, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW;
"Relevant Benefit Plan Investor"	a Benefit Plan Investor using assets of plans that are subject to Title 1 of ERISA or section 4975 of the Code (including, as applicable, assets of an insurance company general account) or plans, individual retirement accounts, annuities and other arrangements that are subject to the prohibited transaction provisions of section 406 of ERISA or section 4975 of the Code, or to provisions under applicable federal, state, local or other laws or regulations that are substantially similar to such provisions of ERISA or the Code;
"Retainer Agreements"	the EEA Retainer Agreement and the Shaw Retainer Agreement;
"Right of First Refusal Deeds"	the EEA Right of First Refusal Deed and the Shaw Right of First Refusal Deed;
"Securities Act"	the Securities Act of 1933, as amended, of the United States and the regulations promulgated thereunder;
"Shareholders"	holders of Ordinary Shares;
"Share Register"	the share register of members of the Company maintained in Jersey as the Company's principal share register in accordance with its Articles on behalf of the Company by the Registrar pursuant to an agreement between the Company and the Registrar dated 7 June 2007;

"Shaw Capital"	Shaw Capital, Inc. of 4171 Essen Lane, Baton Rouge, Louisiana, 70809, USA;
"Shaw Retainer Agreement"	the agreement dated 22 June 2007 and entered into between the Management Company and Shaw Capital, a summary of which is contained in paragraph 7 of Part IV of this document;
"Shaw Right of First Refusal Deed"	the letter dated 22 June 2007 from Shaw Capital to the Management Company, a summary of which is contained in paragraph 7.5 of Part IV of this document;
"Sponsors"	Shaw Capital and EEA, in their capacity as shareholders in and sponsors of the Management Company;
"Stone & Webster"	Stone & Webster Management Consultants, Inc., a subsidiary of The Shaw Group;
"The Shaw Group"	The Shaw Group Inc. of 4171 Essen Lane, Baton Rouge, Louisiana, 70809, USA and its affiliates;
"Trading Emissions"'	Trading Emissions plc, a company incorporated in the Isle of Man on 15 March 2005 with registered number 113037C;
"UK Companies Act"	the Companies Act 1985 (as amended) of the United Kingdom;
"UK Listing Authority"	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
"Uncertificated form" or "in uncertificated form"	shares (or Depositary Interests representing such shares) recorded in the Share Register as being held in uncertificated form, title to which may be transferred by means of an instruction issued in accordance with the rules of CREST;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"Valuation Day"	30 June and 31 December in each year;
"$" or "US Dollars"	the lawful currency of the US; and
"£", "Pounds" or "Pounds Sterling"	the lawful currency of the UK.

GLOSSARY

"carbon credits"	GHG related instruments, being instruments which are effectively a right to continue GHG emissions;
"carbon market" or "emissions market"	the market for carbon credits and the GHG emissions credits;
"CDM"	Clean Development Mechanism, a mechanism introduced by the Kyoto Protocol, which governs project carbon credit generation in the developing world;
"CER"	Certified Emission Reductions, the emission reductions (credits) unit generated under the CDM and measured in tonnes of CO_2 equivalent;
"CO_2"	carbon dioxide, the largest anthropogenic contributor to the enhanced global GHG effect;
"EU ETS"	European Union Emissions Trading Scheme;
"GHG" or "greenhouse gases"	CO_2, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafloride;
"JI"	Joint Implementation, a mechanism introduced by the Kyoto Protocol, which governs project carbon credit generation in the developed world;
"Kyoto Protocol"	the Kyoto Protocol adopted at the Third Session of the Conference of the Parties to the UN Framework Convention on Climate Change in 1997 in Kyoto, Japan;
"RPSs"	Renewable Portfolio Standards. A renewable portfolio standard is a US State policy that requires electricity providers to obtain a minimum percentage of their power from renewable energy resources by a certain date. Currently 20 states, plus the District of Columbia, have RPS policies in place; and
"UNFCC"	United Nations Framework Convention on Climate Change.

KEY INFORMATION

The information below is only a summary of more detailed information included in other sections of this document. The summary is not complete and does not contain all the information that prospective investors should consider before subscribing for Ordinary Shares. In particular, you should consider very carefully the risk factors set out in Part II of this document. You should read the whole of this document and not just rely upon this Key Information section.

1. OVERVIEW

1.1 The Company

Leaf Clean Energy Company was incorporated in the Cayman Islands on 14 May 2007 for the purpose of acquiring interests in, owning, operating and managing clean energy companies and projects including renewable energy projects, and other projects that create environmental benefits through greenhouse gas emission reductions. The clean energy sector includes activities such as the production of alternative fuels, the production of renewable power and the use of technologies to reduce the environmental impact of traditional energy sources. The Company believes that the clean energy sector is attractive due to the increasing demand for clean energy, driven by environmental and energy dependence concerns, on the one hand, and by its increasing competitiveness as an alternative source of energy on the other. It is expected that the Company will take controlling stakes in, and operational control of, the majority of its investments. The Company plans initially to acquire interests in such projects primarily in North America, but investments in other countries will also be considered. The Company will seek to obtain long-term capital growth through the acquisition of interests in, and operating and managing clean energy and alternative fuel projects and through the potential generation and commercialisation of carbon credits derived from these projects. EEA and Shaw Capital are Sponsors and joint owners of the Management Company. The Company will target full commitment of the net proceeds raised in the Placing within 18 months of Admission.

1.2 The Management Company

The Company has appointed EEA as its Asset Adviser pursuant to an Asset Advisory Agreement. In turn, the Asset Adviser has, pursuant to the Appointed Representative Deed, appointed the Management Company as its appointed representative to perform its obligations under the Asset Advisory Agreement to the extent permitted by law. Under the terms of the Asset Advisory Agreement, the Asset Adviser will transfer its rights, responsibilities and obligations under such agreement to the Management Company upon the Management Company receiving relevant authorisations from the FSA. Pending receipt of these authorisations, EEA will provide those services which the Management Company is not legally able to provide because it is not FSA authorised. The Management Company will be responsible for providing substantially all of the management and operating services to the Company pursuant to the terms of the Asset Advisory Agreement, subject to the oversight, direction and approval of the Board. The Management Company's duties will include the sourcing, screening and completion of acquisition of interests in, as well as supporting and supervising in the operation and management of Project Companies in which the Company will acquire interests (each a ''Project Company''). The Management Company will have access to Shaw Capital and EEA and their respective affiliates' ability to source projects and to provide expertise in the assessment and structuring of investments, as well as their resources, insights, experience, contacts and relationships in the worldwide clean energy sector and the carbon market. Additional information on the Asset Advisory Agreement and the Appointed Representative Deed is set out in Part IV of this document.

2. THE CLEAN ENERGY OPPORTUNITY

The Company's primary strategy is to acquire interests in and to own, operate and manage clean energy companies and projects, including renewable energy projects and projects that create environmental benefits through greenhouse gas emission reductions. Renewable energy can generally be defined as energy (such as electricity, transportation fuels, sources of process heat, etc.) derived from resources that are regenerative or for practical purposes cannot be depleted. Renewable energy technologies may be broadly divided into two categories: (1) production of electricity, from sources such as wind, solar, geothermal, hydro, biomass, or municipal wastes; and (2) production of transportation fuels, such as ethanol and biodiesel. Renewable energy is generally considered to involve relatively less environmental impact than traditional sources of energy. The combustion of renewable fuels typically results in a reduction of greenhouse gases (CO_2, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafloride) produced per unit of energy when compared with traditional sources of energy.

Several factors are acting to increase the demand for renewable energy. Increases in the price of fossil fuels have led to a significant improvement in the cost competitiveness of renewable energy versus traditional, non-renewable, sources. In addition, policymakers in the industrialised, oil importing countries are becoming increasingly concerned about the implications of external energy dependence. As a result, support for renewable energy as a means of reducing dependence on imports is increasing. Renewable energy is also receiving support due to its perceived environmental benefits, especially the contribution which renewable energy resources could make in efforts to reduce emissions of greenhouse gases. Furthermore, in addition to the traditional economic value of energy products and related byproducts such as thermal energy and steam, there are additional revenue sources potentially applicable to renewable energy products, including tax and other financial incentives and carbon credits. The Company believes that all of these factors are contributing to an increased demand for clean and renewable energy, creating a positive environment for investing in clean, and in particular, renewable energy projects.

There are inherent challenges for institutional investors in accessing small and mid-size technically-complex projects in the renewable energy sector. The Directors believe that institutional investors often lack the in-house resources to access and evaluate such small technically-complex assets effectively and efficiently and may find the amount of time and analysis required to be unpalatable. The Company, through the Management Company, is well positioned to source, assess and structure transactions in the sector at an early stage. The Directors believe that the Company's capabilities and access, through the Management Company, to the Sponsors' energy and environmental market knowledge will allow the efficient screening of smaller and more complex projects, thereby broadening the scope of opportunities and giving institutional and other investors a means to access a range of project level opportunities within the renewable energy sector.

3. COMPETITIVE STRENGTHS

The Company believes it enjoys the following competitive strengths:

- Experienced management team
- Access to the Sponsors' resources, including transaction sourcing, transaction screening and transaction structuring, as well as project development and operation
- Identified pipeline of opportunities
- Experience in the environmental credit market

4. COMPANY STRATEGY

The Company will seek to achieve long-term capital appreciation primarily through privately negotiated acquisitions of interests (principally equity but also equity-related and subordinated or mezzanine debt securities) in both projects and companies which own assets or participate in the clean energy sector, as well as through the generation and commercialisation of carbon credits. Initially, the Company expects primarily to acquire interests in companies located in North America, although other regions may also be considered. The Company intends to invest fully the net proceeds of the Placing within 18 months of Admission. The Company will target an overall pre-tax internal rate of return on each project of 20 per cent. This rate is a target and not a forecast and there can be no assurance that this target rate of return can be achieved.

The Company will implement the following strategies in deploying the Company's capital:

Diversification – while the Company has not established prescribed limits for investing in specific renewable or alternative energy technologies or sectors, the Company will seek to build a diverse portfolio of assets and it is expected that no single Project Company shall account for more than 25 per cent. of gross assets;

Significant influence – the Company will typically target majority or controlling positions (although minority positions will be considered in certain circumstances) in development or operating assets;

Asset quality – the Company will target companies with strong management and/or development teams, robust prospective project economics, comparative advantages, and favourable regulatory environments; and

Bidding – the Company will generally not participate in auction-based transactions.

5. THE PLACING AND USE OF PROCEEDS

The Placing comprises a placing of up to 200,000,000 Ordinary Shares. The Placing Shares are being placed at the Placing Price.

The Placing Shares are being placed by Cenkos with certain institutional investors. The Placing will raise approximately £200 million (before commissions and expenses). The net proceeds of the Placing of £193.4 million will be used both to fund transactions in accordance with the investment policy outlined in this document and for general working capital purposes. The Company's funds may at any time be held in cash or cash equivalents, being high quality, liquid securities, including US government securities. The Placing, is conditional, *inter alia*, on Admission and on the Placing Agreement not being terminated in accordance with its terms prior to Admission.

6. RISK FACTORS

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

PART I

INFORMATION ON THE COMPANY

1. INTRODUCTION

Leaf Clean Energy Company was incorporated in the Cayman Islands on 14 May 2007 for the purpose of acquiring interests in, owning, operating and managing clean energy companies and projects including renewable energy projects and other projects that create environmental benefits through greenhouse gas emission reductions. The clean energy industry includes activities such as the production of alternative fuels, the production of renewable power and the use of technologies to reduce the environmental impact of traditional energy sources. The Company believes that the clean energy sector is attractive due to the increasing demand for renewable energy, driven by environmental and dependence concerns, on the one hand, and its increasing competitiveness as an alternative source of energy on the other. It is expected that the Company will take controlling stakes in and operational control of, the majority of its investments. The Company plans initially to acquire interests in such projects primarily in North America, but investments in other countries will also be considered. The Company will seek to obtain long-term capital growth through the acquisition of interests in and operating and managing clean energy and alternative fuel projects and through the potential generation and commercialisation of carbon credits derived from these projects. EEA and Shaw Capital are sponsors and joint owners of the Management Company. The Company will target full commitment of the net proceeds raised in the Placing within 18 months of Admission. Your attention is drawn to the information set out under heading Strategy in paragraph 6 of Part I of this document.

The Company has entered into an Asset Advisory Agreement with the Asset Adviser. In turn, the Asset Adviser has, pursuant to the Appointed Representative Deed, appointed the Management Company as its appointed representative to perform its obligations under the Asset Advisory Agreement to the extent permitted by law. Under the terms of the Asset Advisory Agreement, the Asset Adviser will transfer its rights, responsibilities and obligations under such agreement to the Management Company upon the Management Company receiving relevant authorisations from the FSA. Pending receipt of these authorisations, EEA will provide those services which the Management Company is not legally able to provide because it is not FSA authorised. The Management Company will be responsible for providing substantially all of the management and operating services to be provided to the Company pursuant to the terms of the Asset Advisory Agreement, subject to the oversight, direction and approval of the Board. The Management Company's duties will include the sourcing, screening and completion of the acquisition of interests in, as well as supporting and supervising in the operation and management of the Project Companies. The Management Company will have access to Shaw Capital and EEA and their respective affiliates' ability to source projects and to provide expertise in the assessment and structuring of transactions, as well as their resources, insights, experience, contacts and relationships in the worldwide clean energy sector and the carbon market. Additional information on the Asset Advisory Agreement and the Appointed Representative Deed is set out in Part IV of this document.

The Sponsors have identified a number of prospective opportunities for the Company in the clean energy sector although no binding agreements have been entered into with respect to these opportunities and execution of these opportunities will be subject to the Company's investment process. For more information on the opportunities identified by the Sponsors, please see paragraph 5 of Part I of this document.

2. THE CLEAN ENERGY OPPORTUNITY

The Company's primary strategy is to acquire interests in and to own, operate and manage companies with a focus on the clean energy sector including renewable energy projects, as well as other projects that create environmental benefits through greenhouse gas emission reductions. Renewable energy can generally be defined as energy derived from sources (such as electricity, transportation fuels, sources of process heat, etc.) that are regenerative or for all practical purposes cannot be depleted. Renewable energy technologies may be broadly divided into two categories: (1) production of electricity, from sources such as wind, solar, geothermal, hydro, biomass, or municipal wastes; and (2) production of transportation fuels, such as ethanol and biodiesel. Summary descriptions of these renewable energy areas are set out below.

Clean energy is generally considered to involve relatively less environmental impact than traditional sources of energy. The combustion of renewable fuels typically results in a reduction of greenhouse gases produced per unit of energy when compared with traditional sources of energy. In certain applications, energy derived from renewable resources entails negligible atmospheric emissions as no fuels are combusted (for example, wind, solar, hydro or geothermal energy). The majority of clean energy projects result in a reduction of non greenhouse gas emissions such as nitrogen oxides (''NO_X'') or carbon monoxide (''CO'') produced per unit of energy when compared to processes using traditional fuels.

2.1 Drivers of the Renewable Energy Sector

Several factors are acting to increase the demand for renewable energy. Increases in the price of fossil fuels (especially crude oil, oil derived products and natural gas) have led to a significant improvement in the cost competitiveness of renewable energy versus traditional, non-renewable, sources. In addition, policy makers in certain industrialised, oil importing countries are becoming increasingly concerned about the implications of external energy dependence. As a result, support for renewable energy as a means of reducing dependence on imports is increasing. Finally, renewable energy is receiving support due to its perceived environmental benefits, especially regarding the contribution which renewable energy resources could make in efforts to reduce emissions of greenhouse gases. The Company believes that all of these factors are contributing to an increased demand for renewable energy, creating a positive environment for investing in renewable energy projects.

In addition to the traditional economic value of energy products and related byproducts such as thermal energy and steam, there are additional revenue sources and financial incentives potentially applicable to renewable energy projects. For example, there are tax and other direct financial incentives for renewable energy products such as, in the United States, state and federal biofuels tax credits and production credits for wind, geothermal and biomass energy production. There are also regulatory-driven market-influenced monetary incentives for renewable energy products such as carbon credits, renewable energy credits, renewable energy portfolio standards, renewable fuel standards and government and industry procurement targets.

There are inherent challenges for institutional investors in accessing small and mid-size technically complex projects in the renewable energy sector. The Directors believe that institutional investors often lack the in-house resources to access and evaluate such small technically-complex assets effectively and efficiently and may find the amount of time and analysis required to be unpalatable. The Company, through the Management Company, is well positioned to source, assess and structure transactions in the sector at an early stage. The Directors believe that the Company's and the Management Company's capabilities and access to the Sponsors' energy and environmental market knowledge will allow the efficient screening of smaller and more complex projects, thereby broadening the scope of opportunities and giving institutional and other investors a means to access a range of project level opportunities within the renewable energy sector.

2.2 The US Emissions Reduction Framework

Renewable energy is receiving support due to its perceived environmental benefits, especially the contribution which renewable energy resources could make in efforts to reduce emissions of greenhouse gases, specifically CO_2. A significant example of this is the UNFCCC which, via the 1997 Kyoto Protocol, developed a mechanism for incentivising reductions in greenhouse gas emissions internationally. This is based on a cap and trade system aimed at limiting carbon emissions at the national level of participating countries via tradable permit mechanisms generated either through emission reductions within home country or via transferring reductions abroad. The resulting CDM is designed to encourage transfer of lower carbon intensity technology to the developing world, to help decouple emissions from economic growth. Although the US is not a signatory to the Kyoto Protocol, within the US, climate change is quickly moving to the forefront of the political agenda. In the US Congress alone, over one hundred climate change related bills have been introduced since 2004, including several major legislative proposals introduced during the first month of the current 110th Congress, most of which would establish an economy-wide market-based regime for capping greenhouse gas emissions.

A number of factors have contributed to this change in the legislative climate, but most importantly, the November 2006 elections gave the Democrats bicameral control of the Congress. This shift has placed strong proponents of climate change legislation in charge of key legislative committees with relevant jurisdiction. On the House of Representatives side, the new House Speaker has announced her desire to bring climate change legislation to the House floor by midyear 2007. In addition, the

House has established a Select Committee on Energy Independence and Global Warming, which will focus further attention on climate change.

The upcoming US Presidential elections also point to an increased likelihood of climate change action as all the major candidates have taken proactive positions. Moreover, a new US President will have executive authority through the US Environmental Protection Agency (''EPA'') to enact relevant law. In a landmark decision, the US Supreme Court ruled recently that the EPA has the authority to regulate emissions of greenhouse gases from automobiles (*Massachusetts et al. v. EPA).*

At the local level, California, New York, and several other states, and several cities – collectively representing a large fraction of the US economy – are moving to regulate their greenhouse gas emissions. With the passage of the Global Warming Solutions Act of 2006, California set an enforceable target of achieving 1990 levels of greenhouse gas emissions by 2020. The Regional Greenhouse Gas Initiative (''RGGI'') is establishing the first mandatory U.S. cap-and-trade program for carbon dioxide, which currently includes ten Northeastern and Mid-Atlantic states. The RGGI program will cap emissions at current levels in 2009 and then reduce emissions 10 percent by 2019.

In addition to the potential for regulatory driven markets, the US currently has a burgeoning voluntary market. Parties seeking to address climate change through voluntary markets have developed a number of tools to meet this challenge, ranging from Verified Emissions Reductions (''VERs'') and Renewable Energy Certificates (''RECs'') to Voluntary Compliance Standards and the Chicago Climate Exchange (''CCX''). Voluntary VER markets have few proscriptions on what can create a VER, which allows for broader markets. An important element of voluntary VER transactions includes verification and monitoring to ensure that the reductions are accurate and measurable. Another indicator of market growth has been the CCX which operates by admitting members who voluntarily sign legally binding contracts to reduce their level of emissions by a certain amount. It has achieved significant success in terms of the number of participants, the volumes traded, and the price of emissions credits on the exchange.

2.3 Renewable Electric Energy

The renewable electric energy sector includes electric energy derived from natural processes that do not involve the consumption of exhaustible resources, such as fossil fuels and uranium. Renewable electric energy technologies tap natural flows of energy, such as water, wind, geological, biomass and solar sources to produce electricity, fuels and heat, or a combination of these products. The environmental benefits of renewable electricity projects are significant since they generally displace the use of fossil fuels, with generation which creates no emissions at all or lower emissions than fossil fuel generation. In addition, the use of renewable energy resources can help diversify energy sources away from traditional sources, and increase overall electricity generation.

There are four main sources of electric energy from renewable sources that the Company expects to consider investing in: hydropower, biomass, geothermal, and wind. Projects in all of these areas qualify for tax credits and renewable energy credits in most jurisdictions in the US and generate carbon credits under the Clean Development Mechanism and under Voluntary Emission Reduction programmes.

2.3.1 *Hydropower*

Hydropower is the use of water to produce energy. Large scale hydropower plants generally are based on the storage of water behind dams which is released through turbines on a controlled basis to produce electricity. While emission-free, hydropower from such large scale dams has been criticised as being environmentally undesirable due to the disruption of certain wildlife habitats and negative effects on the watershed, many smaller scale hydro plants are run-of-river, in which water is allowed to flow continuously through the turbine, reducing the overall impact of the hydropower plant on the river. Such small-scale hydropower is a well-established form of generation which produces no air pollutant emissions.

Small-scale hydropower is a mature technology. In 2005, power generation for small-scale hydropower worldwide was 66 GW, representing an approximate 8 per cent. increase over the total global capacity for 2004. Typical small-scale facilities range in size from 100kW to 30MW. As a mature technology, reliable cost estimates can be developed for siting, development, installation, operation and maintenance and electrical interconnection. The reliability of new hydropower equipment is high and operating costs for installed units is low.

While permitting and licensing have traditionally been an issue with large hydropower facilities, these lower impact, smaller-scale hydropower projects have been less problematic from a permitting perspective. As a result "Low Impact Hydro" has been developed as a way to define hydro projects that are less disruptive to their environment, and therefore are often considered renewable electric energy. While the primary locations for small-scale hydropower projects have been in Canada and China, a significant number of sites remain open for development in the US. For example, in a report published in January 2006, the US Department of Energy estimated that there were over 5,400 sites across the US that could potentially be developed as small hydro plants. These sites could add a little over 18,000 MW of additional capacity.

2.3.2 *Biomass*

Biomass is the direct combustion of plant matter and organic residues to generate electricity and/or provide heat. Biomass consists of derived organic matter which is available on a renewable basis and includes the use of wood (or wood products), plants and residue from agriculture or forestry, which can be replenished by replanting. Biomass energy also includes the use of waste products, such as municipal solid waste, municipal solid sludge and landfill gas ("waste to energy"). The closure of landfills as they reach capacity is acting as a driver of growth in the waste-to-energy market.

Biomass power generation is an established segment within the overall renewable energy sector. In 2005, power generation for biomass projects was 44 GW worldwide, representing an approximate 7 per cent. increase over the total global capacity for 2004. The primary locations from biomass projects have been in the United States, Brazil, the Philippines, Germany, Sweden and Finland. The capacity of biomass facilities typically ranges from 20MW to 50MW. In addition to revenues from power sales, biomass projects can also generate revenues from tipping fees, steam sales from cogeneration, and the commercialisation of emission credits.

2.3.3 *Geothermal*

Geothermal energy is the use of naturally occurring steam and hot water generated by heat from the earth to produce electricity. Temperatures at the earth's core can reach nearly 9,000 degrees Fahrenheit (5,000 degrees Celsius) and, where accessible, constitutes a vast energy resource. Where hot rock is near the surface of the earth and ground water reaches such hot rocks, the resultant steam can be used for electrical generation or heating.

Geothermal energy is an established segment within the overall renewable energy sector utilising proven technology. There are at least 76 countries with geothermal heating capacity and 24 of such countries currently generating electricity from geothermal energy. The primary locations for geothermal projects have been in the United States, the Philippines, Mexico, Indonesia, and Italy. However, given the specific nature of the geologic formations required for geothermal generation, the number of sites for economic geothermal resource development are somewhat limited in comparison with other types of renewable electricity generation.

In 2005, power generation worldwide from geothermal projects was 9.3 GW, representing an approximate 3 per cent. increase over the total global capacity for 2004. Geothermal facilities typically range in size from 1 MW to over 100 MW.

2.3.4 *Wind*

Wind turbines use aerodynamic blades mounted on a rotor to capture the naturally occurring energy of the wind for generating electricity. Although wind power has no air emissions, it can have other impacts on the environment such as visual obstruction, bird kills and noise pollution. Measures have been, and are continuing to be, developed to mitigate these concerns.

Wind power is expected to experience continued growth over the next 10 years. Wind power production is becoming more cost effective and this has supported growth in the sector. In 2005, power generation from wind projects was 59 GW worldwide, representing an approximate 24 per cent. increase over the total global capacity for 2004. The primary locations for development of wind projects have been in the United States, Spain and

Germany, though other countries, notably the UK, China, India, and Denmark are increasing their wind power capacity.

The size of a wind power project is typically in the range of 600 kW to over 100 MW. Given the variability of wind power on a daily and seasonal basis, confirmation on the force and consistency of the wind is important for development of wind projects. In addition, because wind generation is not as consistently available as other types of generation, and since wind power locations tend to be away from urban centres, the location of a wind power facility on the transmission grid is important to ensure that the grid can support the variability of the wind power and that wind power can be readily transmitted to consumers.

2.4 Alternative Fuels

Alternative fuels include any transportation fuels made from nontraditional resources, including biofuels such as ethanol and biodiesel. Biofuels provide a number of benefits over traditional fuels. Ethanol and biodiesel reduce emissions of most major air pollutants compared to traditional fuels, resulting in significant greenhouse gas reduction benefits. They are also generally safer and easier to handle than most petroleum products. These benefits, combined with higher prices for traditional fuels, are resulting in their wider commercial acceptance and use. A key advantage of ethanol and biodiesel versus many other fuels is that they can utilise existing retail distribution infrastructure without the need for significant modifications at the point of sale. Furthermore, government policy in many areas is encouraging increased production. For example, the Energy Policy Act passed in 2005 by the US Congress established a renewable fuels content requirement of 7.5 billion gallons per year by 2012, while the EU Biofuels Directive contains a target of 5.7% market penetration by 2010. The Company expects to focus primarily on companies involved in ethanol and biodiesel production.

2.4.1 *Ethanol*

Ethanol is a biofuel produced by fermenting biomass that is rich in carbohydrates, such as sugar cane or corn, converting the carbohydrate portion of the biomass into sugar and then converting the sugar into ethanol through a fermentation process. Ethanol, which has been produced in the US since at least 1908, already plays a significant role in the US energy market, primarily as an oxygenate additive to gasoline. Since the early 1970's, ethanol derived primarily from corn has been used successfully in gasoline to extend petroleum fuel supplies and enhance octane. In addition, ethanol is used as a chemical additive in a wide range of consumer and industrial productions, including personal care products, vinegar, pharmaceuticals and a variety of other items.

Ethanol represents a growing market utilising proven technology. Ethanol fuel production in 2006 was 13.4 billion gallons (approximately 4.2% of global gasoline production) representing an approximate 11% increase over the total global capacity for 2005. The primary locations for ethanol projects have been in the US and Brazil, who jointly account for nearly 70% of total global ethanol production. The size of an ethanol project has traditionally been in the range of 15 to 50 million gallons per year, although a number of facilities now in development are in the range of 100 million gallons per year.

The total production cost for ethanol is dependent on the feedstock used, the expense of transporting the feedstock to the production facilities and the expense of transporting the ethanol to the market. Ethanol cannot easily be transported via pipeline over long distances due to its affinity for water, therefore typically requiring transportation on more costly alternatives, such as by rail and truck. Sites which provide low cost transportation access to markets are generally preferred.

Overall production costs for ethanol have declined in recent years as production facilities have become more efficient and as the range of usable feedstocks has expanded. It is expected that the range of feedstocks will expand to include cellulose feedstock, offering significant cost reduction potential.

2.4.2 *Biodiesel*

Biodiesel is produced through a process in which organically derived oils are combined with alcohol (ethanol or methanol) in the presence of a catalyst such as ethyl or methyl ester. Biodiesel can be made from soybean and other vegetable oils such as corn, cottonseed, canola, flax, sunflower and peanut, oils from non-edible organic products or even recycled cooking greases. It can be used as a diesel additive to reduce emissions or used in its pure form to fuel a vehicle. Glycerine is a process byproduct, which can be refined for pharmaceutical applications. Biodiesel is a potential alternative fuel that government, refiners and consumers are examining as a solution for many needs and goals.

Biodiesel is also a growing market. The primary locations for biodiesel projects have been in Europe, and in particular France, Italy and Germany, though biodiesel production in the US is expected to grow rapidly. Biodiesel fuel production in 2005 was 3.9 billion litres, representing an approximate 85% increase over the total global capacity for 2004. Biodiesel production was estimated at 250 million gallons in 2006, representing an estimated increase of greater than 300% from 2005 production levels. US biodiesel production was approximately 75 million gallons in 2005 in comparison to total US diesel fuel consumption of approximately 40 billion gallons, leaving significant room for additional penetration in the market. Even in Europe, which produces more than eight times the amount of biodiesel than the US, 2004 penetration was only approximately 1% of total road transport fuel consumption.

Biodiesel projects have historically ranged from less than 1 million gallons per year to as large as 50 million gallons per year. However industrial scale installations as large as 100 million gallons per year are currently in development and under construction. Biodiesel production costs may decline as technology evolves and production facilities reach industrial scale. Biodiesel is generally blended with diesel, and so proximity to traditional refinery facilities is important.

3. THE ASSET ADVISER AND THE MANAGEMENT COMPANY

The Asset Adviser was founded in August 2003 to manage UK equity portfolios and energy and environmental assets. It is regulated by the FSA. Further information on the Asset Adviser is set out in paragraph 4 of this Part I.

The Management Company was established in May 2007 and is jointly owned by Shaw Capital Cayman and EEA Cayman Limited in equal proportions.

The Company and the Asset Adviser have entered into the Asset Advisory Agreement. In turn, the Asset Adviser has entered into the Appointed Representative Deed with the Management Company pursuant to which the Management Company will perform substantially all of the obligations of the Asset Adviser under the Asset Advisory Agreement. The Appointed Representative Deed is terminable on the termination of the Asset Advisory Agreement.

In accordance with the terms of the Asset Advisory Agreement and under the terms of the Novation Agreement, the Asset Adviser will transfer its rights, responsibilities and obligations to the Management Company upon the Management Company receiving relevant authorisations from the FSA.

Under the Asset Advisory Agreement, the Management Company will receive a management fee from the Company, payable quarterly in advance, equating to 0.5 per cent. per quarter of the net asset value of the Company as determined in accordance with such agreement, as at the quarter end dates (being 31 March, 30 June, 30 September and 31 December). The Management Company may also, pursuant to the Asset Advisory Agreement, become entitled to receive from the Company an annual performance fee calculated by reference to Total Shareholder Return over the course of a performance period, starting on Admission.

Any performance fee will become payable once the annualised Total Shareholder Return in any performance period exceeds an annual rate of 9 per cent. (the ''Hurdle''). Once the Hurdle is exceeded, the performance fee will become payable in an amount equal to 20 per cent. of any aggregate return over and above the Hurdle subject to a high watermark. Total Shareholder Return will be calculated on the basis of the increase in market capitalisation of the Company, allowing for dividends and other distributions paid to Shareholders in the relevant performance period.

The first performance period will be from Admission to 30 June 2008 and all subsequent performance periods will run from 1 July to 30 June. Of the performance fee paid to the Management Company, 67 per cent. will be in cash and, subject to *inter alia* applicable law, any relevant shareholder approval, the Articles and the AIM Rules for Companies, the balance shall be payable in Ordinary Shares.

Any performance fee in respect of a performance period will be determined as at the close of business on the last business day of that performance period based on the average market capitalisation for the

20 trading days up to the end of the performance period. The performance fee will be payable within 30 days after the end of a performance period.

The Asset Advisory Agreement has an initial term of six years and it can be terminated on 12 months notice to take effect no earlier than the expiry of the initial six year period. The Asset Advisory Agreement may be terminated earlier on the grounds of, *inter alia*, unremedied material breach of contract or if required by a competent regulatory body.

The Sponsors will provide the Management Company with on-going technical and financial analysis and commercial support through the Retainer Agreements which will also be co-terminous with the Asset Advisory Agreement. Under these Retainer Agreements, the Management Company will be able to draw upon a pool of specialised industry expertise across the breadth of the Sponsors' operations on an ''as-needed'' basis.

Further details of the Asset Advisory Agreements, the Appointed Representative Deed and the Retainer Agreements appear in paragraphs 7 and 8 of Part IV of this document.

4. SPONSORS

The Management Company, which is owned jointly by the Sponsors, has access to the Sponsors' ability to source projects and has entered into Retainer Agreements with each of the Sponsors, giving it access to the Sponsors' expertise in the assessment and structuring of opportunities in the clean energy sector. Details in relation to the Sponsors are set out below.

4.1 Shaw Capital

Shaw Capital, a subsidiary of The Shaw Group, engages in project development, financial advisory services, and arranges equity and debt financings on strategic capital projects that leverage the skills of The Shaw Group's primary lines of business and enhance the value of service that are provided to its customers.

The Shaw Group offers a broad range of services to clients in the energy, chemical, environmental and infrastructure industries worldwide. In the energy sector, The Shaw Group is a vertically-integrated provider of engineering, consulting, procurement, pipe fabrication, construction, and maintenance services for its clients in the power and process industries around the globe. In the petrochemical, refining and gas processing sectors, The Shaw Group provides process design on large, industrial scale facilities, and licenses certain of its technologies to third parties. Environmental engineering and sciences are also a significant and integral part of The Shaw Group's total services. The Shaw Group is also a leading provider of consulting, engineering, construction, remediation and facilities management services to the environmental and infrastructure sectors. The Shaw Group also provides engineering and design services to the transportation and industrial water/wastewater marketplace.

The Shaw Group is headquartered in Baton Rouge, Louisiana with offices and operations worldwide. The Shaw Group provides its services to a diverse customer base that includes Fortune 500 companies and other private sector clients as well as governments and governmental entities. The Shaw Group's approximately 25,000 employees deliver its services through a network of over 175 locations, including approximately 33 locations outside of the United States. The Shaw Group's fiscal 2006 revenues were approximately $4.8 billion.

Through its affiliates, The Shaw Group's project experience encompasses a wide range of fuels and technologies associated with power generation and chemical facilities. In particular, this includes experience in biomass, waste-to-energy, landfill gas, hydroelectric, and geothermal electric generation facilities, as well as electric distribution and transmission systems, fossil fired steam electric plants, and natural gas transmission and distribution systems. In the chemical industry, The Shaw Group provides services to clients on ethanol and biodiesel facilities as well as more traditional process industry technologies such as ethylene and fluid catalytic cracking (''FCC'') units. The Shaw Group is an industry leader in providing air pollution control systems for power generation plants in the United States.

The Shaw Group acquired Stone & Webster in July 2000, as part of its broader acquisition of the assets of Stone & Webster, Inc., a global provider of engineering, procurement, construction and consulting services to the energy, chemical, environmental and infrastructure industries. Stone & Webster is a global leader in providing consulting, engineering and construction services to the infrastructure sectors, with experience in the renewable energy sector. Stone & Webster's personnel combine technical expertise with an in-depth understanding of the economic, strategic and organisational challenges confronting energy and infrastructure companies throughout the world. Aside from the US, Stone & Webster has been active in most major international markets for energy services including Argentina, Australia, Brazil, China, India, Malaysia, Mexico, the Philippines, Russia, South Africa and the United Kingdom. As consultants, Stone & Webster provides regulatory advice, financial advisory services, advice on privatisation strategies and implementation guidance, appraisal services and rate-setting advice as well as feasibility analysis and evaluations of new technologies.

4.2 EEA

EEA was founded in August 2003 to manage UK equity portfolios and energy and environmental assets. Four years later the group has $1.2 billion of assets under management. The company manages three open ended investment funds now valued at over £130 million in total. Since its inception, EEA has played a significant role in the carbon market. It is one of the largest asset managers in the sector with over US$750 million under management.

EEA has been involved in environmental asset management since its launch in 2003, originally through its mandate to act as investment adviser to Climate Exchange which acquired Chicago Climate Exchange and the European Climate Exchange, the leading regional exchanges for greenhouse gas emissions trading. Additionally, Climate Exchange has invested in biofuel and renewable energy ventures.

Following the success of Climate Exchange, EEA was instrumental in the establishment and listing of Trading Emissions.

Trading Emissions is an AIM listed investment company that invests directly in tradable environmental credits and in projects that will create such commodities, principally Certified Emissions Reductions (''CERs'') generated by CDM and JI projects under the Kyoto Protocol. As exclusive investment adviser, EEA originates, structures, executes and manages Trading Emission's investments.

Following Trading Emission's initial listing in April 2005, EEA recruited a team of professionals with extensive experience in the CDM market. This specialist team invested Trading Emission's initial fundraising proceeds of £135 million within ten months and delivered a project pipeline that enabled a second successful fundraising of £175 million in May 2006 through the issuance of C shares. This team not only advises Trading Emissions but also manages CER procurement accounts for a number of EU ETS participants.

In December 2006 EEA won a highly competitive tender, on behalf of Trading Emission, to sell CERs from small scale, highly sustainable CDM projects to the UK Government Carbon Offsetting Fund.

The EEA carbon team in London employs highly experienced individuals in the emerging global carbon market and has offices in China and Ireland. The team has built a number of strategic relationships with originators and other organisations around the world.

5. STRENGTHS

The Company believes it enjoys the following competitive strengths:

5.1 Experienced Management Team

The Board collectively has substantial experience in the energy sector, including project evaluation, structuring, negotiation and project development in addition to broader investment experience. Biographies of Board members are included in paragraph 8 of this Part I and key members of the Management Company are included in paragraph 9 of this Part I.

5.2 Access to the Sponsors' resources

The Company considers one of its key competitive strengths to be its ability to access the extensive resources, industry contacts, and expertise of the Sponsors by virtue of the Sponsors' interest in the Management Company and the Retainer Agreements. Shaw Capital's access to the broad range of experience of The Shaw Group in technology, development, construction, engineering and energy, combined with the origination, structuring, development, financial, investment and environmental markets experience of EEA is expected to provide the Company with a competitive advantage in sourcing, evaluating, managing and financially optimising potential transaction opportunities. Under the Retainer Agreements, the Management Company will have the advantage of being able to access experts within Shaw Capital and its affiliates and EEA and its affiliates on an as needed basis without needing to have all such experts on its own staff.

Areas of Sponsor support include:

5.2.1 ***Transaction Sourcing***

As experts in a wide range of sectors relevant to the Company's strategy, EEA and Shaw Capital are regularly in contact with companies and individuals in need of investment to develop projects which meet the Company's investment strategy. These industry contacts and relationships are expected to provide opportunities for the Company.

Each of the Sponsors has undertaken, pursuant to the Right of First Refusal Deeds, to provide the Management Company with rights of first refusal to pursue all equity, mezzanine or debt investment opportunities in new capital projects located in the United States and Canada which they identify, source or receive for evaluation and which are within the renewable energy or alternative fuels sectors, or which reduce greenhouse gas emissions and that would otherwise be pursued by the relevant Sponsor in the ordinary course of business. The undertaking given by Shaw Capital excludes, *inter alia*, opportunities offered to other affiliates of The Shaw Group but not presented to Shaw Capital for investment evaluation purposes.

5.2.2 ***Transaction Screening***

Stone & Webster, which is an affiliate of Shaw Capital, is a leader in project due diligence worldwide having supported the development and financing of over 700 projects over the past 20 years, representing over $400 billion worth of assets, including a significant number across a broad spectrum of technologies in the clean energy sector. Over the last 24 months, EEA has advised on investments worth approximately £300 million in carbon credit generating, emission reduction projects. This background and experience should allow the Sponsors' experienced personnel to identify significant issues quickly and therefore determine which projects are unlikely to be viable, to assess the impact of project risks and recommend ways to minimise or mitigate problems that can delay a project's implementation. Such review includes identification of risks related to inconsistencies in documentation, permit or contract restrictions and market conditions.

5.2.3 ***Transaction Structuring***

Shaw Capital's affiliate, Stone & Webster, frequently provides services to determine ways to increase the value of the asset including project design, project contracts and structuring, pro forma model development, financing support, risk assessment, appraisal of existing assets, as well as market and competitive benchmarking studies. In supporting its clients, Stone & Webster has reviewed, negotiated and helped implement numerous power purchase agreements; engineering, procurement and construction agreements; fuel supply agreements; fuel transportation agreements; and operations and maintenance agreements. Stone & Webster also provides advice on structuring contracts so as to mitigate risk for financing and protection of equity return.

EEA professionals are experienced in structuring and developing projects across a broad range of technologies and geographies. In particular, EEA professionals have significant expertise in structuring projects to generate carbon credits and in commercialising such credits. Furthermore, EEA structures and provides equity to projects and companies in the renewable energy sector.

5.2.4 ***Identified pipeline of opportunities***

The Company has identified potential transactions totalling $406 million which meet the Company's investment criteria. It is anticipated that this identified pipeline of projects will contribute to the Company's objective of investing the proceeds from the Placing within 18 months of Admission. While these potential transactions are subject, among other things, to further due diligence, the Company's investment approval process and to negotiations, the screening and evaluation that the Sponsors have conducted to date are likely to accelerate the investment process.

The following summary table is a representative list of the types of opportunites the Company intends to consider and should not be construed or interpreted for any other purpose. The completion of each potential transaction depends, among other things, upon satisfactory completion of the due diligence investigation of the prospective Project Company, approval by the Investment Committee and by the Board, acceptance of the terms, structure and financial covenants, the execution and delivery of final binding agreements in a form mutually satisfactory to the parties and the receipt of any necessary consents. **Accordingly, the transactions in the table below should not be relied upon as any indication of what the Company's actual projects would be in the future, and there can be no guarantee that the Company will complete these or similar transactions.**

Project	*Potential Leaf Investment*	*Location*
Existing landfill gas and solid waste asset and services business	$80m	US/South America
55 million gallon/year greenfield ethanol	$70m	Southern US
120MW greenfield geothermal	$100m	Western US
20MW greenfield wind	$6m	US Midatlantic onshore
Roll-out of modular biomass technology	$25m	US/Caribbean
270MW run-of-river hydro	$45m	South America
400,000 tonnes/year greenfield biodiesel	$60m	South America
US waste-to-energy company	$20m	US
	$406m	

6. STRATEGY

6.1 Investment Objective

The Company will seek to achieve long-term capital appreciation primarily through making privately negotiated acquisitions of interests (principally equity but also equity-related and subordinated or mezzanine debt securities) in both projects and companies which own assets or which participate in the clean energy sector and through the generation and commercialisation of carbon credits derived from these projects. Initially, the Company expects primarily to acquire interests in companies located in North America. However, projects in other regions may also be considered. The Company's intention is that the net proceeds from the Placing are fully invested within 18 months of Admission. The Company will target an overall pre-tax internal rate of return on each project of 20 per cent. This rate is a target and not a forecast and there can be no assurance that this target rate of return can be achieved. Within the clean energy sector, the Company will focus primarily in the following areas:

Renewable Energy and Waste-to-Energy. This sector includes hydropower, biomass, geothermal, wind, landfill gas recovery and waste fuel-fired power plants.

Alternative Fuels. This sector includes investments in the companies producing transportation fuels made from nontraditional resources, such as ethanol, biodiesel and other biofuels.

The Company, with the assistance of the Management Company, will seek to appoint representatives to boards of directors or comparable governing bodies of the Project Companies and, as is necessary, to participate in the selection of management or appoint management representatives. The Company, with the support of the Management Company, expects to provide active and continuous management assistance and direct any significant strategic and operating decisions related to such projects.

The Company may acquire stakes in Project Companies which Shaw Capital and/or EEA or any of their affiliates provide or may provide services to or in which they have or may acquire an ownership interest. For further information on conflicts of interest, see paragraph 15 of Part I and Part II of this document.

6.2 Investment Strategy

The Company will implement the following strategy in deploying the Company's capital:

Diversification – while the Company has not established prescribed limits for investing in specific renewable or alternative energy technologies or sectors, the Company will seek to build a diverse portfolio of assets and it is expected that no single Project Company shall account for more than 25 per cent. of gross assets;

Significant influence – the Company will typically target majority or controlling positions (although minority positions will be considered in certain circumstances) in development or operating assets;

Asset quality – the Company will target companies with strong management and/or development teams; robust prospective project economics; comparative advantages; and favourable regulatory environments;

Bidding – the Company will generally not participate in auction-based transactions.

The Company expects to invest in the Project Companies principally by way of equity investment, but may also invest in equity-related or subordinated or mezzanine debt securities. There are no restrictions on the type of securities and instruments in which the Company can invest, provided that such investment is consistent with the Company's investment strategy. The Company expects that most of its investment will be structured with significant leverage at the Project Company level. The Company may use overdraft or other short-term borrowing facilities to provide short-term liquidity, including to meet any fees or expenses payable by the Group.

There are no limitations or other restrictions on the ability of the Company or the Group to make borrowings.

The Directors will review the Company's investment strategy on an annual basis and, subject to their review and in the absence of unforeseen circumstances, the Company intends to adhere to the above investment policies. As required by the AIM Rules for Companies and until the Company is substantially invested, the Company's investment strategy will be put to Shareholders for approval each year at the Company's annual general meeting. Changes to the investment policies may be prompted, *inter alia*, by changes in government policies or economic conditions which alter or introduce additional investment opportunities.

Investors should note that while it is the intention of the Company to invest its funds as far as practicable in accordance with the investment strategy, objectives and policies outlined in this document, due to market and other investment considerations, it may take some time before the net proceeds of the Placing are fully invested. Cash pending investment, reinvestment or distribution will be invested in cash or cash equivalents, which are high quality, liquid securities, including US government securities.

Following the first anniversary of the date of Admission, at least sixty per cent. of the Company's assets (other than cash and US government securities) must be invested in (i) securities of majority-owned subsidiaries which are not themselves ''investment companies'' (as defined in the Investment Company Act) or companies relying on sections 3(C)(1) or 3(C)(7) of the Investment Company Act or (ii) interests in clean energy companies and projects in which the Company exerts significant managerial and operational control, if failure to maintain such level of investment would cause the Company to be required to register as an investment company under the Investment Company Act.

The Company may, where appropriate, invest in derivatives financial instruments, money market instruments or currencies for the purpose of efficient portfolio management with the intention of reducing, transferring or eliminating investment risk in its underlying investments, including to provide protection against exchange and credit risks.

Under Rule 14 of the AIM Rules for Companies, any acquisition which the Company proposes entering into which would depart substantially from the investment strategy described in this document will be considered a reverse takeover for the purposes of the AIM Rules of Companies, and completion of any such acquisition is required to be conditional on the consent of the Company's shareholders being given in general meeting.

Investors should note that where a transaction is considered to be a reverse takeover for the purposes of the AIM Rules for Companies and shareholder approval is given for any such transaction, trading on AIM in the Ordinary Shares will be cancelled and re-admission to AIM will be required to be sought in the same manner as any other applicant applying for admission of its securities for the first time. Trading in the Ordinary Shares will normally be suspended following the announcement of any such transaction until the Company has published a re-admission document in respect of the Company.

6.3 Transaction Screening Process

The Company will employ the following process in screening prospective opportunities:

- the Management Company will screen the opportunities it receives from a variety of sources including the Sponsors and third parties;
- if an opportunity meets the Company's investment criteria following preliminary due diligence, the opportunity will be recommended to the Investment Committee, which will initially be made up of Simon Shaw, Dan Shapiro, Ricardo Nogueira and Kevin McNulty;
- if the Investment Committee agrees to move forward with the opportunity, the Management Company will begin negotiating a letter of intent and will proceed with detailed due diligence of the opportunity;
- if the Investment Committee does not approve the proposal, the Management Company may attempt to restructure the transaction and repeat this process or abandon the opportunity;
- once detailed due diligence has been completed and deal documentation prepared, the Management Company shall submit the opportunity to the Board for approval. No transaction shall be completed without Board approval. Please refer to paragraph 8 of Part I of this document for details of the Directors' expertise; and
- once the transaction has been approved by the Board, the Management Company shall be responsible for executing and monitoring the Company's projects by taking a proactive approach to the affairs of the relevant Project Company.

6.4 Origination of Opportunities

There are expected to be multiple sources of deal flow for the Company. The Management Company will take primary responsibility for networking with these sources and conducting organised marketing efforts on behalf of the Company to attract investment opportunities that meet the Company's investment objective. In addition to affiliates of the Management Company and the Sponsors, investment opportunities are expected to come from direct participants in projects, including developers of clean energy projects; equipment suppliers; construction and engineering companies; financial institutions in search of supplemental capital for their transactions; governmental departments or organisations in search of capital for public-private endeavours; and technical consultants to technology companies, developers of clean energy projects and financial institutions.

Shaw Capital and EEA are well positioned to refer transactions to the Management Company due to their extensive network of clients and contacts who participate in the markets targeted by the Company.

6.5 Operating Influence

The Company views itself as an operator of clean energy companies and projects and thus will seek to retain significant influence over the operation and management of companies and projects in which it invests. It is expected that the Company will take controlling stakes and operational control of the majority of its investments. The Company intends to fulfill its operating and management responsibilities in large part by relying on the support of supervisory and technical personnel of the Management Company or personnel seconded or sourced by the Sponsors.

6.6 Exit Strategies

Exit strategies will be considered by the Management Company prior to the acquisition of an interest in a project by the Company. Once an interest has been acquired, the Management Company will actively assess on an ongoing basis exit strategies throughout the prospective life of the project so that appropriate measures can be taken when investment objectives have been achieved or when investment prospects decline, including modifying prior exit strategies or developing new ones. The economic and tax considerations associated with various exit strategies will be thoroughly evaluated. No realisation of any investment in any Project Company shall be made without Board approval.

6.7 Valuation Policy

The Net Asset Value of the Company and the Net Asset Value per Ordinary Share will be calculated as at each Valuation Day in US dollars and translated to pounds sterling. Calculation of the Net Asset Value shall be carried out by the Management Company and shall be reviewed and audited by the auditors of the Company. It is intended that details of the Net Asset Value of the Company and the Net Asset Value per Ordinary Share as at 31 December each year will be included within the announcement of the Company's interim financial statements and such information as at 30 June will be included within the announcement of the Company's preliminary financial statements.

The Net Asset Value of the Company will equal the value of its cash, investments and other assets, less its actual accrued liabilities, including provisions for contingent or projected liabilities. Investments in marketable securities will be valued on a mark-to-market basis. Investments in unlisted Project Companies will be valued by the Management Company based on the realisation value, taking into account industry accepted guidelines and reviewed and determined by the auditors of the Company.

7. THE PLACING AND USE OF PROCEEDS

The Placing comprises a placing of 200,000,000 new Ordinary Shares. The Placing Shares are being placed at the Placing Price.

The Placing Shares are being placed by Cenkos with certain institutional investors. The Placing will raise approximately £200 million (before commissions and expenses). The net proceeds of the Placing of £193.4 million will be used to fund transactions in accordance with the investment policy outlined in this document and for general working capital purposes. The Company's funds may at any time be held in cash instruments or cash equivalents, being high quality, liquid securities, including US government securities.

The Placing, is conditional, *inter alia*, on Admission and on the Placing Agreement not being terminated in accordance with its terms, prior to Admission. It is expected that the net proceeds of the Placing will be received by the Company on or before 2 July 2007.

Placees will receive Depository Interests representing their Placing Shares if they wish to hold their Placing Shares in uncertificated form. Placees who wish to hold their Placing Shares in certificated form will receive definitive share certificates. Further information on the Depository Interests is set out in paragraph 10 of Part IV of this document. Further details of the Placing Agreement are set out in paragraph 8.2 of Part IV of this document.

The Ordinary Shares have not been registered under the Securities Act and may not be offered or sold in the United States or to US persons (within the meaning of the regulations made under the Securities Act) unless the Ordinary Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

8. BOARD OF DIRECTORS

Directors

The Directors are ultimately responsible for the management of the Company's investment objectives and policies and have overall responsibility for the Company's activities, including the review of investment activity and performance. The Directors are responsible for overseeing the relationship between the Company, the Asset Adviser and the Management Company.

Board of Directors

Peter Tom (Chairman)

Peter Tom has spent his career in the aggregates industry, having originally joined Bardon Hill Quarries Limited in 1956. He was appointed Chief Executive of Aggregate Industries Limited on its formation following the merger of Bardon Group plc and CAMAS plc in 1997. He was previously the Chief Executive of Bardon Group plc. Peter became Chairman of the Company on 1 January 2006. He is also Chairman of Leicester Football Club Plc (Leicester Tigers) and a Director of England Rugby Ltd and is the senior independent non-executive director of AGA Foodservice Group plc. Peter is the main trustee of the Tom family charitable trust which makes regular donations, mainly in supporting medical research.

Curtis Moffatt

Curtis Moffatt is a partner at Van Ness Feldman, a law firm specialising in US energy and environmental laws and counsels clients on issues including project development, climate change and corporate restructuring. He has represented energy clients for nearly 30 years before state and federal regulatory commissions, courts and legislative bodies. In addition, he has served as special regulatory counsel in financial transactions that include public and private placements involving cogeneration and gas and petroleum products pipeline projects. Curtis has served on the Board of the Charitable Foundation of the Energy Bar Association and has served on the boards of several philanthropic organisations.

Bran Keogh

Bran Keogh is a shareholder and Director of Tynagh Energy Ltd, a 400MW Combined Cycle Gas Turbine and one of the first independent power producers in Ireland. He specialises in project evaluation, project financing and mergers/acquisitions. He has been responsible for arranging large scale finance for projects in the construction and energy sectors. He previously worked for the Irish government agency, Irish Productivity Centre, as a specialist on engineering and information systems. Bran is experienced in the appraisal and commercial development of projects in the area of renewable energy and, in particular, in the field of structured finance. He is currently working on developing a series of energy projects.

Peter O'Keefe

Peter O'Keefe serves as Senior Managing Director at Carret Asset Management, LLC, a privately-owned investment advisory firm. Mr. O'Keefe is responsible for marketing at the firm which manages over $1 billion in assets. He is also involved with the renewable fuels industry as an advisor to Ethanex Energy, which develops, owns and operates ethanol plants and markets ethanol and its co-products. Prior to his position at Carret, Peter served as the Senior Advisor to the Chairman of the Democratic National Committee and also in the White House as Associate Director for Business in the Office of Public Liaison.

The Company intends to appoint a fifth Board member in due course.

9. INVESTMENT COMMITTEE OF THE MANAGEMENT COMPANY

Management Company

The Management Company is responsible for the sourcing, execution and supervision of companies and projects in which the Company acquires stakes. The Investment Committee will decide on the appropriateness of a transaction before submitting the opportunity to the Board. The Investment Committee will initially be composed of the following individuals:

Simon Shaw (Chairman)

Simon Shaw has been an investment manager for over 20 years. He started his career in 1981 with the life insurance group Equity & Law. In 1988 Simon joined the pension fund MNOPF where he managed, among other things, a specialist global financial services portfolio with a value in excess of £100 million. He joined Clerical Medical Investment Management (now Insight) in 1992. Prior to joining ESI in 2003 he was Insight's Joint Head of UK Equities.

Dan Shapiro (President)

Dan Shapiro serves as President of Shaw Capital and Senior Vice President of The Shaw Group as global head of project development and equity investments in project and infrastructure asset transactions. Prior to his current position, Dan served in key leadership roles within The Shaw Group, including President of Stone & Webster Management Consultants, Vice President of Mergers and Acquisitions, and President of Shaw International (Dubai, UAE). In these positions Dan led several strategic trasactions, including acquisitions, divestitures, joint ventures and alliances involving North American, as well as international interests.

Kevin McNulty

Kevin McNulty is a Vice President of Shaw Capital and is responsible for developing, structuring and arranging financing for equity investments opportunities for The Shaw Group. Kevin has a broad background in power project development and structuring, privatisation, energy market analysis, project management, and financial and technical analysis, including hydro, biomass, waste-to-energy, wind and biofuels projects. At The Shaw Group, he has been responsible for developing and arranging financing for several energy projects, as well as supporting the acquisition of several operating divisions and technology companies. Prior to joining The Shaw Group, Kevin was director of development at Intergen, managing the development of a number of power projects in South America and the US.

Ricardo Nogueira

Ricardo Nogueira joined EEA in January 2006 where he has focused on originating and executing investment opportunities in the environmental credit and clean energy markets. Prior to joining EEA Ricardo was a senior attorney with a Washington DC based law firm where his practice focused on energy and environmental issues. He has extensive transaction expertise in emissions trading, having represented both Annex I buyers and project developers across a range of projects in North America, Latin America and Asia.

10. DIVIDENDS AND DIVIDEND POLICY

The Company's initial focus will be on capital investment and, consequently, the Company does not expect to pay dividends in the foreseeable future but this policy will be reviewed by the Board from time to time.

11. FINANCIAL INFORMATION

The Company has only recently been incorporated and consequently it has not published any financial information. An Accountant's Report on the Company is set out in Part III of this document.

The Company's annual report and accounts will be prepared up to 30 June each year. The Company's financial statements will be prepared in accordance with IFRS and reported in US Dollars.

A summary of the material accounting policies adopted by the Company is set out in Part III of this document.

12. REGULATORY STATUS

The Asset Adviser is authorised and regulated by the FSA.

Neither the Company nor the Management Company is regulated by the Cayman Monetary Authority or the FSA. Under the terms of the Asset Advisory Agreement, the Asset Adviser will transfer its rights, responsibilities and obligations under the Asset Advisory Agreement to the Management Company upon the Management Company receiving authorisation from the FSA. The Company has not been, and will not be, registered as an investment company under the Investment Company Act.

13. CITY CODE ON TAKEOVERS AND MERGERS

The Company is incorporated in the Cayman Islands and, accordingly, transactions in shares of the Company are not subject to, and shareholders in the Company will not have the protection afforded by, the provisions of the City Code. However, the Articles contain provisions that are similar to elements of Rule 9 of the City Code. These are summarised in paragraph 4 of Part IV of this document.

14. CORPORATE GOVERNANCE

The Directors support high standards of corporate governance and confirm that, following Admission, they will comply, so far as is practicable taking into account the Company's size and nature, with the provisions of the Quoted Companies Alliance Guidelines for AIM Companies published in 2005.

An audit committee has been established to operate with effect from Admission. The audit committee will be chaired by Curt Moffatt and will be constituted by two non-executive Directors. It will meet whenever there is business to discuss and at least twice each year. The audit committee is responsible for ensuring that the financial performance of the Company is properly monitored, controlled and reported on. It will also meet the auditors and review the auditors' reports relating to accounts and internal control systems.

The Company has also adopted a share dealing code for the directors and, if appropriate, employees, which is appropriate for a Company whose shares are admitted to trading on AIM.

15. POTENTIAL CONFLICTS OF INTEREST

Shaw Capital and its affiliates are engaged in a wide range of activities associated with the clean energy sector as well as other related sectors, including electric energy, fuel supplies and others. Such activities include consulting, developing, engineering, constructing, supplying equipment or materials, arranging or providing financing and managing investments or projects for other competing companies within the sector. EEA is an asset manager or adviser and the sole adviser to Trading Emissions. Trading Emissions is an AIM listed company investing in GHG emissions reduction projects focusing primarily on carbon credits created under the Kyoto Protocol Treaty. Additionally, EEA manages other funds focusing on UK listed shares. There may be instances in which Shaw Capital and EEA or their affiliates engage in activities in which their interests or the interests of their clients may conflict with the interests of the Company, its investors, or its Project Companies. In addition, Shaw Capital and EEA or their affiliates may possess or come into possession of information relevant to the Company's investment activities that they may be prohibited from disclosing to the Company or its investors or the Management Company.

Under the Asset Advisory Agreement, where a transaction is intended to be effected involving the Asset Adviser or any of its affiliates or any of their respective directors, officers or employees (in whatever capacity and whether or not the transaction is being effected by or on behalf of the Company) and there is a potential conflict between the interests of the Asset Adviser or its affiliates or their respective directors, officers or employees and the interests of the Company or the duty owed by the Asset Adviser to the Company of which the individuals responsible for the performance of the Asset Adviser's services to the Company under the Asset Advisory Agreement are aware, then the Asset Adviser will:

- use all reasonable endeavours to ensure that the terms of the relevant intended transaction are no less favourable to the Company than if the conflict had not existed (or, if applicable, that the terms of the relevant transaction do not put the Company in a less favourable position than if the conflict had not existed);
- disclose to the Company all relevant details of such potential conflict;
- require the Company's prior written consent before effecting such a transaction; and
- comply with all applicable legal and regulatory rules and requirements, including the AIM Rules for Companies.

Subject to this and the overriding principle of suitability of proposed investments in accordance with the Company's investment objectives and the other terms of the Asset Advisory Agreement, the Asset Adviser and any of its Associates (as defined in the FSA's handbook of rules and guidance) may recommend and/or effect transactions in which, or provide services in circumstances where, the Asset Adviser or any of its Associates has, directly or indirectly, a material interest or a relationship of any description with another party which may involve a potential conflict with the Asset Adviser's duty to the Company. In addition, subject to the provisions of the Asset Advisory Agreement summarised above, neither the Asset Adviser nor any of its Associates will be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of any such transactions or any connected transactions and the Asset Adviser's fees will not, unless otherwise provided, be abated thereby.

Each of the Sponsors has separately undertaken to the Company that it shall comply with the conflict of interest obligations imposed upon the Asset Adviser as set out in the Asset Advisory Agreement and as described above.

Further information regarding potential conflicts of interest is set out under the heading ''The Management Company's or Sponsors' relationships may give rise to potential conflicts of interest'' in Part II of this document.

16. RISK FACTORS

Your attention is drawn to the ''Risk Factors'' set out in Part II of this document.

17. DEPOSITARY INTERESTS

Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable investors to settle such securities through the CREST system, a depositary custodian can hold the relevant securities and issue dematerialised DIs. The Articles permit DIs representing Ordinary Shares to be issued in the CREST system.

With effect from Admission, it will be possible for CREST members to hold and transfer interests in Ordinary Shares within CREST pursuant to a DI arrangement established by the Company. CREST is a voluntary system and holders of Ordinary Shares who wish to hold shares directly will also be able to do so. Shareholders who do not have a CREST account may also opt to hold DIs through a nominee. Further details of CREST and the arrangements in respect of DIs are set out in Part IV of this document.

18. TAXATION

General information relating to UK, Cayman Islands and US taxation with regard to Admission and the Placing is summarised in paragraph 12 of Part IV of this document. Any person who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK, Cayman Islands or the US should consult his or her professional advisers.

19. FURTHER INFORMATION

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

PART II

RISK FACTORS

Prospective investors should consider carefully the risk factors described below, together with all the other information set out in this document and their own circumstances, before deciding to invest in the Company. The investment offered in this document may not be suitable for all of its recipients. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Should any of the following events or circumstances occur, the Company's business, financial condition and results of operations could be materially and adversely affected. In such circumstances, the market price of the Ordinary Shares could decline and, since shares traded on AIM are, in effect, traded on a matched bargain basis, the Ordinary Shares may be or become illiquid, and investors could lose all or part of the value of their investment. **If you are in any doubt about the action you should take, you should consult a professional adviser authorised by the FSA who specialises in advising on the acquisition of shares and other securities.**

An investment in the Company is subject to a number of risk factors, in part because of the nature of the sector in which the Company is aiming to acquire interests. The paragraphs below set out what the Company believes to be some of the principal risks involved in an investment in the Company but are not the only risks relating to an investment in the Company, are not intended to be exhaustive and are not intended to be presented in any order of priority. There may be additional risks that the Company does not currently consider to be material or of which it is not aware which may also have an adverse effect upon the Company.

Prospective Investors should be aware that the value of the Ordinary Shares and any income from them may decrease and that they may not realise their initial investment.

Risks Relating to Investing in Clean Energy Projects

The market for clean energy projects is uncertain.

The clean energy market is rapidly evolving and its future success is unclear. The Project Companies may be unable to produce enough revenue to be or remain profitable if the demand for clean energy products and renewable energy project development is inadequate. In addition, in certain markets and geographic regions that the Company targets, there may not be sufficient demand or such demand may be slow to emerge. In general, there are numerous factors that contribute to whether clean energy project development or clean energy technology and demand for clean energy products will continue to grow. Some of these factors include whether the clean energy technology is cost-effective and reliable and whether adequate government subsidies and incentives are readily available and continue to be available.

Volatility of commodity prices may adversely affect the Company and/or the Project Companies.

The Project Companies will operate in certain sectors that will be affected by prevailing prices of electricity, oil and natural gas, among other commodities. As energy and fuels derived from non-renewable sources become more expensive or scarce, renewable energy and alternative fuels should become more valuable. Conversely, if non-renewable energy and fuels become more abundant or, for other reasons, become less expensive, the value of renewable energy and alternative fuels may be negatively affected. As a result, the performance of the Project Companies is likely to be dependent upon prevailing prices for these commodities, which have been historically, and may continue to be, volatile and subject to wide variations for a variety of reasons beyond the control of the Company or the Management Company. These factors include the level of consumer product demand, weather conditions, governmental regulations in producing and consuming countries, the price and availability of alternative fuels, the supply of oil and natural gas, and overall geo-political and economic conditions.

Changes in governmental support for clean energy may adversely affect the Company or the Project Companies.

Today, clean energy development is widely supported by numerous countries throughout the world. For instance, global, country and US state initiatives have set specific targets for increased use of renewable energy and alternative fuels over the next 10 to 20 years. In the United States, there have been numerous programmes enacted including the federal production tax credit, state mandated renewable portfolio standard requirements, and state level renewable energy credits and utility programmes. These programmes subsidise the development, ownership and operation of renewable energy projects. In addition, policy targets for renewable energy exist in at least 45 countries and at least 32 countries offer tax incentives and credits for renewable energy. If any of these initiatives, programmes or incentives are reduced or eliminated, the development of renewable energy resources will be adversely affected.

Renewable energy projects may be subject to weather and climatological risks.

Weather and climate conditions play a large role in the success of certain renewable energy projects. For example, change in precipitation and flow of watersheds may greatly affect a hydroelectric plant's capacity to produce power. An extended drought could cause a substantial reduction in its operating effectiveness. Wind and solar energy projects and projects producing alternative fuels from agricultural products also face weather-related risks.

Certain clean energy projects involve high capital costs and associated risks.

Compared to other investments, certain clean energy projects, and in particular those dealing with renewable electric generation, involve high levels of capital investment on a per unit of energy production basis. Unless such projects enjoy long term offtake contracts, their profitability will be uncertain resulting in potentially high investment risk.

Ongoing changes in the utility industry may adversely affect the Company or the Project Companies through increased competition or in other ways.

The United States electric utility industry has been facing increasing competitive pressures as a result of numerous factors including consumer demands, technological advances and greater availability of natural gas. In response to this pressure the United States has implemented regulatory changes to increase access to the transmission grid by both utility and non-utility purchasers and sellers of electricity. Certain countries, including the United States, have also attempted to promote retail competition by enacting legislation or otherwise promulgating market changes. As the electricity industry becomes more competitive, the economic pressures on the renewable energy projects could increase. Utilities in the US and in Europe have also been consolidating partly in response to increasing competition. Regulatory changes which increase competition are also fueling the disaggregation of vertically integrated utilities. The result could mean additional significant competitors in the power industry.

There is no guarantee that: (i) existing regulations will not be amended, (ii) new laws will not be adopted, (iii) the technology selected by the clean energy projects will comply with future regulatory requirements, (iv) the laws and regulations will not adversely affect the clean energy projects' financial conditions, or (v) regulatory agencies will not bring enforcement actions against the clean energy projects.

There is also no guarantee that the legislation and regulations that are positive for the clean energy industry will not be repealed. Specifically, changes in tax laws could negatively affect clean energy companies.

Changes to, and failure to comply with, environmental and regulatory laws may adversely affect the Company and/or the Project Companies.

Environmental laws, regulations and regulatory initiatives are significant drivers for opportunities in the clean energy sector and can fundamentally alter the basis for the performance of project companies operating in the sector. Additional expenditures could be required by existing or new environmental laws for an operating asset to achieve regulatory compliance, which could also impact the performance of project companies operating in the sector. Given that the business of the Company will be acquiring interests in and managing companies that will be subject to changing environmental and health and safety laws, regulations, regulatory initiatives and permit requirements, there can be no assurance that all costs and risks associated with compliance with such laws and regulations can be identified. Compliance with current or future environmental requirements also provides no assurance that the operations of the Project Companies will not cause injury to the environment or people under all circumstances. Furthermore, failure to comply with all such requirements could have an adverse effect on a Project Company's business and results of operations. There can be no assurance that the Project Companies will be in compliance at all times with environmental requirements. In addition, the legislative framework for environmental liability may not yet be fully established or implemented in developing countries and the extent of the responsibility, if any, for the costs of abating environmental hazards may be unclear when the Company is considering an investment in such areas.

Failure to obtain necessary regulatory or third party consents and approvals may adversely affect the Company or the Project Companies and/or prevent the operation of the Project Companies' facilities.

The Management Company will endeavour to ensure that all Project Companies have obtained all material required consents, approvals, licences and permits from any applicable regulatory agency or other third party. Approval or consent of applicable regulatory authorities or other third parties may also be required in order to acquire or hold interests in particular Project Companies. In addition, a Project Company may be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose additional or more comprehensive requirements on such Project Company. There can be no assurance that a Project Company will be able to obtain all consents or regulatory approvals required that it does not yet have or that may be required in the future. In addition, there can be no assurance that a Project Company will be able to obtain any necessary modification to an existing regulatory approval or maintain required regulatory approvals. Failure to obtain any required consent or approval or to satisfy any regulatory conditions or other applicable requirements could prevent the operation of a Project Company, result in additional and substantial cost to such company, or inhibit or preclude the sale of such company to third parties.

Risks Relating to the Company's Business

The Company has no operating history and there can be no assurance that it will achieve its investment objectives.

Although the Company expects to benefit from the combined industry experience of the Sponsors, their affiliates and the Management Company, the Company and the Management Company are newly-formed entities and therefore have no operating histories upon which to evaluate the likely performance of the Company. There is no guarantee that the Company's investment objectives will be achieved. The prior experience or related performance of Shaw Capital or EEA or any of their respective affiliates described herein does not represent the prospective performance of the business to be pursued by the Company. As with all performance data, past performance can provide no assurance of future results.

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in value of the Ordinary Shares will occur. The results of the Company's operations will depend on many factors, including, but not limited to, the availability of opportunities for the acquisition of assets, the level and volatility of interest rates, readily accessible funding alternatives, conditions in the financial markets and general economic conditions. The value of investments and the returns derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

The Company is subject to concentration risk in its portfolio of Project Companies.

Although the Management Company intends to diversify the risk to the Company of any one investment by making a number of investments, the Company will be participating in a limited number of investments and, as a consequence, the overall performance of the Company may be adversely affected by the unfavourable performance of even a single investment.

The Company's performance will depend on its and the Management Company's ability to identify and acquire, operate and manage suitable projects and to overcome potentially significant competition in doing so.

The success of the Company depends principally on the ability of the Management Company to source, screen and select and then, under the direction of the Board, operate and manage investments that it believes will meet the Company's investment strategy. There can be no assurances that the Company will be able to identify, realise, operate and manage and exit investments that satisfy its investment and rate of return objectives, or that will be able fully to invest its capital within the anticipated timescale. There is a competitive market for investment opportunities in the renewable energy sector. The Company may compete against other companies and groups, including private equity investment funds, project developers, contractors, investment and merchant banks and insurance companies, for investment opportunities. In addition, it is possible that competition for appropriate investment opportunities could increase, thereby reducing the number of opportunities available and adversely affecting the terms upon which Company's investments may be made.

The Project Companies in which the Company will acquire stakes are subject to various project-related risks.

The projects contemplated by the investment strategy of the Company are subject to a number of project-related risks. Such risks may include, among others, construction, permitting, commissioning, start-up, operating, contract, counterparty, economic, commercial, insurance coverage, political, market and financial risks. In addition, Project Companies may face risk related to changes in applicable law, tax law and practice and regulatory policy. Construction risks may be particularly prevalent since many of the Project Companies will not have commenced the construction phase of their development. A number of investments by the Company are expected to be made in projects during the development stage, when a positive return on the Company's investment depends upon the project's ability to attract further investment or financing. There can be no assurance that projects in which the Company acquires stakes will eventually close, operate profitably, or generate cash flow sufficient to service their debt or provide a recovery of the capital invested.

Hedging policies and the use of derivatives may limit gains or result in losses.

The Company and its Project Companies may from time to time employ strategies designed to offset the effect of movements in commodities prices, interest rates, or currency exchange rates. The intent of such hedging strategies is to reduce (or eliminate) the uncertainty of net cash flow from future operation of the Company's projects. Hedging strategies themselves entail certain risks. A counterparty to an agreement may fail to fulfill its obligation to the Company, exposing the Company to economic loss. Furthermore, hedging strategies may prove to be partially or completely ineffective due to unusual or unanticipated changes in commodity price relationships which had historically demonstrated high correlation. Thus there can be no assurance that the Company's hedging activities will achieve the desired results.

It is probable that future commodity prices will deviate from prices established in hedged positions. As a result, a decision to hedge may result in a lower level of earnings or cash flow than if the hedge had not been put in place.

Derivative instruments are used frequently within the energy industry as a means to implement hedging strategies, and the Company may enter into such transactions. The types of derivatives which the Company may utilise include forward pricing agreements, put and call options, swaps, or other arrangements, sometimes used in combination. These instruments may be illiquid, and thus the Company may incur losses if it proves necessary to liquidate a derivative position before its maturity.

Accounting requirements relating to hedging activities may subject the Company's reported earnings to volatility.

Rules relating to the recording of revenues and expenses for hedged commercial activities are complex and evolving. Various criteria must be satisfied in order to use hedge (accrual) accounting. If these criteria are not met, derivative and other positions employed to establish a hedge must be marked to market for accounting purposes. In this event, the Company may be exposed to wide swings in reported earnings.

Investments in emerging or other immature markets can involve additional risk.

The Company may make investments in companies or facilities located or operating principally outside of developed markets such as the United States and Western Europe. Such investments will incur certain risks not associated with investments made in more developed markets, including fluctuations in exchange rates, differences between securities markets, including price volatility and relative illiquidity of certain developing markets, costs associated with repatriation of investment principal and dividends, differences in accounting standards, differences in disclosure requirements, variations in government supervision and regulations, and changes in applicable tax regimes. In addition, certain investments may incur political risk such as currency exchange regulations, restrictions on repatriation of investment principal and dividends, nationalisation or expropriation of investments and political, economic or social instability. Although the Management Company may endeavour to procure political risk insurance on applicable investments, there can be no assurance that such insurance will be available at all or on acceptable terms or cover all the potential risks to an investment. Furthermore, due to differences in legal systems, the Company may experience difficulty in asserting claims or obtaining remedies in jurisdictions located in certain markets.

The Management Company will analyse information with respect to political and economic environments and the particular legal and regulatory risks in emerging market countries before recommending investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Company.

The performance of the Project Companies is dependent on the performance of their management teams.

The success of each Project Company's operations will depend in part on the performance of its management team. Although the Company expects to acquire stakes in Project Companies with strong management teams and intends to actively participate in or control the management teams, there can be no assurance that any existing management team, or any successor, will operate the Project Company successfully.

By maintaining controlling interests in its Project Companies, the Company may be exposed to additional risks.

The Company expects to have a controlling interest, or be deemed to have a controlling interest, in most of its investments, alone or together with other investors. This may require the Company to obtain regulatory approval prior to the transfer of its interest in certain companies. Owning a controlling interest could also expose the Company to the risk of liability for violation of government regulations, failure to supervise adequately management, environmental damage, product defects, or other similar liabilities with respect to such investments. Under certain circumstances, environmental authorities and other parties may seek to impose liability on the shareholders of a Project Company (such as the Company).

Maintaining non-controlling interests in Project Companies, or co-investing with third parties, may limit the Company's ability to protect its position or subject it to additional risks.

The Company may hold non-controlling interests in certain Project Companies, in which cases the Company may have a limited ability to protect its positions in such investments. Although the Management Company will seek to obtain, by itself or in conjunction with others, appropriate consent rights over certain key areas of management decisions and corporate governance to protect any such non-controlling investments, the Company's ability to protect its position in all situations may be limited.

The Company also may acquire stakes with third parties including with any of the Sponsors or their respective affiliates. These investments will involve certain risks, such as the third party having financial difficulties that may harm the investment, having economic or business interests inconsistent with the Company's interests or being in a position to take action contrary to the Company's objectives.

Many of the Company's investments will be illiquid.

A significant amount of the Company's assets will comprise unquoted interests in companies which are not publicly traded or freely marketable. The Company may also be restricted from selling certain securities by contract or regulatory considerations. Such investments may therefore be difficult to value or realise. Any such realisations may involve significant time and expense.

Investing in development stage projects entails risks not typically associated with established, operating projects.

The Company may invest in projects that are at a relatively early stage of development or that may have little or no operating history; may offer services or products that have no established market; may be operating at a loss or have fluctuations in operating results; may be engaged in a rapidly changing business; and may need substantial additional capital to set up infrastructure, hire management and personnel, support expansion or achieve or maintain a competitive position. Such companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

The Company may invest a significant portion of its assets in smaller, less-established companies. Investments in such companies may involve greater risks than are generally associated with investments in more established companies. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance. There is no guarantee that any losses will be offset by any gains realised on the Company's other assets. The Company has not established any minimum size for the companies in which it will invest.

The success of the Company's exit strategies with respect to its investments in Project Companies are subject to a number of factors, not all of which are within the Company's control.

The Company expects that a significant element of the value derived from Project Companies may be generated from the disposal of such assets through exit strategies that include the sale of the companies, monetisation of assets by issuing debt securities or implementing sale/leasebacks or other leverage vehicles, management buyouts, or one or more initial public offerings for the individual Project Companies. There can be no assurance that such exit opportunities will be available for the Company at all or on favourable terms and conditions at the appropriate times. In addition, returns from the Company's investments will be affected by the price at which they are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, *inter alia*, movements in interest rates and the competition for such assets.

Borrowings at the Company or Project Company level may increase the exposure of the Company to economic factors, some of which are not within its control.

The Company expects that most its investments will be structured with significant leverage at the Project Company level. In addition, the Company has the ability to use leverage in its capital structure and future financing. Although the Company will seek to use leverage and similar financial structures in a prudent manner, such leveraged capital structures would result in an increase in the exposure of such Project Companies and/or the Company to adverse economic factors such as higher interest rates, instability in the securities markets, or other economic conditions that impact the company or its industry.

The Company will have the ability to, and any of its Project Companies may, finance its activities with both fixed and floating rate debt. With respect to floating rate debt, the borrower's performance may be affected adversely if it fails to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can however be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

To the extent it decides to utilise debt or borrowings for itself or its Project Companies, the Company expects it will be able to do so on reasonable terms. However, there can be no guarantee that this will always be the case.

Defaults by Project Companies may have a negative impact on the value of the Company's assets and cash flows received.

The Company may attempt to finance its domestic and foreign projects under loan agreements and related documents which, except as noted below, require the loans to be repaid solely from the project's revenues and provide that the repayment of the loans (and interest thereon) is secured solely by the capital stock, physical assets, contracts and cash flow of that project subsidiary or affiliate. This type of financing is usually referred to as non-recourse debt or "project financing." In some project financings, the Company may explicitly agree to undertake certain limited obligations and contingent liabilities, most of which by their terms will only be effective or will be terminated upon the occurrence of future events. These obligations and liabilities may take the form of guarantees, indemnities, letter of credit reimbursement agreements, and agreements to pay, in certain circumstances, the project lenders or other parties. To the extent the Company may become liable under such guarantees and other arrangements, distributions received by the Company from other projects may be subject to the possibility of being utilised by the Company to satisfy these obligations.

While the lenders under non-recourse project financings generally will not have direct recourse to the Company (other than to the extent of any credit support given by the Company), defaults thereunder can still have important consequences for the Company's results of operations and liquidity, including, without limitation:

- reducing the Company's cash flows since the Project Company will typically be prohibited from distributing cash to the Company during the pendancy of any default;
- triggering the Company's obligation to make payments under any financial guarantee, letter of credit or other credit support which the Company has provided to or on behalf of such Project Company;
- causing the Company to record a loss in the event the lender forecloses on the assets, or
- triggering cross defaults in the Company's outstanding debt.

In some circumstances, the Company's creditors may have recourse to the Company's assets.

The Company's assets, including any investments made by the Company and any funds held by the Company, are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and may not be limited to any particular asset, such as the asset giving rise to the liability. Although the Company may choose to use special purpose entities for individual transactions to reduce recourse risk (and it may, but will be under no obligation to do so), the *bona fides* of such entities may be subject to later challenge.

Investment in companies that are developing new technologies may involve greater risks than investment in more established companies.

The Company may acquire interests in companies that are developing technologies relevant to the sectors on which the Company focuses. Such companies or technologies may be in an early stage of development or may have little or no operating history or no established market. Such companies may require a significant amount of additional capital to continue development or install prototypes, hire staff, or support expansion. Such companies or technologies may also be competing against companies with greater financial resources and more extensive development, marketing, manufacturing, or other capabilities. As a result, investments in such companies may involve greater risks than are generally associated with investments in more established companies.

Project Companies may have additional capital requirements which may be significant and unpredictable.

It may be necessary for certain of the Project Companies to raise additional financing to satisfy their capital requirements. The amount of additional financing needed will depend upon the maturity and objectives of the particular Project Company. It may be necessary for the Project Company to raise additional capital at a price unfavourable to the existing investors, including the Company. In addition, the Company may make additional equity investments, or exercise warrants, options or convertible securities that were acquired in the initial investment in such company, in order to preserve the Company's proportionate ownership when a subsequent financing is planned or to protect the Company's investment when such Project Company's performance does not meet expectations. The availability of capital is generally a function of market conditions that are beyond the control of the Company or any Project Company. There can be no assurance that the Company and its Project Companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

The Company is required to indemnify inter alia the Asset Adviser for liabilities incurred in connection with the affairs of the Company.

The Company is required to indemnify, without contractual limit, *inter alia*, the Asset Adviser and each of its officers, directors, partners, members, employees or agents or affiliates for liabilities incurred in connection with the affairs of the Company. See paragraph 8 of Part IV. Such liabilities may be material. For example, in their capacity as directors of Project Companies, the Management Company, its members, managers or affiliates may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Company would be payable from the assets of the Company.

The Company will be exposed to foreign currency and exchange rate risks.

The financial records of the Company will be maintained in US dollars. However, a portion of the Company's investments may be denominated in other currencies. Hence, changes in currency exchange rates may negatively affect the monetary value of investments. Converting the investment proceeds will also incur costs for the Company. The Company may enter into hedging transactions in order to reduce these currency risks. However, there can be no certainty that such hedging instruments will materially reduce or eliminate the risk of loss from currency exchange rate movement.

There is uncertainty in developing financial projections for Project Companies.

The Management Company will be responsible for establishing the financial structure of Project Companies based on their financial projections. The Company expects that the Management Company will have primary responsibility for developing the projected operating results. Regardless, projections are merely estimates based upon assumptions made during the projection development. There is no guarantee that the projected results will be obtained; the results may in fact vary significantly. The Management Company cannot predict general economic conditions, which may have an adverse impact on actual financial results.

The Management Company's or Sponsors' relationships may give rise to potential conflicts of interest.

Paragraph 15 of Part I outlines certain conflicts of interest between the Company and the Sponsors. Other potential conflicts of interest include the following:

Other Activities of Management. It is expected that certain of the officers, directors and employees of the Sponsors will provide support to the Management Company and will devote the time and attention they deem appropriate to the management of the Management Company. To the extent that these individuals are provided by the Sponsors, they will remain employees of the Sponsors or their affiliates, and are not expected to be restricted from engaging in other activities. However, such activities may create potential conflicts of interest.

Existing Sponsor Investments or Contractual Arrangements. The acquisition of an interest by the Company in a project in which either Sponsor or their respective affiliates is already involved may be beneficial to a Sponsor or its affiliates, as the case may be. Any of the Sponsors or their respective affiliates may have separate contractual arrangements in relation to a project and in connection therewith might take actions, including enforcing contractual rights, which might be adverse to the Company's interests.

In certain projects in which the Company acquires interests, it is possible that affiliates of the Sponsors may also acquire interests. If such an acquisition is simultaneous with the investment by the Company, such acquisition is likely to be on substantially the same terms and conditions as the Company's involvement, except as otherwise approved by the Board. If such an acquisition is made into an entity in which any of the Sponsors has previously invested, it is possible that the terms and conditions of such investment may differ, including that the investment by such Sponsors may have been made on more favourable terms. The Company may acquire interests in companies and projects with third-parties through joint ventures or other legal structures. Where the third-party is a management group, it may have a separate compensation arrangement that includes "pay-for-performance" components. Such third-party involvement may create risks, including the possibility that such third party may have economic or business interests that conflict with the objectives of the Company, may have financial difficulties that jeopardise its ability to fulfil its commitments regarding such investment, or may have conflicts of interest that affect the performance of the Company's investment.

Partners. It is possible that some of the third parties with which the Company may partner on certain investments may have pre-existing investments or other relationships with one or more of the Sponsors and/or their respective affiliates. To the extent a dispute arises between any of the Sponsors and/or their respective affiliates and such third-party partners, the Company's joint investments relating thereto may be affected.

Legal, Tax and Regulatory Risks

The Company could be subject to regulatory and tax consequences were its assets to be deemed plan assets within the meaning of ERISA.

No purchase, sale or transfer of any Ordinary Shares may be made by any "plan" (as defined below) or any person investing in "plan assets" unless such purchase, sale or transfer will not result in assets of the Company constituting "plan assets" within the meaning of ERISA that are subject to ERISA or section 4975 of the Code. If assets of the Company were to constitute "plan assets" within the meaning of ERISA, certain adverse consequences could apply, as described more fully in "Certain ERISA Considerations" in paragraph 14 of Part IV of this document. Accordingly, Relevant Benefit Plan Investors will not be permitted to acquire Ordinary Shares. Each prospective investor will be required to represent or will, by its acquisition or holding of an Ordinary Share be deemed to have represented, that it is not a Relevant Benefit Plan Investor. Any purported purchase or transfer of an Ordinary Share to a Relevant Benefit Plan Investor is subject to restrictions as provided in the Articles and this document. For a more detailed discussion of the ERISA considerations see "Certain ERISA Considerations" in paragraph 14 of Part IV of this document.

The Company is subject to risks associated with adverse changes in applicable tax legislation or its ability to utilise available tax benefits.

Tax laws can have a significant effect on some investment categories. Most renewable electrical generation and alternative fuel production facilities in the US depend on federal tax credits to make the project viable. While the Company will attempt, where appropriate, to structure its investments so that it can maximise the use of any tax benefits, such as tax credits, the Company may not always be in a position whereby it will be able to take advantage of such tax benefits. The inability to utilise fully any such tax benefits will reduce the amount the Company has available for distribution or may place it at a commercial disadvantage in bidding for investments relative to those who can utilise the benefits. Further, the availability of tax benefits, such as tax credits, could be affected by a change in law, possibly on a retroactive basis, at any time.

General tax considerations will affect the amount and treatment of distributions by the Company.

Although the Company is a Cayman Islands exempted company that will not be subject to entity level tax in the Cayman Islands, payments made to the Company by Project Companies or the proceeds of realisation of Project Company investments may be subject to local tax or withholding in certain circumstances in certain jurisdictions. For example, dividend payments by certain Project Companies may be subject to mandatory withholding, and the withheld amounts may not be capable of recovery by the Company. As a second example, if a US Project Company constitutes a ''United States Real Property Holding Company'', the Company's sale of its shares would be subject to US withholding tax in the amount of 10 per cent. of the amount realised. While the Company intends, where appropriate, to structure its investments to reduce such instances, it will not be able to avoid withholding or local taxation in respect of all investments. Such withholding or local taxation may reduce the amount the Company has available for distribution.

There is a possibility that the Company will be treated as a passive foreign investment company.

For US federal income tax purposes, a passive foreign investment company or PFIC is a non-US corporation that meets either the income or asset PFIC tests. The income test is met if 75 per cent. or more of a corporation's gross income is ''passive income'' (generally dividends, interest, rents, royalties, and gains from the disposition of passive assets) in any taxable year. The asset test is met if at least 50 per cent. of the average value of a corporation's assets produce, or are held for the production of, passive income. When a non-US corporation owns 25 per cent. or more of the shares of another non-US or US corporation, by value, the first corporation includes a pro rata share of the assets and income of the second corporation for purposes of the PFIC test. A second ''look-through'' rule exists for 25 per cent. or more, by value, share investments in US corporations, which takes precedence over the first rule. Because the Company is an exempted company with no active business operations, it is likely that it will be considered a PFIC in the current year unless it qualifies for the PFIC start-up exception, and the applicability of such exception is uncertain. In subsequent years, the Company's PFIC status will depend on the proportion of its share investments in Project Companies and the nature of their income and assets, amongst other things, and cannot be assured at this time. The application of such exception and the Company's PFIC status cannot be assured. If the Company is considered a PFIC, a US holder of the Ordinary Shares could be subject to substantially increased tax liability, including an interest charge upon the sale or other disposition of the US holder's Ordinary Shares or upon the receipt of ''excess distributions'' from the Company. Certain elections may sometimes be used to reduce the adverse impact of the PFIC rules. These elections may not be available to US holders. If these elections are available, they may result in a current US federal tax liability prior to any distribution or disposition of the Ordinary Shares, and without the assurance of a US holder receiving an equivalent amount of income or gain from a distribution or disposition.

There is a risk that the Company's investment activity will be treated as a trade or business in the United States.

The Company will seek to ensure that it will not be considered to engage in a trade or business in the United States as a result of the activities of its officers, employees, and agents in order to avoid becoming taxable in the United States on its income and gains that are considered effectively connected with such trade or business. However, no assurance can be given that the Company will be successful in this. If the Company is unsuccessful, it could be exposed to US taxation on a portion of the profit of its investment or asset adviser's activities in the United States, and possibly also on US and non-US source dividends, interest and gains.

The Company will not be registered under the Investment Company Act and may have to invest its assets suboptimally.

The Investment Company Act prohibits a foreign company which engages or proposes to engage in the business of investing, reinvesting, owning or trading in securities from making a public offering of its securities by the means and instrumentalities of United States interstate commerce, unless such foreign company obtains an order of the Securities and Exchange Commission. For foreign companies other than banks, insurance companies and certain governmental funding vehicles, such orders have rarely been granted. Moreover, the substantive provisions of the Investment Company Act applicable to registered investment companies are incompatible with the Company's intended operations.

The Placing is not being made in the United States or to US persons. In addition, the Company believes that it is, and intends to remain, primarily engaged in businesses other than investing, reinvesting, owning, holding or trading in securities, and that it is not an ''investment company'' as defined in the Investment Company Act. Furthermore, the Company intends to structure its investments so that it will not become an ''investment company'' as defined in the Investment Company Act. Investors in Ordinary Shares will not receive the benefit of the provisions of the Investment Company Act and related rules which provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies.

Pending investment in Project Companies and perhaps for a substantial period of time, a significant portion of the Company's assets are likely to be invested in securities. As a cautionary matter because of possible similarities during this period of time between the Company and companies within the definition of ''investment company'' under the Investment Company Act, the Company intends to take such action as may be necessary so that it will not become an ''investment company'' as so defined. Such steps may include the liquidation of its securities investments and, in lieu of such investments, holding cash with a resulting loss of investment earnings.

See ''Transfer of Shares'' in paragraph 4 of Part IV of this document for a discussion of transfer of shares which would or might result in the Company being required to register or qualify under, *inter alia*, the Investment Company Act.

Risks Relating to the Ordinary Shares

There is no current market for the Ordinary Shares. In addition, an investment in a company listed on AIM, such as the Company, may carry a higher risk.

There is currently no market for the Ordinary Shares. Therefore, prospective Shareholders should be aware that they cannot benefit from information about prior market history as to their decisions to invest. In addition, the price of the Ordinary Shares, after Admission, can vary due to general economic conditions and forecasts, the Company's general business condition and the release of the Company's financial reports.

The Ordinary Shares will be regulated by the rules of AIM rather than the rules of the UK Listing Authority. An investment in shares traded on AIM is perceived to carry a higher risk than an investment in shares listed on exchanges with more stringent requirements, such as the Official List, the Luxembourg Stock Exchange, the New York Stock Exchange or the NASDAQ National Market. This is because AIM imposes less stringent corporate governance and ongoing reporting requirements. AIM is also a relatively new and more flexible market, which does not require any trading history or market makers and requires only semi-annual, rather than quarterly, financial reports.

In addition, the Company cannot assure investors that the Ordinary Shares will always trade on AIM. If the Ordinary Shares cease to be traded on AIM, this is likely to have an adverse impact on the share price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition to AIM, the level of liquidity of shares traded on AIM may decline.

The market price of the Ordinary Shares may fluctuate widely in response to different factors.

The market price of the Ordinary Shares may not wholly or mainly reflect the value of the underlying investments of the Company, but may also be subject to wide fluctuations in response to many factors (some of which are beyond the Company's control), including variations in the operating results of the Company, divergence in financial results from stock market expectations, changes in earnings estimates by analysts, a perception that other market sectors may have higher growth prospects, general economic conditions, legislative changes in the Company's sector and other events and factors outside the

Company's control. The market value of an Ordinary Share may vary considerably from its underlying net asset value.

In addition, stock markets from time to time experience extreme price and volume volatility which, in addition to general economic and political conditions, could adversely affect the market price for the Ordinary Shares. To optimise returns, investors may need to hold the Ordinary Shares on a long-term basis and they may not be suitable for short-term investment. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares. Prior to Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active market will develop or be sustained after Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Offer Price. The value of Ordinary Shares may go down as well as up.

There are restrictions on the payment of dividends by the Company.

Shareholders should note that payment of any dividends by the Company will, subject to complying with Cayman Islands law, be at the discretion of the Board after taking into account many factors, including the Company's ability to buy and sell projects, operating results, financial condition and current and anticipated cash needs. Particularly in the early years, it is unlikely that significant dividends will be paid.

The Ordinary Shares are subject to restrictions on transfers.

The Ordinary Shares have not been registered in the United States under the Securities Act or under other applicable securities law and are subject to restrictions on transfer imposed by such law. They may not be resold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities law.

The Company does not intend to create a public market in the United States for resales of the Ordinary Shares.

The Company does not intend to list the Ordinary Shares on an established securities exchange or have them quoted on an automated inter-dealer quotation system or otherwise create a public market in the United States for resales of the Ordinary Shares.

Future sales of substantial amounts of the Ordinary Shares, or the perception that such sales could occur, could adversely affect the market value of the Ordinary Shares.

Any sales of substantial amounts of Ordinary Shares in the open market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

Certain shareholder protection laws will not be applicable to the Company.

The Company is a Cayman Islands exempted company incorporated in the Cayman Islands under the Companies Law. There are a number of differences between the corporate structure of the Company and that of a public limited company incorporated in England and Wales under the UK Companies Act or other jurisdictions.

Set out below is a description of certain differences between companies incorporated in England and the Cayman Islands.

(i) Pre-emptive rights: Shareholders do not have statutory pre-emption rights under the Companies Law over further issues of shares of the Company. Certain restrictions on the ability of the Directors to allot Ordinary Shares are contained in the Articles, which may be amended by a special resolution of shareholders, as described in paragraph 4 of Part IV of this document.

(ii) Takeovers: The Companies Law does not contain provisions similar to those in the City Code which oblige a person or persons acquiring at least 30 per cent of voting rights in a company to which the City Code applies to make an offer to acquire the remainder of the shares in such company. The Articles of the Company incorporate provisions similar to those contained in Rule 9 of the City Code but may be amended by a special resolution of the Shareholders. The Ordinary Shares are subject to the compulsory acquisition provisions set out in section 88 of the Companies Law. Under these provisions where an offeror makes a takeover offer and within four months of making the offer it has been approved by the holders of not less than ninety per cent in value of the shares to which the offer relates, that offeror is entitled to acquire compulsorily from dissenting shareholders those shares which have not been acquired or contracted to be acquired on the same terms as under the offer.

(iii) Disclosure of interests in shares: The rules on disclosure by shareholders of interests in a company under the Disclosure Rules and Transparency Rules of the FSA and under sections 793 and related sections of the UK Companies Act are not applicable to the Company. Under the Companies Law, Shareholders are not obliged to disclose their interests in the Company in the same way as shareholders of a company governed by the UK Disclosure Rules and Transparency Rules and the UK Companies Act. The Articles of the Company incorporate provisions relating to disclosures of interests in the Company, but these may be amended by a special resolution of the Shareholders.

Different rules governing corporate governance

There is no applicable regime of corporate governance to which directors of a Cayman Islands company must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Cayman Islands law. The Directors, however, recognise the importance of good corporate governance and confirm that following Admission, will comply, so far as is practicable taking into account the Company's size and nature, with the provisions of the Quoted Companies Alliance Guidelines for AIM Companies published in 2005 and will comply with the Combined Code to the extent practicable and commensurate with the size and operations of the Company. The Company has also adopted a share dealing code for directors' dealings in securities of the Company.

PART III

FINANCIAL INFORMATION

KPMG LLP
8 Salisbury Square
London EC4Y 8BB
United Kingdom

The Directors
Leaf Clean Energy Company
P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman, Cayman Islands

Dear Sirs

Leaf Clean Energy Company (the ''Company'')

We report on the financial information set out on pages 46 to 51. This financial information has been prepared for inclusion in the AIM admission document of the Company dated 22 June 2007 (the ''Admission Document'') on the basis of the accounting policies set out in note 2. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

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

Basis of opinion

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

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

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company as at the dates stated in accordance with the basis of preparation set out in note 1.

Declaration

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

Yours faithfully

KPMG LLP

Historical financial information on Leaf Clean Energy Company for the period ended 15 May 2007

The financial information set out below of Leaf Clean Energy Company (the ''Company'') for the period ended 15 May 2007, has been prepared by the Directors of the Company on the basis set out in note 1.

Leaf Clean Energy Company

Income statement

	Two days ended 15 May 2007
	$
Administrative expenses	–
Result before tax	–
Income tax expense	–
Result for the period	–
Result per share ($)	–
Basic	–
Diluted	–

The results above relate to continuing operations.

Statement of recognised income and expense

	Two days ended 15 May 2007
	$
Result for the period	–
Total recognised income and expense for the period	–

Balance Sheet

	15 May 2007
	$
Current assets	
Unpaid share capital	1
Deferred offering costs	114,101
Total assets	114,102
Current liabilities	
Trade and other payables	114,101
Total liabilities	114,101
Net assets	1
Equity	
Share capital	1
Retained earnings	–
	1

Statement of cash flows

	Two days ended 15 May 2007
	$
Cash flows from operating activities	
Result for the period	–
Increase in deferred offering costs	(114,101)
Increase in accounts payable	114,101
Net cash from operating activities	–
Net increase in cash and cash equivalents	–
Cash and cash equivalents at 14 May 2007	–
Cash and cash equivalents at 15 May 2007	–

Notes
(forming part of the financial information)

1 General information

The Company was incorporated in the Cayman Islands on 14 May 2007.

The purpose of the Company is to acquire interests in, own, operate and manage clean energy companies and projects as well as other projects that create environmental benefits through greenhouse gas emission reductions. The Company plans initially to invest in such projects primarily in North America, but investments in other countries will also be considered. The clean energy sector include activities such as producing alternative fuels, power production and other power generation or storage technologies that have minimal environmental impact and come from renewable sources.

The financial information has been prepared for the purpose of inclusion in this admission document.

Basis of preparation

The Company has prepared this financial information for the two (2) day period from incorporation of the company on 14 May 2007 through 15 May 2007. This accounting period is less than one year in order to prepare a balance sheet for incorporation into the admission document.

This financial information has been prepared for inclusion in an AIM admission document; it does not constitute the Company's first annual financial statements under International Financial Reporting Standards as adopted by the European Union (Adopted IFRSs).

This financial information has been prepared in accordance with the accounting policies described below which are consistent with Adopted IFRSs that are effective (or available for early adoption) at 15 May 2007.

The financial information is presented in US dollars, the functional currency of the Company.

Judgments and estimates

The preparation of financial statements in conformity with Adopted IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision, affects both current and future periods. Due to the early stage of the Company's development, the directors do not believe there to be any disclosable significant judgments or estimates.

2 Summary of significant accounting policies

The financial information has been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

a) Statement of compliance

This financial information has been prepared in accordance with the accounting policies described below which are consistent with Adopted IFRSs that are effective (or available for early adoption) at 15 May 2007. The Adopted IFRSs that will be effective (or available for early adoption) in the Company's first annual financial statements are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared.

b) Measurement convention

The financial statements are prepared on the historical cost basis.

c) Deferred offering costs

Deferred offering costs are recognised initially at fair value and subsequently measured at amortised cost less impairment losses.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

e) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost.

f) Income tax

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

g) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. At this time the Company has only one segment which is an investment company located in the Cayman Islands.

3 Staff numbers and costs

The Company had no employees or directors during the period. On 25 May 2007, Norbert Gallagher was appointed as the sole director of the Company. On 8 June 2007, a new slate of directors was appointed and Mr. Gallagher resigned from the board. The new slate of directors was comprised of J. Curtis Moffatt, Bran Keogh, Peter Tom, and Peter O'Keefe; all of whom are non-executive directors.

4 Deferred offering costs

Deferred offering costs consist of legal and other professional fees and other direct expenses incurred up to the balance sheet date that are related to the proposed offering and that will be charged to capital upon the receipt of the proceeds raised.

5 Share capital

	15 May 2007
	$
Authorised	
50,000 ordinary shares of US$1.00 each	50,000
Allotted, called up and unpaid	
1 ordinary share of US$1.00 each	1
	1

On 15 June 2007, the Company increased its authorised share capital by £25,000 by the authorisation of an additional 250,000,000 shares at £0.0001 par value each. The Company then issued 10,000 shares of £0.0001 at par value. The Company repurchased at par value the one share allotted, called up, and unpaid at US$1.00. The Company then reduced its authorised share capital by US$50,000 by cancelling the 50,000 shares at US$1.00 par value each. Upon Admission, the 10,000 shares issued to the Management Company will be repurchased by the Company. The Company's authorised share capital will be £25,000 made up of 250,000,000 shares at £0.0001 par value each.

6 Reconciliation of movement in equity

	Retained earnings	*Share Capital*	*Total*
	$	*$*	*$*
At 14 May 1007	–	–	–
Shares issued on incorporation	–	1	1
Result for the period	–	–	–
At 15 May 2007	–	1	1

7 Commitments and contingent liabilities

Since the period end, the company has made commitments to pay professional fees of approximately $725,000. In addition, future costs up to approximately $12,333,000 are contingent upon the successful completion of the placing of the Company.

The Company has entered into the following agreements since the balance sheet date:

- A Nomad Agreement dated 22 June 2007 between the Company and Cenkos Securities plc (''Cenkos'') pursuant to which Cenkos has been appointed to act as nominated adviser and broker to the Company in connection with Admission and the Company's continuing obligations as required by the AIM Rules for Companies. Cenkos is entitled to an annual fee in connection with the nominated adviser and broker services to be provided of £20,000 (if the net assets of the Company at Admission are equal or less than $200,000,000) or £40,000 (if the net assets of the Company at Admission exceed $200,000,000) in either case such fee to be payable annually in advance on 1 January each year, plus costs and expenses (plus VAT, if applicable).
- A Placing Agreement dated 22 June 2007 made between the Company, the Directors, EEA, Shaw Capital and Cenkos pursuant to the terms of which Cenkos has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure placees for 200,000,000 Ordinary Shares. In consideration for its services, Cenkos will be paid a commission equal to 3 per cent. of the Placing proceeds received from Placees and a corporate finance fee of £200,000. Cenkos is also entitled to be reimbursed for its reasonable out of pocket expenses (including fees and expenses of its legal advisers up to a maximum of £65,000) incurred by it in the performance of its duties under the Placing Agreement.
- An Asset Advisory Agreement for an initial six year period with the Asset Adviser under which the Asset Adviser is responsible for the provision of advice to the Company in connection with its investment of its portfolio of investments and other assets with a view to the Company achieving its investment objectives. Under the Asset Advisory Agreement, the Management Company will receive an annual management fee from the Company, payable quarterly in advance, equating to 0.5 per cent. per quarter of the net asset value of the Company as determined in accordance with such agreement, as at the quarter end dates (being 31 March, 30 June, 30 September and 31 December). The Management Company may also, pursuant to the Asset Advisory Agreement, become entitled to receive from the Company an annual performance fee calculated by reference to Total Shareholder Return over the course of a performance period, starting on Admission.

  Any performance fee will become payable once the annualised Total Shareholder Return in any performance period exceeds an annual rate of 9 per cent. (the ''Hurdle''). Once the Hurdle is exceeded, the performance fee will become payable in an amount equal to 20 per cent. of any aggregate return over and above the Hurdle subject to a high watermark. Total Shareholder Return will be calculated on the basis of the increase in market capitalisation of the Company, allowing for dividends and other distributions paid to Shareholders in the relevant performance period.
- An Administration Agreement with Equity Trust Fund Services (Luxembourg) S.A. (the ''Administrator'') who has, subject to and with effect from Admission, been appointed as administrator of the Company. The Administrator shall be entitled to an administration fee, payable quarterly in arrears and calculated in respect of each quarter, on the net assets of the Company at the end of the relevant quarter, with a minimum fee of $15,000 per quarter at the rate of 0.08 per cent. where the net asset value of the Company at the end of the relevant quarter is less than $100,000,000, 0.06 per cent. where the net asset value of the Company at the end of the relevant quarter is greater than or equal to $100,000,000 but less than $200,000,000 and at the rate of 0.05 per cent. per annum where the net asset value of the Company at the end of the relevant quarter is greater than or equal to $200,000,000.
- A main registry agreement dated 7 June 2007 made between the Company and Computershare Investor Services (Channel Islands) Limited (the ''Registrar'') under which the Company has appointed the Registrar with effect from Admission to be the Company's registrar and maintain its register of members in Jersey. The Registrar shall be entitled to an initial up front fee of £500 to cover the set up of the register and the preparation of the terms of the main registry agreement together with a fixed annual fee of £3,500. The annual fee will

be payable by the Company quarterly in arrears. The fees payable to the Registrar under the main registry agreement shall be reviewed annually.

8 Related parties

Identity of related parties

The Company has a related party relationship with its directors and with its sole shareholder, Energy and Climate Advisors. The shares, held by Energy and Climate Advisors, will be repurchased by the Company upon Admission.

9 Post balance sheet events

The Company entered into several key service provider contracts. These are summarised in paragraph 7 above.

On 15 June 2007, the Company increased its authorised share capital by £25,000 by the authorisation of an additional 250,000,000 shares at £0.0001 par value each. The Company then issued 10,000 shares of £0.0001 for cash at par value. The Company repurchased at par value the one share allotted, called up, and unpaid at US$1.00 par value. The Company then reduced its share capital by US$50,000 by cancelling the 50,000 shares at US$1.00 par value each. Upon Admission the 10,000 shares issued to the Management Company will be repurchased by the Company. The Company's authorised share capital will be £25,000 with 250,000,000 shares at £0.0001 par value each.

Subsequent to the balance sheet date, the Company made commitments and incurred contingent liabilities as described in Note 7.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility both individually and collectively, for the information contained in this document. To the best of the knowledge of the Company and 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 this document makes no omission likely to affect the import of such information.

2. THE COMPANY

2.1 The Company was incorporated with limited liability and registered in the Cayman Islands as an exempted company under the Companies Law on 14 May 2007 and with registered number MC-187481.

2.2 The Company operates under the Companies Law and regulations made thereunder.

2.3 As a closed-end investment company, the Company is not regulated as a mutual fund in the Cayman Islands and is not otherwise subject to regulatory review in its place of incorporation. When the Ordinary Shares are admitted to trading on AIM the Company will be subject to the AIM Rules for Companies.

2.4 The registered office of the Company is located at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands (telephone no. +1 345 949 8066).

2.5 The liability of the Shareholders of the Company is limited.

2.6 Save for its entry into the material contracts summarised in paragraph 8 of this Part IV, since its incorporation, the Company has not carried on significant business and, other than the financial information set out in this document, no accounts of the Company have been made up.

2.7 The address of the Company's website which, from Admission, shall disclose information required by rule 26 of the AIM Rules for Companies is www.leafcleanenergy.com.

3. SHARE CAPITAL

3.1 The authorised and issued share capital of the Company at the date of this document and as it will be following Admission (assuming all Placing Shares are subscribed for pursuant to the Placing) is as follows:

	Prior to Placing and Admission		***Following Placing and Admission***	
	Number of Ordinary Shares	*Nominal Value*	*Number of Ordinary Shares*	*Nominal Value*
Authorised share capital issued	250,000,000	£25,000	250,000,000	£25,000
Issued and fully paid up share capital	10,000	£1	200,000,000	£20,000

3.2 Changes in the share capital of the Company preceding the date of this document were as follows:

The Ordinary Shares have been created pursuant to the Companies Law. The Company was incorporated with an authorised share capital of $50,000 divided into 50,000 Ordinary Shares of $1.00 each, of which 1 subscriber share was issued to the subscriber to the Company's Memorandum of Association.

The subscriber share was subsequently transferred to the Management Company. By special resolution dated 15 June 2007, the authorised share capital of the Company was amended to £25,000 divided into 250,000,000 Ordinary Shares of a par value £0.0001 each. A further 10,000 Ordinary Shares of par value £0.0001 each were issued to the Management Company, and the one share of US$1.00 was repurchased with the proceeds of such issue. Upon Admission, the 10,000 Ordinary Shares issued to the Management Company will be repurchased.

3.3 On 21 June 2007, the Placing Shares were allotted, conditionally upon Admission, by resolution of the Board.

3.4 Application will be made for the Ordinary Shares to be admitted to trading on AIM. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.

3.5 With effect from Admission, all of the Ordinary Shares will be in registered form and, subject to the Depositary Interests being admitted to and accordingly enabled for settlement in CREST, the Depositary Interests will be capable of being held in uncertificated form. No temporary documents of title will be issued.

3.6 The Ordinary Shares have been assigned ISIN KYG541351014.

3.7 Save as referred to in paragraph 3.2 and 3.3 above, since the date of its 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 as referred to in paragraph 8.2 below, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.

3.8 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3.9 Any unallotted Ordinary Shares will remain authorised but unissued.

3.10 Under Cayman Islands law, the Directors are generally authorised to allot shares in the Company up to the amount of its authorised share capital. Article 7 of the Articles, however, restricts the ability of the Directors to allot "Relevant Securities" without the authority of the members. For these purposes, Relevant Securities means shares in the Company (other than the subscriber shares and shares allotted before Admission, whether or not such allotment becomes unconditional upon Admission) and any right to subscribe for, or to convert any security into, shares in the Company (but not shares allotted pursuant to such a right).

By resolution of the shareholders dated 21 June 2007, the Directors were generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities subject to the Articles up to a maximum aggregate nominal amount of £5,000, such authority expiring at the conclusion of the next annual general meeting of the Company or, if earlier, fifteen months from the passing of the resolution, unless previously revoked or varied by the Company in general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities pursuant to such an offer or agreement as if the authority conferred by the resolution had not expired.

The Directors were also empowered pursuant to such authority to issue Relevant Securities for cash, provided that such power is limited to:

3.10.1 the allotment of Relevant Securities in connection with a rights issue or open offer in favour of ordinary shareholders where the Relevant Securities respectively attributable to their interests are proportionate (as nearly as may be) to the respective number of Ordinary Shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory; and/or

3.10.2 the allotment (otherwise than pursuant to sub-paragraph 3.10.1 above) of Relevant Securities up to an aggregate nominal amount of £750;

and shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, fifteen months from the passing of the resolution unless otherwise revoked or varied by the Company in a general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted for cash after such expiry and the Directors may allot Relevant Securities in pursuance of such offer or agreement as if such power had not expired

3.11 The Ordinary Shares are subject to the compulsory acquisitions provisions set out in section 88 of the Companies Law. Under these provisions, where an offeror makes a takeover offer and within four months of making the offer it has been approved by the holders of not less than ninety per cent. in value of the shares to which the offer relates, that offeror is entitled to acquire compulsorily from dissenting shareholders those shares which have not been acquired or contracted to be acquired on the same terms as under the offer.

4. SUMMARY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

A summary of the terms of the Memorandum and the Articles is set out below. The summary below is not a complete copy of the terms of the Memorandum or the Articles.

4.1 Memorandum of Association

The objects of the Company are set out in clause 3 of its Memorandum. The objects of the Company are unrestricted and the Company has full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

4.2 Articles of Association

The Articles were adopted pursuant to a special resolution of the Company passed on 15 June 2007 and contain, *inter alia*, provisions to the following effect:

4.2.1 *Issue of Shares*

Subject to any provisions of the Memorandum and Articles and to any direction that may be given by the Company in a general meeting, the directors may allot, issue, grant options over or otherwise dispose of shares at such time and on such terms and conditions as they may determine. The directors may not issue any Relevant Securities (as defined in the Articles) unless authorised to do so by an ordinary resolution of the Company and Relevant Securities may not be allotted for cash unless authorised to do so by a special resolution of the Company. Any such resolution shall state the maximum amount of Relevant Securities that can be allotted under it and shall also state the date on which such authority shall expire. Any authority must not be for more than five years from the date on which the resolution is passed. Pursuant to the Articles, such ''special resolution'' is defined as a resolution which is passed by a majority of not less than three quarters of such shareholders as vote in person or, where proxies are allowed, by proxy.

4.2.2 *Alteration of share capital*

(i) The Company may by ordinary resolution increase, consolidate, divide or sub-divide its share capital. The Company may by ordinary resolution cancel any shares which at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person.

(ii) The Company may by special resolution reduce its share capital, and any capital redemption reserve fund.

4.2.3 *Relevant System*

(i) Where any ordinary share is for the time being held by means of a Relevant System (as defined in the Articles) and the Company is entitled under applicable law, the CREST Regulations (as defined in the Articles) or the Articles or otherwise, to sell, transfer or otherwise dispose of, redeem, repurchase, re-allot, accept the surrender of, forfeit, or enforce a lien over that share, the Company shall be entitled, subject to the applicable law, the Articles or the CREST Regulations and the facilities and requirements of the Relevant System;

   (a) to require the holder of that share by notice to convert that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;

   (b) to require the Operator (as defined in the Articles) to convert that share into certificated form in accordance with regulation 32(2)(c) of the Regulations;

   (c) to require the holder of that share by notice to give any instructions necessary to transfer title to that share by means of the Relevant System within the period specified in the notice;

(d) to require the holder of that share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the Relevant System, necessary to transfer that share within the period specified in the notice;

(e) to take any other action that the directors consider necessary or expedient to achieve the sale, transfer, disposal, redemption, repurchase, re-allotment, forfeiture or surrender of that share or otherwise to enforce a lien in respect of that share;

(f) to require the deletion of any entries in the Relevant System reflecting the holding of such share in uncertificated form; and

(g) to require the Operator to alter the entries in the Relevant System so as to divest the holder of the relevant share of the power to transfer such ordinary share other than to a person selected or approved by the directors for the purposes of such transfer.

4.2.4 ***Depositary interests***

The directors have the power to implement and/or approve any arrangements they think fit in relation to the evidencing of title and transfer of interests in shares in the capital of the Company in the form of depositary or similar interests or securities and, to the extent that such arrangements are so implemented, no provisions in the Articles shall apply or have effect to the extent that they are in any respect inconsistent with the holding or transfer thereof or the shares in the capital of the Company represented thereby.

4.2.5 ***Transfer of shares***

(i) Ordinary shares in the Company in certificated form shall be transferred by instrument of transfer in writing in any usual or common form, or in such other form as shall be approved by the directors. The instrument of transfer shall be executed by or on behalf of the transferor (and also the transferee in the case of a partly paid share). The directors may, in their absolute discretion and without giving any reason, refuse to register a transfer where a share is not fully paid up provided that where any such shares are admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

(ii) The directors may also refuse to register an instrument of transfer in respect of any share where *inter alia*, it is in favour of (i) more than four tranferees; (ii) a Relevant Benefit Plan Investor; (iii) a resident of the United States; or (iv) a resident of any other jurisdiction in which statute or regulation places restrictions on transferability.

4.2.6 If at any time the legal or beneficial ownership of any shares (whether on their own or taken with other shares), in the opinion of the directors (i) are held, directly or indirectly, by a Relevant Benefit Plan Investor or a resident of the United States or a resident of any other jurisdiction in which statute or regulation places restrictions on transferability; (ii) would or might result in the Company being required to register or qualify under the Investment Company Act; (iii) would or might result in any investment manager engaged by the Company being required to register or qualify under the United States Investment Advisers Act 1940; or (iv) would or may result in the Company becoming subject to statute or regulation of any other jurisdiction; then any shares which the directors decide are shares which are so held or beneficially owned (referred to in the Articles as ''Prohibited Shares'') must be dealt with in accordance with the paragraph below. The directors may at any time give notice in writing to one or more holders of shares from time to time requiring them to make a declaration as to whether or not any shares held or beneficially owned by them are Prohibited Shares.

The directors may give written notice to the holder of any shares which appear to them to be Prohibited Shares requiring him within 14 days (or such extended time as the directors consider reasonable) to transfer (and/or procure the disposal of interests in) such shares to another person so that they will cease to be Prohibited Shares. From the date of such notice until registration of such a transfer or a transfer arranged by the directors as referred to below, the holder of the Prohibited Shares shall not be entitled to exercise any voting rights in respect of the Prohibited Shares and no dividends shall be paid in respect of all or any of the Prohibited Shares. If the notice referred to above is not complied with within 14 days to the satisfaction of the directors, the directors may arrange for the Company to sell, transfer or otherwise dispose of the Prohibited Shares to any other person so that the shares will cease to be Prohibited Shares. The net proceeds of sale, transfer or disposal shall be paid over by the Company to the former holder of the Prohibited Shares upon surrender by him of the relevant share certificate (if applicable).

4.2.7 Variation of rights and class meetings

(i) Wherever the share capital of the Company is divided into different classes of shares, the rights attached to any class of shares in the Company (unless otherwise provide by the terms of issue of the shares of that class) may be varied, with the consent in writing of the holders of three quarters of the issued shares of that class, or with the sanction of a special resolution passed at a general meeting of holders of the shares of that class.

(ii) The provisions of the Articles relating to general meetings shall apply to every class meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

4.2.8 *Pre-emption and bearer shares*

(i) There are no pre-emption rights on transfer attaching to existing shares.

(ii) The Articles provide that the Company will not issue shares to bearer. This is usual for a Cayman Islands incorporated company as the Companies Law requires that bearer shares be immobilised and held by a custodian.

4.2.9 *Redemption and repurchase of shares*

Subject to the Companies Law, the Company may issue shares that are to be redeemed or are liable to be redeemed at the option of a Shareholder or the Company. The redemption of such shares shall be reflected in such manner as the Company may, by special resolution, determine before the issue of such shares. Subject to the Companies Law, the Company may purchase its own shares (including any redeemable shares) provided that Shareholders shall have approved the manner of purchase by ordinary resolution. The Company may make a payment in respect of the redemption or purchase of its own shares in any manner permitted by the Companies Law, including out of capital.

4.2.10 *Voting*

(i) Subject to any rights or restrictions as to voting attached to any share by or in accordance with the Articles, at a general meeting of the Company every member who is present in person or by proxy and entitled to vote (or if the person is a body corporate its duly authorised representative or proxy), shall on a show of hands be entitled to one vote, and on a poll every Shareholder present in person (or if the person is a body corporate its representative) or by proxy shall have one vote for every share held by him.

(ii) A Shareholder holding more than one share need not cast the votes in respect of his shares in the same way on any resolution.

4.2.11 *Disclosure of interests*

(i) Each Shareholder who from time to time acquires an interest in 3 per cent. or more of the Company's issued share capital of any class, carrying rights to vote in all circumstances at general meetings of the Company other than where the voting rights attaching to such shares are suspended (referred to in the Articles as ''Relevant Share Capital''), must notify such interest to the Company. Notification is also required when an interest falls below 3 per cent. or rises or falls any whole percentage point above 3 per cent. (any changes in interest as described above is referred to in the Articles as a ''notifiable interest''). Each Shareholder is also required, to the extent that he is lawfully able to do so, to notify the Company if any other person acquires or ceases to have a notifiable interest in the Relevant Share Capital of which he is the registered Shareholder, or, if unable lawfully to provide such notification, to use his reasonable endeavours to procure that such other person makes notification of his interests to the Company.

(ii) In addition the directors have the power to give notice in writing to a person, whom it knows or has reasonable cause to believe to be, or in the previous 3 years to have been, interested in Relevant Share Capital, requiring such person to confirm or deny such interest and to give any further information as may be requested. Such information must be provided within such time as may be specified in the relevant notice being not less than 14 days following the service of such notice.

(iii) Failure to comply with such disclosure obligations may result in the certain restrictions being placed on the shares of the Shareholder in default.

4.2.12 ***Directors***

(i) Unless and until otherwise determined by the Company by ordinary resolution the number of directors (other than alternate directors) shall not be less than one.

(ii) The Company may by ordinary resolution appoint any person to be a director or may by ordinary resolution remove any director.

(iii) Subject to the provisions of the Articles, at the annual general meeting of the Company in each year, one-third of the directors for the time being shall retire from office by rotation. The directors to retire by rotation on each occasion shall be those directors that have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless otherwise agreed among themselves) be determined by lot. In addition, any director who would not otherwise be required to retire, shall retire by rotation at the third annual general meeting after his last appointment or reappointment.

(iv) The directors shall have the power at any time to appoint any person as a director, either to fill a casual vacancy or as an additional director provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Any director so appointed shall retire at the next annual general meeting but shall then be eligible for 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.

(v) Subject to the provisions of the Articles, the directors may regulate their proceedings as they think fit, although all meetings of the directors shall take place outside the United Kingdom and any decision reached or resolution passed by the directors in the United Kingdom or at a meeting at which a majority of the directors present are resident in the United Kingdom shall be invalid and of no effect.

(vi) Any director may be or become a director or other officer or shareholder of any other company promoted by the Company or in which the Company may be interested and no such director shall be accountable to the Company for any remuneration or other benefit received by him as director or officer of, or from his interest in, such other company.

(vii) A director shall not, as a director, vote in respect of any transaction in which he has an interest which (together with any interest of any person connected with him) is a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company) and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply, *inter alia*, to:

(a) the giving of any security, guarantee or indemnity in respect of:

(A) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any or its subsidiaries; or

(B) a debt or obligation of the Company or any of its subsidiaries for which the director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; or

(b) any transaction affecting any other corporation in which the director is interested, either directly or indirectly, provided that he (together with persons connected with him) is not beneficially interested in 1 per cent. or more of the issued shares of any class of such corporation (or of any third corporation through which his interest is derived) or of the voting rights available to shareholders of the relevant corporation.

(viii) If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any director shall be final and conclusive, except in a case where the nature or extent of the interests of the director consented as known to such director have not been fairly disclosed.

(ix) The directors shall determine the remuneration of the directors. The directors shall be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the directors, or a combination of the two. The directors may also by resolution approve additional remuneration to any director for any services other than his ordinary routine work as a director.

(x) The quorum for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two if there are 2 or more directors, and shall be 1 if there is only 1 director.

4.2.13 ***Borrowing powers***

The directors may exercise all the powers of the Company to give guarantees, to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to create and issue debentures, debenture stock, mortgages, bonds and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

4.2.14 ***Reserves***

The directors may, before recommending any dividend whether preferential or otherwise, carry to reserve out of the profits of the Company (including premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the directors may from time to time think fit. The directors may also, without placing the same to reserve, carry forward any profits that they may think prudent not to pay by way of dividend to shareholders.

4.2.15 ***Dividends***

(i) Subject to the provisions of the Companies Law, the directors may declare dividends and distributions on shares in issue and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Companies Law.

(ii) Except as provided otherwise by the rights attached to shares, all dividends shall be declared and paid according to the par value of the shares and where such shares are not fully paid up, pro rata according to the amount paid upon such shares. If any share is issued on terms providing it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

(iii) The directors may deduct from any dividend or distribution payable to any Shareholder all sums of money (if any) owed by him to the Company, on account of calls or otherwise.

(iv) All dividends unclaimed for six months after having been declared may be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account, and the dividend shall remain a debt due to the Shareholder. Any dividend that remains unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

4.2.16 ***General meetings***

(i) The Company shall in each year hold a general meeting as its annual general meeting. The annual general meetings shall be held at such time and place as the directors shall determine.

(ii) The directors may, (in addition) call a general meeting other than the annual general meeting and shall, upon a shareholders' requisition convene an extraordinary general meeting. A shareholders' requisition is a requisition of shareholders of the Company holding at the date of deposit of the requisition not less than 10 per cent. in par value of the capital of the Company as at that date that carries the right of voting at general meetings of the Company.

(iii) At the least 21 days' notice shall be given of any annual general meeting and at least 14 clear days' notice shall be given in respect of any other general meeting of the Company. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be transacted at the meeting.

(iv) Subject to the provisions of the Companies Law, a resolution may be put to a vote at a general meeting of the Company or any class of Shareholders only if (i) it is proposed by or at the direction of the directors; (ii) it is proposed at the direction of the court; (iii) it is proposed on the requisition in writing of such number of Shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Companies Law; or (iv) the chairman of the meeting, in his absolute discretion, decides that the resolution may properly be put to a vote at that meeting.

(v) No business shall be transacted at any general meeting unless a quorum is present. Two Shareholders being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative shall be a quorum unless the Company has only one Shareholder entitled to vote at such general meeting in which case the quorum shall be that one Shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative.

4.2.17 ***Takeover provisions***

The Articles incorporate certain provisions, which seek to provide Shareholders with certain protections provided by the City Code. These provisions, amongst others include:

(i) When either:

(a) any person (other than a Shareholder of the Company who owns, directly or indirectly, securities of the Company representing 30 per cent. or more of the outstanding shares of the Company as of the date immediately prior to Admission (an ''Existing Substantial Shareholder or Excluded Holder'')) acquires, whether by a series of transactions over a period of time or not, an interest in securities which (taken together with securities in which persons (other than an Existing Substantial Shareholder or Excluded Shareholder) acting in concert with such person are interested) represents 30 per cent. or more of the voting rights attributable to the issued and outstanding securities of the Company which are currently exercisable at a meeting of holders (the ''Voting Rights''); or

(b) any person (other than an Existing Substantial Shareholder or Excluded Shareholder) who together with persons (other than an Existing Substantial Shareholder or Excluded Shareholder) acting in concert with such person, is interested in securities which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the Voting Rights and such person, or any person (other than an Existing Substantial Shareholder or Excluded Shareholder) acting in concert with such person, acquires an interest in any other securities which increases the percentage of the Voting Rights in which such person is interested,

then such person and any person acting in concert with such person (each such person referred to below as the ''Offeror'') shall extend an Offer on the basis set out in the

Articles, to the holders of all issued and outstanding shares (an ''Offer''). Offers for different classes of capital shares, if any, must be comparable.

(ii) An Offer must be conditional only upon the Offeror having received acceptances in respect of securities which, together with securities acquired or agreed to be acquired before or during the Offer, will result in the Offeror and any person acting in concert with it holding securities carrying more than 50 per cent. of the Voting Rights.

(iii) An Offer must be unconditional if the Offeror holds securities representing more than 50 per cent. of the Voting Rights.

(iv) An Offer must, in respect of each class of shares involved, be in cash (or be accompanied by a cash alternative) at not less than the highest price paid by the Offeror or any person acting in concert with it for any interest in share capital of that class during the 12 months prior to the requirement to make the Offer and during the Offer Period (as defined in the Articles).

(v) If a Offeror shall fail in its obligation to make an offer pursuant to the Articles, the directors may determine, *inter alia*, that some or all of the securities acquired in breach of the Articles be sold or otherwise disposed of or redeemed at the option of the Company for par value, direct that the Offeror shall not be entitled to exercise any voting rights and/or direct that no dividends shall be paid in respect of all or any of the shares held by the Offeror.

4.2.18 ***Indemnity***

Every director, agent or officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a result of any act or failure to act in carrying out his functions, other than such liability (if any) that he may incur by his own fraud or wilful default.

4.2.19 ***Return of capital on winding up***

If the Company shall be wound up, the liquidator may, with the authority of special resolution of the Company, and any other authority required by the Companies Law: (i) divide amongst the shareholders in kind the whole or any part of the assets of the Company; or (ii) vest the whole or any part of such assets in trustees upon trusts for the benefit of the shareholders as the liquidator shall think fit, but so that no shareholder shall be compelled to accept any asset upon which there is liability.

4.2.20 ***Untraced shareholders***

Subject to various notice requirements, the Company may sell any shares of a shareholder if, during a period of 12 years, at least three cash dividend payments on those shares have become payable and the cheques or warrants have remained uncashed and on or after the expiry of that period of 12 years, the Company has published advertisements both in an international newspaper and in a newspaper circulating in the area of the last known address of the shareholder and the Company has received no indication of the existence of such shareholder during such period.

5. DIRECTORS' AND OTHERS' INTERESTS

5.1 None of the Directors nor any family of a Director (as defined in the AIM Rules for Companies (so far as is known to, or could with reasonable diligence be ascertained by, the Directors)) has any interest, beneficial or otherwise, in the share capital of the Company.

5.2 In addition to their directorships of the Company, the Directors held or have held the following directorships, and are or were members of the following partnerships, within the past five years:

Name	*Age*	*Current directorships/ partnerships*	*Previous directorships/ partnerships*
Peter William Gregory Tom	66	Aga Foodservice Group Plc Aggregate Industries Limited Global Botanical Research Limited Leicester Football Group Plc Leicester Rugby Club Limited Leicester Tigers Limited Nature's Defence (UK) Limited Nature's Defence Investments Limited Rise Rocks Limited The Bardon Mill House Company Tigers Events Limited	Aggregate Industries Holdings Limited Aggregate Industries Pension Trustee Limited Aggregate Industries SLAS Limited AI Overseas Investments Limited Carnas Holdings Limited Carnas Limited Carnas UK Limited Cemex Readymix South West Limited Lodelane Investments Paragon Materials Limited
James Curtis Moffatt	56	Van Ness Feldman	
Bran Keogh	42	Mountside Properties Limited Tynagh Energy Limited Mountheath Limited Western Power Limited Mountlaw Limited Imeral Sarl	
Peter Michael O'Keefe	37	Capital Management International Copernicus Analytics RegScan	

5.3 Save as set out in paragraph 5.2 above, none of the Directors has any business interests or activities outside the Company which are significant with respect to the Company.

5.4 Save as set out below, as at the date of this document, none of the Directors of the Company:

5.4.1 has any unspent convictions in relation to indictable offences; or

5.4.2 has been bankrupt or entered into an individual voluntary arrangement with creditors or suffered the appointment of a receiver over any of his assets; or

5.4.3 was a director of any company at the time of or within 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors: or

5.4.4 has been a partner in a partnership at the time of or within 12 months preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or

5.4.5 has had his assets the subject of any receivership or has been a partner of a partnership at the time of or within 12 months preceding any assets thereof being the subject of a receivership; or

5.4.6 has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body) or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

5.5 Save as set out in this document, none of the Directors has or has had any interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

5.6 No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director.

5.7 The services of each of the Directors as non-executive directors are provided under the terms of letters of appointment between each of them and the Company dated 8 June 2007 and 21 June 2007 in respect of Peter Tom subject to termination upon at least 3 months' written notice. The initial fees of the Directors are £25,000 per annum, apart from Peter Tom, the Chairman, who will receive an initial fee of £60,000. Members of the audit committee will receive an additional £5,000 per annum.

5.8 Save as set out in paragraph 5.7 above, there are no service agreements in existence between any of the Directors and the Company providing for benefits upon termination of employment. Furthermore, there are no commissions or profit-sharing arrangements with any of the Directors.

5.9 There is no arrangement under which any Director has waived or agreed to waive future emoluments.

6. SHARE INTERESTS

6.1 As at 21 June 2007 (the latest practicable date prior to publication of this document), the Company was not aware of any persons who, immediately following Admission, could, directly or indirectly, jointly or severally, exercise control over the Company and there are no arrangements the operation of which could result in a change of control of the Company.

6.2 Save as set out below, the Directors are not aware of any person, directly or indirectly, jointly or severally, who exercises or could exercise control over the Company or who will be interested in three per cent. or more of the issued share capital of the Company immediately following Admission:

Names	*Number of Ordinary Shares as at Admission*	*Percentage*
INVESCO PLC	59,000,000	29.50%
Aegon UK Limited	20,500,000	10.25%
Lansdowne Partners Limited	19,500,000	9.75%
UBS Asset Management Limited	14,500,000	7.25%
Stark Investments (UK) Limited	12,500,000	6.25%
Moore Europe Capital Management Limited	10,000,000	5.00%
Jupiter Asset Management Limited	10,000,000	5.00%
Morley Fund Management Limited	10,000,000	5.00%
Artemis Investment Management Limited	10,000,000	5.00%
F&C Asset Managers Limited	9,000,000	4.50%
JPMorgan Asset Management (UK) Limited	6,000,000	3.00%
Henderson Global Investors Limited	6,000,000	3.00%

6.3 None of the Company's major Shareholders have different voting rights.

7. SPONSORS

The following contracts have been entered into between the Asset Adviser and the Management Company and between the Management Company and the Sponsors:

7.1 The Appointed Representative Deed dated 22 June 2007 between the Asset Adviser and the Management Company under which the Asset Adviser has appointed the Management Company as its appointed representative to carry on the duties and obligations of the Asset Adviser under the Asset Advisory Agreement. Under the terms of this deed, the Asset Adviser agrees that it will be responsible for all acts of the Management Company under or purportedly under the deed as if those acts were the acts of the Asset Adviser itself. Pursuant to the terms of the deed the Management Company undertakes to the Asset Adviser that the terms of the Retainer Agreements and the Rights of First Refusal Deeds will not be terminated or amended without the prior written consent of the Asset Adviser. The Management Company also undertakes to the Asset Adviser to enforce its rights under each of the Retainer Agreements and the Rights of First Refusal Deeds. The deed automatically terminates on the date upon which the Management Company receives the consents and authorisations referred to in paragraph 8.5 of Part IV of this document.

7.2 The EEA Retainer Agreement dated 22 June 2007 between the Management Company and EEA pursuant to which EEA is retained to provide certain services to the Management Company. Operating on a task basis (with a separate engagement to be entered into in relation to each task), the relevant EEA affiliate will provide services with the aim of assisting in and advising on the identification, structuring and execution of opportunities in the clean energy sector so that the Management Company may evaluate whether a project is an economically viable investment by the Company and will work with and advise on the operation and management of the relevant project. EEA's remuneration will be paid out of the fees which the Management Company will receive under the Asset Advisory Agreement. The EEA Retainer Agreement has a term of six years which will automatically be extended year on year unless either party gives the other a year's notice to terminate it. There are a number of early termination provisions, including upon termination of the Asset Advisory Agreement.

7.3 The Shaw Retainer Agreement dated 22 June 2007 between the Management Company and Shaw Capital pursuant to which Shaw Capital is retained to provide certain services to the Management Company. Operating on a task basis (with a separate engagement to be entered into in relation to each task), the relevant Shaw Capital affiliate will provide services with the aim of assisting in and advising on the indentification, structuring and execution of opportunities in the clean energy sector so that the Management Company may evaluate whether a project is an economically viable investment by the Company and will work with and advise on the operation and management of the relevant project. Shaw Capital's remuneration will be paid out of the fees which the Management Company will receive under the Asset Advisory Agreement. The Shaw Retainer Agreement has a term of six years which will automatically be extended year on year unless either party gives the other a year's notice to terminate it. There are a number of early termination provisions, including upon termination of the Asset Advisory Agreement.

7.4 The EEA Right of First Refusal Deed dated 22 June 2007 from EEA to the Management Company pursuant to which EEA undertakes to provide the Management Company with rights of first refusal to pursue all equity, mezzanine and debt investment opportunities in new capital projects located in the United States and Canada which it identifies, sources or receives for evaluation that are within the renewable energy or alternative fuels sectors, or which reduce greenhouse gas emissions and which would otherwise be pursued by EEA in the ordinary course of its business. The undertaking set out in the deed survives for so long as (a) EEA retains an ownership interest of at least 50 per cent. in the Management Company, (b) the Asset Advisory Agreement remains in full force and effect, and (c) the fees and expenses payable in accordance with the terms of the Asset Advisory Agreement are duly paid in accordance with such terms.

7.5 The Shaw Right of First Refusal Deed dated 22 June 2007 from Shaw Capital to the Management Company pursuant to which Shaw Capital undertakes to provide the Management Company with rights of first refusal to pursue all equity, mezzanine and debt investment opportunities in new capital projects located in the United States and Canada which it identifies, sources or receives for evaluation that are within the renewable energy or alternative fuels sectors, or which reduce greenhouse gas emissions and which would otherwise be pursued by Shaw Capital in the ordinary course of its business. The undertaking given by Shaw Capital excludes capital projects (i) offered to or identified by other subsidiaries or affiliates of The Shaw Group (other than Shaw Capital) or of which such other affiliates become aware but which are not presented to Shaw Capital for evaluation for potential investment, (ii) for which unaffiliated parties prohibit equity investments by the Company or its affiliates or (iii) for which any of the affiliates of The Shaw Group are providing technical or consulting services to third parties on a confidential basis in such a way that such projects cannot be disclosed pursuant to the Shaw Right of First Refusal Deed. The undertaking set out in the deed survives for so long as (a) Shaw Capital retains an ownership interest of at least 40 per cent. in the Management Company, (b) the Asset Advisory Agreement remains in full force and effect, and (c) the fees and expenses payable in accordance with the terms of the Asset Advisory Agreement are duly paid in accordance with such terms.

8. MATERIAL CONTRACTS

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

8.1 Nomad agreement dated 22 June 2007 between the Company and Cenkos pursuant to which Cenkos has been appointed to act as nominated adviser and broker to the Company in connection with Admission and the Company's continuing obligations as required by the AIM Rules for Companies. The agreement contains certain undertakings and indemnities from the Company in connection with, *inter alia*, any loss incurred by Cenkos or any of its affiliates or any of their respective directors, officers and employees in connection with the performance by Cenkos of its obligations under the agreement save to the extent that the same arise from the finally determined fraud, negligence or wilful default of Cenkos or any of its affiliates or any of their respective directors, officers and employees. The agreement is terminable on one month's notice in writing by Cenkos or the Company although the agreement may be terminated earlier under certain circumstances such as a material breach of the agreement by either the Company or Cenkos. Cenkos is entitled to an annual fee in connection with the nominated adviser and broker services to be provided of £20,000 (if the net assets of the Company at Admission are equal to or less than $200,000,000) or £40,000 (if the net assets of the Company at Admission exceed $200,000,000) in either case such fee to be payable annually in advance on 1 January each year plus costs and expenses (plus VAT, if applicable).

8.2 Placing agreement dated 22 June 2007 made between the Company, the Directors, the Sponsors and Cenkos pursuant to the terms of which Cenkos has conditionally agreed, as agent for the Company, to use its reasonable endeavours to procure placees for the Placing Shares at the Placing Price. In consideration for its services, Cenkos will be paid a commission equal to 3 per cent. of the Placing proceeds received from Placees and a corporate finance fee of £200,000. Cenkos is also entitled to be reimbursed its reasonable out of pocket expenses (including the fees and expenses of its legal advisers up to a maximum of £65,000) incurred by it in the performance of its duties under the Placing Agreement. The Company, the Directors and the Sponsors have given certain warranties to Cenkos. The Company has also agreed to indemnify Cenkos, its affiliates and their respective directors, officers and employees in respect of, any losses incurred by them in connection with the performance by Cenkos of its duties under the Placing Agreement, except to the extent that such losses arise as a result of fraud, negligence, wilful default or the finally determined breach of contract of Cenkos or any of their respective directors, officers and employees.

The Placing Agreement may be terminated by Cenkos if any material statement contained in this document is discovered to be untrue, incorrect or misleading in any material respect, or there has been a material breach of any of the warranties or any other material term of the Placing Agreement on the part of the Company, or by reason of *force majeure*.

The Placing Agreement is conditional, *inter alia*, upon Admission.

8.3 The Asset Advisory Agreement dated 22 June 2007 between the Company and the Asset Adviser under which the Company has, subject to each of the Retainer Agreements being entered into, appointed EEA as the Asset Adviser with effect from Admission, to be responsible for the provision of advice to the Company in connection with its portfolio of investments and other assets with a view to the Company achieving its investment objectives and within its investment restrictions.

The Asset Advisory Agreement expressly contemplates the novation of its terms from EEA to the Management Company once the Management Company has obtained all the consents and authorisations which are necessary for it to become a regulated entity (as defined in the FSA's handbook of rules and guidance) which is authorised to carry out all the duties of EEA under the Asset Advisory Agreement in accordance with the terms of the Novation Agreement.

The Asset Advisory Agreement is for an initial six years period and is terminable by the Company by 12 months' prior written notice to take effect no earlier than the expiry of the initial six years period. The Asset Advisory Agreement includes termination provisions in the event of, *inter alia*, one of the parties to the agreement entering into any liquidation or if, in the case of the Asset Adviser, it is in material breach of any term of the agreement or, in the case of the Company, it fails to make punctual payment of any sums due to the Asset Adviser having been notified in writing of such fact.

If at any time during the period of 18 months from Admission, Simon Shaw no longer retains an active role in the provision of the services to the Company under the Asset Advisory Agreement, the Asset Adviser shall promptly give written notice to the Company and shall propose to the Company a replacement being a person with a broadly comparable level of relevant industry experience or expertise in the provision of the type of advisory services contemplated in the Asset Advisory Agreement. The Company shall consult with its institutional investors on a confidential basis and shall notify the Asset Adviser within 10 business days that it accepts or rejects the proposed replacement. If such proposed replacement is not acceptable to the Company it must put forward an alternative proposed replacement to the Asset Adviser for consent, such consent not to be unreasonably withheld or delayed. If a replacement is not appointed within six months of the Company receiving notice of Simon Shaw ceasing to retain an active role, the Company may terminate the Asset Advisory Agreement immediately on written notice to the Asset Adviser.

The Asset Adviser consents to the fees and expenses payable under the Asset Advisory Agreement being paid directly to the Management Company. The Management Company shall be entitled to a management fee payable quarterly in advance, equating to 0.5 per cent. per quarter of the net asset value of the Company as determined in accordance with such agreement, as at the quarter end dates (being 31 March, 30 June, 30 September and 31 December).

The Management Company may also, pursuant to the Asset Adviser Agreement, become entitled to receive from the Company an annual performance fee calculated by reference to Total Shareholder Return over the course of a performance period, starting on Admission.

Any performance fee will become payable once the annualised Total Shareholder Return in any performance period exceeds an annual rate of 9 per cent. (the "Hurdle"). Once the Hurdle is exceeded, the performance fee will become payable in an amount equal to 20 per cent. of any aggregate return over and above the Hurdle subject to a high watermark. Total Shareholder Return shall be calculated on the basis of the increase in market capitalisation of the Company, allowing for dividends and other distributions paid to Shareholders in the relevant performance period.

The first performance period will be from Admission to 30 June 2008 and all subsequent performance periods will run from 1 July to 30 June. Of the performance fee paid to the Management Company, 67 per cent. will be in cash and subject, *inter alia,* to applicable law, any relevant shareholder approval, the Articles and the AIM Rules for Companies, the balance shall be payable in Ordinary Shares.

Any performance fee in respect of a performance period will be determined as at the close of business on the last business day of that performance period based on the average market capitalisation for the 20 trading days up to the end of the performance period. The performance fee will be payable within 30 days after the end of a performance period.

The Company has agreed to indemnify the Asset Adviser, the Management Company and their associates (as defined in the FSA's handbook of rules and guidance), agents, delegates, employees, shareholders, representatives and officers (each an "Indemnified Party") in respect of any losses incurred by them in connection with the Indemnified Party being associated with or otherwise acting on behalf of or in furtherance of what the Indemnified Party reasonably believed to be in the interests of the Company including, *inter alia*, by reason of having provided services under the Asset Advisory Agreement or the activities of any Indemnified Party in respect of any Project Company, except to the extent such losses are finally determined to have resulted from the gross negligence, wilful default, bad faith or fraud of an Indemnified Person or from a breach of the Asset Advisory Agreement or the Appointed Representative Deed. In addition, the Company has agreed to pay in advance any legal or other expenses reasonably and properly incurred by an Indemnified Party in investigating, preparing or defending against any such loss upon receipt of an undertaking from the Indemnified Party to repay such amount if it is finally determined that such person is not entitled to be indemnified by the Company.

Where a transaction is intended to be effected involving (in whatever capacity and whether or not the transaction is being effected by or on behalf of the Company) the Asset Adviser or any of its affiliates or any of their respective directors, officers or employees and there is a potential conflict between the interests of the Company or the duty owed by the Asset Adviser to the Company of which the individuals responsible for the performance of the Asset Adviser's services to the Company under the Asset Advisory Agreement are aware, then the Asset Adviser must use all reasonable endeavours to ensure that the terms of the relevant intended transaction are no less favourable to the Company than if the conflict had not existed, disclose to the Company all relevant details of such potential conflict, require the Company's prior written consent before effecting such a transaction and comply with all applicable legal and regulatory rules and requirements.

The Asset Adviser has undertaken to the Company to (i) enforce the undertakings in its favour from the Management Company set out in the Appointed Representative Deed regarding the Retainer Agreements and the Right of First Refusal Deeds and (ii) not to permit the Management Company to terminate, waive or amend any of its rights, or the obligations of each of EEA and Shaw Capital under the terms of the Retainer Agreements and the Rights of First Refusal Deeds respectively, without the prior written consent of the Company.

8.4 An administration agreement dated 22 June 2007 made between the Company and the Administrator under which the Company has, subject to and with effect from Admission, appointed the Administrator as administrator of the Company. The Administrator shall be entitled to an administration fee, payable quarterly in arrears and calculated in respect of each quarter, on the net assets of the Company at the end of the relevant quarter, with a minimum fee of $15,000 per quarter, at the rate of 0.08 per cent. where the net asset value of the Company at the end of the relevant quarter is less than $100,000,000, 0.06 per cent. where the net asset value of the Company at the end of the relevant quarter is greater than or equal to $100,000,000 but less than $200,000,000 and at the rate of 0.05 per cent. per annum where the net asset value of the Company at the end of the relevant quarter is greater than or equal to $200,000,000. The agreement contains an indemnity in favour of the Administrator and its subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates under the agreement against any losses which may be incurred by any of them in connection with the provision of the administration services under the agreement except to the extent that the loss is incurred by such person by reason of negligence, bad faith, fraud or dishonesty on the part of such person or the breach of the agreement by the Administrator. The agreement may be terminated by either party giving not less than 90 days' prior written notice.

8.5 The Novation Agreement dated 22 June 2007 between the Company, the Asset Adviser and the Management Company under which the Company, the Asset Adviser and the Management Company have agreed that the Management Company shall perform the obligations of the Asset Adviser under or arising from the Asset Advisory Agreement and be bound by its terms in every way as asset adviser in place of the Asset Adviser with effect from the date which the Management Company obtains the consents and authorisations which are necessary or desirable for it to become a regulated entity (as defined in the FSA handbook of rules and guidance) which is authorised to carry out all the duties of the Asset Adviser under the Asset Advisory Agreement. The Company agrees to release and discharge the Asset Adviser from its obligations and liabilities under or arising from the Asset Advisory Agreement from the date upon which the Management Company receives such consents and authorisations. As from such date, the Company has undertaken to continue to perform the Asset Advisory Agreement and be bound by its terms in every way acknowledging the Management Company as asset adviser in place of the Asset Adviser.

8.6 A main registry agreement dated 7 June 2007 made between the Company and the Registrar under which the Company has appointed the Registrar with effect from Admission to be the Company's registrar and maintain its register of members in Jersey. The Registrar shall be entitled to an initial up front fee of £500 to cover the set up of the register and the preparation of the terms of the main registry agreement together with a fixed annual fee of £3,500. The annual fee will be payable by the Company quarterly in arrears. The fees payable to the Registrar under the main registry agreement shall be reviewed annually. The main registry agreement includes an exclusion of liability provision in favour of both parties save where any loss, liability, claim, cost, expense or damage is suffered or incurred by either party as a result of the other's fraud, wilful default, or negligence. The main registry agreement is terminable, *inter alia*, by either party on six months notice. The main registry agreement is governed by the laws of Jersey.

8.7 A deed of covenant dated 22 June 2007 between the Company and Shaw Capital pursuant to which Shaw Capital undertakes, for the duration of the Asset Advisory Agreement, to comply with the conflict of interest obligations imposed upon the Asset Adviser pursuant to the Asset Advisory Agreement.

8.8 A deed of covenant dated 22 June 2007 between the Company and EEA pursuant to which EEA agreed to undertake, for the duration of the Asset Advisory Agreement, to comply with the conflict of interest obligations imposed upon the Asset Adviser pursuant to the Asset Advisory Agreement.

Save as itemised above, as at the date of this document there are no other contracts (not being contracts entered into in the ordinary course of business) entered into by the Company since its incorporation which are or may be material or which contain any provision under which the Company has any obligation or entitlement which is material to it as at the date hereof.

9. WORKING CAPITAL

In the opinion of the Directors, having made due and careful enquiry, taking into account the net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

10. CREST AND DIs

10.1 Introduction

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable investors to settle such securities through CREST, a depositary or custodian can hold the relevant securities and issue dematerialised depositary interests representing the underlying securities which are held on trust for the holders of the depositary interests.

With effect from Admission, it will be possible for CREST members to hold and transfer interests in Ordinary Shares within CREST pursuant to a depositary interest arrangement established by the Company. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. No temporary documents of title will be issued.

The Ordinary Shares will not themselves be admitted to CREST. Instead the Depositary will issue DIs in respect of the underlying Ordinary Shares. The DIs will be independent securities constituted under English law which may be held and transferred through CREST. DIs will have the same international security identification number (ISIN) as the underlying Ordinary Shares and will not require a separate listing on AIM. The DIs will be created and issued pursuant to the Deed Poll, which will govern the relationship between the Depositary and the holders of DIs, present and future.

Application will be made for the DIs in respect of the underlying Ordinary Shares to be admitted to CREST with effect from Admission.

Holders of Ordinary Shares in certificated form who wish to hold DIs through the CREST system may be able to do so and should contact the Registrar.

If CREST members wish to avail themselves of the Depositary Interest facility, they can do so by inputting a stock deposit in the usual way. The Company has informed CRESTCo that (a) a CREST transfer form or dematerialisation form lodged as a stock deposit will be deemed to constitute a transfer of the Ordinary Shares to the Depositary who will issue corresponding Depositary Interests in CREST to the depositing members/transferee and (b) in a similar way, a stock withdrawal will be deemed to constitute an instruction to the Depositary to cancel the Depositary Interest and effect a transfer of the Ordinary Shares to the person specified in the instruction. Shareholders who wish to do so may withdraw their Ordinary Shares into certificated form at any time using standard CREST messages.

10.2 Summary of the Deed Poll

As mentioned above, the DIs will be created pursuant to and issued on the terms of the Deed Poll. The Deed Poll is executed by the Depositary in favour of the holders of the DIs from time to time. Prospective holders of DIs should note that they will have no rights against CRESTCo or its subsidiaries in respect of the underlying Ordinary Shares or the DIs representing them.

Ordinary Shares will be transferred to an account of the Depositary or its nominated custodian (the "Custodian") in the Share Register and the Depositary will issue DIs to participating members. Accordingly, in respect of those Ordinary Shares held by Shareholders in uncertificated form, the Share Register will show the Depositary (or its Custodian, as appropriate) as the legal holder of such shares. The beneficial interest in the Ordinary Shares will, however, remain with the DI holder who will be entitled to receive and exercise (or procure the exercise of) all of the rights attaching to the Ordinary Shares.

Each DI will be treated as one Ordinary Share for the purposes of determining, for example, eligibility for any dividends. The Depositary will pass on to holders of DIs any stock or cash benefits received by them as holder of Ordinary Shares on trust for the DI holders. DI holders will also be able to receive from the Depositary notices of meetings of holders of Ordinary Shares and other information to make choices and elections issued by the Company to the Shareholders.

In summary, the Deed Poll contains, *inter alia*, provisions to the following effect:

(a) The Depositary will hold (itself or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities for the time being held by the Depositary or Custodian pertaining to the DIs for the benefit of the holders of the DIs. The Depositary will re-allocate securities or distributions allocated to the Depositary or the Custodian and which arise automatically out of any right on entitlement to Ordinary Shares to the holders of DIs *pro rata* to their Ordinary Shares held for their respective accounts but will not be required to account for any fractional entitlements arising from such re-allocation.

(b) Holders of DIs warrant, *inter alia*, that the securities in the Company transferred or issued to the Depositary or Custodian on behalf of the Depositary for the account of the DI holder are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Articles or any contractual obligation, or applicable law or regulation or order binding on or affecting the holder of DIs or the person making the transfer.

(c) The Depositary and any Custodian must pass on to DI holders, or exercise on their behalf if so instructed, all rights and entitlements received by the Depositary or the Custodian in respect of the relevant underlying securities. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at general meetings shall, subject to the other provisions of the Deed Poll, be passed on to the relevant holders of DIs in the form in which they are received, together with amendments and additional documentation necessary to effect such passing-on, or exercised in accordance with the provisions of the Deed Poll. If arrangements are made which allow a holder of DIs to take up rights in the Company's securities requiring further payment, the holder must pay the Depositary in cleared funds before the relevant payment date or other date notified by the Depositary if it wishes the Depositary to exercise such rights.

(d) The Depositary will be entitled to cancel DIs and treat the holders as having requested a withdrawal of the underlying securities in certain circumstances including where a DI holder fails to furnish to the Depositary such certificates or representations or warranties as to matters of fact, including as to his identity, as the Depositary deems appropriate and where the underlying securities are forfeited, disposed of or otherwise transferred in accordance with the Articles.

(e) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any DI holder or any other person for liabilities it suffers or incurs in connection with the performance or non-performance of its obligations under the Deed Poll or otherwise except to the extent that such liabilities result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of the same group of companies as the Depositary unless the Depositary has failed to exercise reasonable care in the appointment and continued use of such Custodian or agent. Furthermore, the Depositary's liability to a holder of DIs will be limited to the lesser of:

  (i) the value of the securities and other deposited property that would have been properly attributable (had the act, omission or event not occurred) to the DIs to which the liability relates; and

  (ii) that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the DI holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all or any such holders in respect of the same act, omission, or event which gave rise to such liability or, if there are no such amounts, £5 million.

(f) The Depositary is entitled to charge holders of DIs in respect of the provision of its services under the Deed Poll the fees and expenses notified from time to time.

(g) The holders of DIs are required to agree and acknowledge with the Depositary that it is their responsibility and not the Depositary's to ensure that any transfer of DIs by them which is identified by the CREST system as exempt from stamp duty reserve tax is so exempt, and to notify the Depositary and CRESTCo if this is not the case, and to pay to CRESTCo any stamp duty reserve tax and any interest, charges or penalties arising from the late or non-payment of stamp duty reserve tax in respect of such transaction.

(h) Each holder of DIs is liable to indemnify the Depositary and any Custodian (and their respective agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll insofar as they relate to any property or rights held by the Depositary or Custodian in connection with the DIs then held by that holder, other than those liabilities resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent if such Custodian or agent is a member of the same group of companies as the Depositary or if, not being a member of the same group of companies, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such Custodian or agent.

(i) The Depositary is entitled to make deductions from the underlying securities and all rights and other securities, cash and property for the time being held by the Depositary or the Custodian and attributable to the underlying securities and any income or capital arising therefrom, or to sell such underlying securities or such other securities, cash and property and make deductions from the sale proceeds in order to discharge the indemnification obligations of DI holders.

(j) The Depositary may terminate the Deed Poll by giving 90 days' prior notice to the holders of DIs. During such notice period holders of DIs may cancel their DIs and withdraw their deposited property. If any DIs remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the DIs to the relevant DI holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of DIs in respect of their DIs.

(k) The Depositary or the Custodian may require from any holder of DIs information as to the capacity in which DIs are or were owned and the identity of any other person with any interest or previously having any interest in such DIs and the nature of such interest and evidence or declarations of nationality or residence of the legal or beneficial owners of DIs and such information as is required for the transfer of the relevant underlying Ordinary Shares to the holders. DI holders agree to provide any such information requested by the Company or the Depositary and consent to the disclosure of such information by the Depositary or Custodian to the extent necessary or desirable to comply with their legal or regulatory obligations. Furthermore, to the extent that the Articles require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of the Company's securities, the holders of DIs are to comply with the Company's instructions in respect of such disclosure or limitation as may be forwarded to them from time to time.

11. LITIGATION

The Company is not, and has not since incorporation, been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

12. TAXATION

UK and Cayman Islands Taxation

The information below, which is of a general nature only and which relates only to UK and Cayman Islands taxation, is applicable to the Company and to persons who are resident or ordinarily resident in the UK (except where indicated) and who hold Ordinary Shares as an investment and not as an asset of a financial or other trade. It is based on existing law and practice and is subject to subsequent changes therein. Any change in the Company's tax status or in taxation legislation in the Cayman Islands or the UK or any other tax jurisdiction affecting Shareholders could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post-tax returns to Shareholders. **Any Shareholders who are in any doubt as to their tax position should consult their own professional adviser without delay**.

The Company

Exempt Status

It is the intention of the Directors to conduct the affairs of the Company so that the management and control of the Company are not exercised in the UK, and it is not resident in the UK for taxation purposes and so that it does not carry on any trade in the UK (whether or not through a permanent establishment situated there). Accordingly, the Company should not be liable for taxation in the UK on its profits or gains, other than taxation sourced on certain income deriving from sources within that jurisdiction.

Taxation of dividends on Ordinary Shares.

There is no requirement to withhold UK tax from dividends paid on the Ordinary Shares. UK resident individual holders of Ordinary Shares will generally be subject to UK income tax on the dividends received. No UK tax credit will be attached to dividends received by holders of Ordinary Shares. UK resident corporate holders of Ordinary Shares will generally be subject to UK corporation tax on dividends received from the Company.

The income tax charge in respect of dividends for UK resident individual holders of Ordinary Shares will normally (depending on the Shareholders' personal circumstances) be at the dividend ordinary rate of 10% or at the dividend upper rate of 32.5%. For this purpose, dividends are treated as the top slice of an individual shareholder's income.

Taxation of Capital Gains

The Company should not as at the date of this document be treated as an ''offshore fund'' for the purposes of UK taxation. Accordingly, the provisions of Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 (the ''Taxes Act''), which requires that gains arising on the disposal of certain interests are taxed as income rather than capital gains, should not apply. Any gains on disposals by UK residents or ordinarily resident holders of Ordinary Shares may, depending on their individual circumstances, give rise to a liability to UK taxation on capital gains. Likewise, the provisions of section 98 and paragraph 4 of Schedule 10 to the Finance Act 1996, and paragraphs 36 and 37 of Schedule 26 to the Finance Act 2002 which require UK resident corporate shareholders to be taxed on certain holdings in accordance with fair value accounting should not apply to such corporate shareholders.

Stamp Duty and Stamp Duty Reserve Tax (''SDRT'')

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue by the Company of the Ordinary Shares pursuant to the Placing.

No UK stamp duty should be payable on any instrument of transfer of the Ordinary Shares unless it is executed within the UK or relates to any property situated or any manner or thing done or to be done in the UK.

Any agreement to transfer Depositary Interests in the Ordinary Shares will generally be subject to UK SDRT at the rate of 0.5 per cent. of the amount or value of the consideration paid.

Other United Kingdom Tax Considerations

The attention of individuals ordinarily resident in the UK is drawn to the provisions of sections 739-745 of the Taxes Act under which the income accruing to the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK income tax in the hands of the shareholder. However, the provisions do not apply if such a shareholder can satisfy UK HM Revenue & Customs that:

(a) it would not be reasonable to draw the conclusion (from all the circumstances of the case) that the purpose of avoiding liability to UK taxation was the purpose, or one of the purposes, for which the investment in the Company were effected; or

(b) the investment was a genuine commercial transaction and it would not be reasonable to draw the conclusion (from all the circumstances of the case) that the investment was more than incidentally designed for the purpose of avoiding liability to UK taxation.

As it is possible that the Company will be controlled by persons resident in the UK, the legislation applying to controlled foreign companies may apply. Under that legislation, income profits accruing to the Company may be apportioned to those persons who have an interest in the Company, and UK resident corporate holders may in certain circumstances be liable to UK corporation tax on the amounts apportioned to them. However, this will only apply if the apportionment to that shareholder (when aggregated with persons connected or associated with them) is at least 25 per cent. of the Company's relevant profits.

This paragraph applies only to holders of Ordinary Shares who are resident or ordinarily resident in the UK and whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company exceeds one-tenth. In the event that the Company would be treated as "close" if it were resident in the UK, then part of any chargeable gain accruing to the Company may be attributed to such a shareholder and may (in certain circumstances) be liable to UK tax on capital gains in the hands of the shareholder (section 13 Taxation of Chargeable Gains Act 1992). The part attributed to the shareholder corresponds to the shareholder's proportionate interest in the Company.

Other Cayman Islands Tax Considerations

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or the Shareholders. The Cayman Islands are not party to any double taxation treaties.

Under current Cayman Islands law, no tax will be charged in the Cayman Islands on profits or gains of the Company and dividends (if any) of the Company will be payable to Shareholders without deduction of tax. No stamp duty is levied in the Cayman Islands on the transfer or redemption of Ordinary Shares.

The Company has applied for (and expects to receive) an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (1999 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its Shareholders or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

US Taxation

US Federal Income Tax Consequences

The following is a description of the material US federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of Ordinary Shares. This description does not address tax considerations applicable to holders that may be subject to special tax rules, including:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities or currencies;
- tax-exempt entities;
- persons that received Ordinary Shares as compensation for the performance of services;
- persons that will hold Ordinary Shares as part of a "hedging" or "conversion" transaction or as a position in a "straddle" for United States federal income tax purposes;
- certain former citizens or residents of the United States;
- persons that have a "functional currency" other than the United States dollar; or

- holders that own or are deemed to own 10% or more, by voting power or value, of the Ordinary Shares.

Moreover, this description does not address the US federal estate and gift or alternative minimum tax consequences of the acquisition, ownership and disposition of the Ordinary Shares.

This description is based on the Code, United States Treasury Regulations, and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof.

All the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this description, a ''US Holder'' is a beneficial owner of Ordinary Shares, that for US federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organised in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate the income of which is subject to US federal income taxation regardless of its source; or
- a trust if such trust validly elects to be treated as a US person for US federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more US persons have the authority to control all of the substantial decisions of such trust.

A ''Non-US Holder'' is a beneficial owner of Ordinary Shares that is not a US Holder.

If a partnership (or any other entity treated as a partnership for US federal income tax purposes) holds Ordinary Shares, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax adviser as to its tax consequences.

You should consult your own tax adviser with respect to the US federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Ordinary Shares.

TO ENSURE COMPLIANCE WITH US TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF TREASURY DEPARTMENT CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Taxation of Ordinary Shares

Taxation of Dividends Paid on Ordinary Shares. In the event the Company pays a dividend, subject to the discussion of the PFIC rules below, a US Holder will be required to include in gross income as ordinary income the amount of any distribution paid on Ordinary Shares to the extent the distribution is paid out of the Company's current or accumulated earnings and profits as determined for US federal income tax purposes. Distributions in excess of such earnings and profits will be applied against and will reduce the US Holder's basis in the Ordinary Shares and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of Ordinary Shares.

In the case of a US Holder that is a corporation, a dividend from a non-US corporation will generally be taxable at regular corporate rates of up to 35% and generally will not qualify for a dividends-received deduction. In the case of certain non-corporate US Holders, dividends are generally subject to tax at ordinary income rates of up to 35% as well.

Distributions of current or accumulated earnings and profits paid in a non-US currency to a US Holder will be includible in the income of a US Holder in a US dollar amount calculated by reference to the exchange rate on the day the distribution is received. A US Holder that receives a non-US currency distribution and converts the non-US currency into US dollars on the date of receipt will realise no foreign currency gain or loss. If the US Holder converts the non-US currency to US dollars on a date subsequent to receipt, such US Holder will have foreign exchange gain or loss based on any appreciation or depreciation in the value of the non-US currency against the US dollar from the date of receipt to the date of conversion, which will generally be US source ordinary income or loss.

US Holders will have the option of claiming the amount of any non-US income taxes withheld at source either as a deduction from gross income or as a dollar-for-dollar credit against their US federal income tax liability. Individuals who do not claim itemised deductions, but instead utilise the standard deduction, may not claim a deduction for the amount of the non-US income taxes withheld, but such amount may be claimed as a credit against the individual's US federal income tax liability. The amount of foreign income taxes which may be claimed as a credit in any year is subject to complex limitations and restrictions, which must be determined on an individual basis by each shareholder. These limitations include, among others, rules which limit foreign tax credits allowable with respect to specific classes of income to the US federal income taxes otherwise payable with respect to each such class of income. The total amount of allowable foreign tax credits in any year cannot exceed regular US tax liability for the year attributable to foreign source taxable income. A US Holder will be denied a foreign tax credit with respect to non-US income tax withheld from dividends received on the Ordinary Shares to the extent such US Holder has not held the Ordinary Shares for at least 16 days of the 31-day period beginning 15 days before the ex-dividend date or to the extent such US Holder is under an obligation to make related payments with respect to substantially similar or related property. Any days during which a US Holder has substantially diminished its risk of loss on the Ordinary Shares are not counted toward meeting the 16-day holding period required by the statute.

Taxation of the Disposition of Ordinary Shares. Subject to the discussion of the PFIC rules below, upon the sale, exchange or other disposition of Ordinary Shares, a US Holder will recognise capital gain or loss in an amount equal to the difference between such US Holder's basis in its Ordinary Shares, and the amount realised on the disposition. A US Holder's basis in its Ordinary Shares is usually the cost of such Ordinary Shares subject to the discussion of the PFIC rules below.

A US Holder that uses the cash method of accounting calculates the US dollar value of the proceeds received on the sale date as of the date that the sale settles, while a US Holder that uses the accrual method of accounting is required to calculate the value of the proceeds of the sale as of the "trade date," unless such US Holder has elected to use the settlement date to determine its proceeds of sale. Capital gain from the sale, exchange or other disposition of Ordinary Shares held more than one year is long-term capital gain, and is eligible for a reduced rate of taxation for individuals. Long-term capital gains recognised by certain non-corporate holders generally before 1 January, 2011 may qualify for a reduced rate of taxation of 15% or lower. Gains recognised by a US Holder on a sale, exchange or other disposition of Ordinary Shares generally will be treated as US source income for US foreign tax credit purposes. A loss recognised by a US Holder on the sale, exchange or other disposition of Ordinary Shares generally is allocated to US source income for US foreign tax credit purposes. The deductibility of a capital loss recognised on the sale, exchange or other disposition of Ordinary Shares is subject to limitations. A US Holder that receives foreign currency upon disposition of Ordinary Shares and converts the foreign currency into US dollars subsequent to receipt will have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the US dollar, which will generally be US source ordinary income or loss.

Tax Consequences If the Company is a Passive Foreign Investment Company. The Company will be a passive foreign investment company, or PFIC, if 75 per cent. or more of the Company's gross income in a taxable year, including the pro rata share of the gross income of any company in which the Company is considered to own 25 per cent. or more of the shares by value, is passive income. Alternatively, the Company will be a PFIC if at least 50 per cent. of the Company's assets in a taxable year, averaged over the year and ordinarily determined based on fair market value, including the pro rata share of the assets of any company in which the Company is considered to own 25 per cent. or more of the shares by value, are held for the production of, or produce, passive income.

Passive income generally includes dividends, interest, rents, royalties, and gains from the disposition of passive assets. Certain income of companies involved in oil and gas operations may also be passive income. Passive income also includes the excess of gains over losses from some commodities transactions. Net gains from commodities transactions, will not be included in the definition of passive income if they are active business gains or losses from the sale of commodities, but only if substantially all of a corporation's commodities are stock in trade or inventory, depreciable or real property used in trade or business, or supplies used in the ordinary course of the trade or business of a corporation. Net gains from commodities transactions will also not be included in the definition of passive income if they arise out of commodity hedging transactions entered into in the ordinary course of a corporation's trade or business.

After the Company has invested the proceeds from the Placing in acquiring Project Companies, determining the Company's status as a PFIC will involve characterising the income and assets of any company, US or non-US, of which it owns at least 25 per cent. (by value) of the shares, as noted above. Moreover, with respect to the Company's investment in 25 per cent. (by value) or more of the shares of a US company, there is a second ''look-through'' rule that may apply in precedence to the rule referred to immediately above. As the nature and proportions of the future equity investments of the Company are uncertain, it is impossible at this time to evaluate the extent to which these two rules will apply, and, if they apply, the effect that they will have on the PFIC classification of the Company.

Because the Company is an exempted company, with no current active business, the Company believes that it is likely that it will meet the PFIC asset or income tests for the current year. However, the PFIC rules contain an exception to PFIC status for companies in their ''start-up year.'' A corporation will not be a PFIC for the first taxable year the corporation has gross income, if (1) no predecessor of the corporation was a PFIC; (2) the corporation satisfies the United States Internal Revenue Service (the ''IRS'') that it will not be a PFIC for either of the first two taxable years following the start-up year; and (3) the corporation is not in fact a PFIC for either of these years. The applicability of the start-up exception to the Company is uncertain. After acquisition of a company in a business combination, the Company may still meet one of the PFIC tests depending on the timing of the acquisition and the interest, royalty, commodities and other passive income and assets of the acquired business which may be a predecessor corporation for purposes of the start-up exception. Companies with oil and gas operations can produce passive income. If the company that the Company acquires in a business combination is a PFIC, then the Company will likely not qualify for the start-up exception and will be a PFIC for the current year.

It should be noted, however, that PFIC status cannot be determined until the close of the year in question and is determined annually. Consequently, the Company can provide no assurance that it will not be a PFIC for either the current year or for any subsequent year.

If the Company is a PFIC, each US Holder, upon certain excess distributions by the Company and upon disposition of Ordinary Shares at a gain, would be liable to pay tax at the highest then prevailing income tax rate on ordinary income plus interest on the tax, as if the distribution or gain had been recognised ratably over the taxpayer's holding period for the Ordinary Shares. Additionally, if the Company is a PFIC, a US Holder who acquires Ordinary Shares from a deceased person who was a US Holder would not receive the step-up of the income tax basis to fair market value for such Ordinary Shares. Instead, such US Holder would have a tax basis equal to the deceased's tax basis, if lower.

If a US Holder makes a qualifying electing fund (''QEF'') election covering all taxable years during which the holder holds Ordinary Shares and in which the Company is a PFIC, distributions and gains will not be taxed as described above, nor will the denial of a basis step-up at death described above apply. Instead, a US Holder that makes a QEF election is required for each taxable year to include in income the holder's pro rata share of the ordinary earnings of the QEF as ordinary income and a pro rata share of the net capital gain of the QEF as long-term capital gain, regardless of whether such earnings or gain have in fact been distributed. Undistributed income is subject to a separate election to defer payment of taxes. If deferred, the taxes will be subject to an interest charge.

In order to comply with the requirements of a QEF election, a US Holder must receive certain information from the Company. The QEF election is made on a shareholder-by-shareholder basis and can be revoked only with the consent of the IRS. A shareholder makes a QEF election by attaching a completed IRS Form 8621, including the information provided in the PFIC annual information statement, to a timely filed US federal income tax return and by filing a copy of the form with the IRS. However, the Company does not intend to provide the necessary information to US holders for them to be able to make a QEF election and there is no assurance that the Company will have timely knowledge of its status as a PFIC in the future. Even if a shareholder in a PFIC does not make a QEF election, if such shareholder is a US Holder, such shareholder must annually file with the shareholder's tax return and with the IRS a completed Form 8621.

Where a US Holder has elected the application of the QEF rules to its PFIC shares, and the excess distribution rules do not apply to such shares (because of timely election or a purge of the PFIC taint), any gain realised on the appreciation of the PFIC shares is taxable as capital gain (if the shares are a capital asset in the hands of the US Holder) and no interest charge is imposed. US shareholders of a QEF are currently taxed on their pro rata shares of the fund's earnings and profits. Where earnings and profits that were included in income under this rule are later distributed, the distribution is not a dividend. The basis of a US shareholder's shares in a QEF is increased by amounts that are included in income, and decreased by amounts distributed but not taxed as dividends, under the above rules.

Although a determination as to a corporation's PFIC status is made annually, an initial determination that a corporation is a PFIC will generally apply for subsequent years, whether or not it meets the tests for PFIC status in those years. A US Holder who makes the QEF election discussed above for the first year the US Holder holds or is deemed to hold Ordinary Shares and for which the Company is determined to be a PFIC, however, is not subject to the PFIC rules or the QEF regime for the years in which the Company is not a PFIC.

The disadvantageous tax treatment described above may also be avoided with respect to the Company if a ''mark-to-market'' election is available and a US Holder validly makes such an election as of the beginning of such US Holder's holding period. If such election is made, such US Holder generally will be required to take into account the difference, if any, between the fair market value of, and its adjusted tax basis in, the Ordinary Shares at the end of each taxable year as ordinary income or, to the extent of any net mark-to-market gains previously included in income, ordinary loss, and to make corresponding adjustments to the tax basis of such Ordinary Shares. In addition, any gain from a sale, exchange or other disposition of the Ordinary Shares will be treated as ordinary income, and any loss will be treated as ordinary loss (to the extent of any net mark-to-market gains previously included in income). A mark-to-market election is available to a US Holder only if the Ordinary Shares are considered ''marketable stock''. Generally, shares will be considered marketable stock if the shares are ''regularly traded'' on a ''qualified exchange'' within the meaning of applicable Treasury Regulations. A class of shares is regularly traded during any calendar year during which such class of shares is traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter. A non-US securities exchange constitutes a qualified exchange if it is regulated or supervised by a governmental authority of the country in which the securities exchange is located and meets certain trading, listing, financial disclosure and other requirements set forth in Treasury Regulations. **The determination of whether AIM is a ''qualified exchange'' is uncertain, as is the determination of whether the Ordinary Shares are likely to be considered ''regularly traded'', and US Holders are strongly encouraged to consult their own tax advisers regarding whether the ''mark-to-market'' election is available with respect to the Ordinary Shares.**

If the Company is a PFIC and, at any time, has a non-US subsidiary that is classified as a PFIC, US Holders of Ordinary Shares generally would be deemed to own, and also would be subject to the PFIC rules with respect to, their indirect ownership interests in that lower-tier PFIC. If the Company is a PFIC and a US Holder of Ordinary Shares does not make a QEF election in respect of a lower-tier PFIC, the US Holder could incur liability for the deferred tax and interest charge described above if either (1) the Company receives a distribution from, or disposes of all or part of its interest in the lower-tier PFIC or (2) the US Holder disposes of all or part of its Ordinary Shares. Upon request, the Company will endeavour to cause any lower-tier PFIC to provide to a US Holder no later than ninety days after the request the information that may be required to make a QEF election with respect to the lower-tier PFIC. A mark-to-market election under the PFIC rules with respect to Ordinary Shares would not apply to a lower-tier PFIC, and a US Holder would not be able to make such a mark-to-market election in respect of its indirect ownership interest in that lower-tier PFIC. Consequently, US Holders of Ordinary Shares could be subject to the PFIC rules with respect to income of the lower-tier PFIC the value of which already had been taken into account indirectly via mark-to-market adjustments. Similarly, if a US Holder made a mark-to-market election under the PFIC rules in respect of the Ordinary Shares and made a QEF election in respect of a lower-tier PFIC, that US Holder could be subject to current taxation in respect of income from the lower-tier PFIC the value of which already had been taken into account indirectly via mark-to-market adjustments. US Holders are urged to consult their own tax advisers regarding the issues raised by lower-tier PFICs.

The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above, including the Company's ownership of any non-US subsidiaries. As a result, US Holders of Ordinary Shares are strongly encouraged to consult their tax advisers about the PFIC rules in connection with their purchasing, holding or disposing of Ordinary Shares.

Tax Consequences for Non-US Holders of Ordinary Shares

Except as described in ''Information Reporting and Backup Withholding'' below, a Non-US Holder of Ordinary Shares will not be subject to US federal income or withholding tax on the payment of dividends on Ordinary Shares and the proceeds from the disposition of Ordinary Shares unless:

- such item is effectively connected with the conduct by the Non-US Holder of a trade or business in the United States and, in the case of a resident of a country which has a treaty with the United States, such item is attributable to a permanent establishment or, in the case of an individual, a fixed place of business, in the United States; or
- the Non-US Holder is an individual who holds the Ordinary Shares as a capital asset and is present in the United States for 183 days or more in the taxable year of the disposition, certain other conditions are met, and such Non-US Holder does not qualify for an exemption.

If the first exception described above applies, the Non-US Holder generally will be subject to US federal income tax with respect to such item in the same manner as a US Holder unless otherwise provided in an applicable income tax treaty; a Non-US Holder that is a corporation for US federal income tax purposes may also be subject to a branch profits tax with respect to such item at a rate of 30% (or at a reduced rate under an applicable income tax treaty). If the second exception applies, the Non-US Holder generally will be subject to US federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which such Non-US Holder's capital gains allocable to US sources exceed capital losses allocable to US sources during the taxable year of disposition of the Ordinary Shares.

Information Reporting and Backup Withholding

US Holders generally are subject to information reporting requirements with respect to dividends paid on Ordinary Shares and on the proceeds from the sale, exchange or disposition of Ordinary Shares. In addition, US Holders are subject to backup withholding (currently at 28%) on dividends paid on Ordinary Shares, and on the sale, exchange or other disposition of Ordinary Shares, unless the US Holder provides a duly executed IRS Form W-9 or otherwise establishes an exemption.

Non-US Holders generally are not subject to information reporting or backup withholding with respect to dividends paid on Ordinary Shares, or the proceeds from the sale, exchange or other disposition of Ordinary Shares, provided that such Non-US Holder provides a taxpayer identification number and certifies to its foreign status on the applicable duly executed IRS Form W-8 or otherwise establishes an exemption.

Backup withholding is not an additional tax and the amount of any backup withholding will be allowed as a credit against a US or Non-US Holder's US federal income tax liability and may entitle such holder to a refund, provided that certain required information is timely furnished to the IRS.

13. CAYMAN ISLANDS MUTUAL FUNDS LAW AND ANTI-MONEY LAUNDERING LEGISLATION

13.1 Cayman Islands Mutual Funds Law

The Company is not required to register or be regulated as a mutual fund under the Mutual Funds Law (2003 Revision) of the Cayman Islands. Neither the Cayman Islands Monetary Authority nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

13.2 Anti-Money Laundering Legislation

In order to comply with legislation or regulations aimed at the prevention of money laundering the Company is required to adopt and maintain anti-money laundering procedures, and may require investors in Ordinary Shares subject to the Placing to provide evidence to verify their identity. Where permitted, and subject to certain conditions, the Company may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Company and the Administrator reserve the right to request such information as is necessary to verify the identity of a prospective investor and the source of payment. In the event of delay or failure on the part of the investor in producing any information required for verification purposes, the Company and the Administrator may refuse to accept the application, in which case any funds received will be returned without interest. Depending on the circumstances of each application, a detailed verification might not be required where:

1. the prospective investor is a recognised financial institution which is regulated by a recognised regulatory authority and carries on business in a country listed in Schedule 3 of the Cayman Islands Money Laundering Regulations (a ''Schedule 3 Country'');
2. the application is made through a recognised intermediary which is regulated by a recognised regulatory authority and carries on business in a Schedule 3 Country. In this situation the Company and/or the Administrator may rely on a written assurance from the intermediary that the requisite identification procedures on the applicant for business have been carried out;
3. the application payment is remitted from an account (or joint account) held in the investor's name at a bank in the Cayman Islands or a bank regulated in a Schedule 3 Country. In this situation the Company may require evidence identifying the branch or office of the bank from which the monies have been transferred, to verify that the account is in the name of the investor and to retain a written record of such details.

If any person resident in the Cayman Islands knows or suspects that another person is engaged in money laundering or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of their business, the person will be required to report such belief or suspicion to either the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Criminal Conduct Law (2005 Revision) if the disclosure relates to money laundering or to a police officer of the rank of constable or higher if the disclosure relates to involvement with terrorism or terrorist property, pursuant to the Terrorism Law. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By applying for Ordinary Shares subject to the Placing, prospective investors consent to the disclosure by the Company and/or the Administrator of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

14. CERTAIN ERISA CONSIDERATIONS

ERISA, and section 4975 of the Code, impose certain restrictions on (a) employee benefit plans (as defined in section 3(3) of ERISA), (b) plans (as defined in Section 4975(e)(l) of the Code) that are subject to section 4975 of the Code, including individual retirement accounts and annuities or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of an investment by a plan described in (a) or (b) in such entities (each of (a), (b) and (c), a ''Plan'') and (d) persons who have certain specified relationships to Plans (''Parties in Interest'' under ERISA and ''Disqualified Persons'' under the Code). Moreover, based on the reasoning of the US Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 510 U.S. 86 (1993), an insurance company's general account may be deemed to include assets of the Plans investing in the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

The US Department of Labor (the ''DOL'') has promulgated regulations, 29 C.F.R. §2510.3-101 (the ''Plan Asset Regulations'') describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulations, if a Plan invests in an ''equity interest'' of an entity that is neither a ''publicly offered security'' nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an ''operating company'' or that equity participation by ''benefit plan investors'' is not ''significant''.

The Ordinary Shares will constitute ''equity interests'' in the Company for purposes of the Plan Asset Regulations; the Company will not be registered under the Investment Company Act; the Ordinary Shares are not ''publicly offered securities'' for the purposes of the Plan Asset Regulations; and it is not likely that the Company will qualify as an ''operating company'' for purposes of the Plan Asset Regulations. Therefore, if equity participation in the Ordinary Shares by Benefit Plan Investors is ''significant'' within the meaning of the Plan Asset Regulations, the assets of the Company could be deemed to be the assets of Plans investing in the Ordinary Shares. If the assets of the Company were deemed to constitute the assets of an investing Plan, (i) transactions involving the assets of the Company could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and section 4975 of the Code, (ii) the assets of the Company could be subject to ERISA's reporting and disclosure requirements, (iii) the fiduciary causing the Plan to make an investment in the Ordinary Shares could be deemed to have delegated its responsibility to manage the assets of the Plan, (iv) it is not clear whether section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a Plan outside the jurisdiction of the district courts of the United States would be satisfied or any of the exceptions to this requirement set forth on 29 C.F.R. section 2550.404b-l would be available, (v) the fiduciary making an investment in the Company on behalf of a Plan could be deemed to have improperly delegated its asset management responsibility, and (vi) the Asset Adviser will be an ERISA fiduciary.

Under the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors is ''significant'' on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the ''25% Threshold'').

For purposes of making determinations under the 25% Threshold, (i) the value of any Ordinary Shares held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person (each such person or affiliate, a ''Controlling Person''), is disregarded which, in the case of the Company, will include the Asset Adviser and its affiliates, and (ii) only the proportion of an insurance company general account's equity investment in the Company that represents plan assets is taken into account.

Restrictions on Purchase by Relevant Benefit Plan Investors

To avoid the potential adverse consequences under ERISA, the subscription or acquisition of any Ordinary Shares by a Relevant Benefit Plan Investor is prohibited. Accordingly, Relevant Benefit Plan Investors will not be permitted to acquire Ordinary Shares. Each potential investor will be required to represent and warrant or will be deemed to have represented and warranted by virtue of its acquisition of Ordinary Shares, as applicable, that it is not a Relevant Benefit Plan Investor. Each purchaser of an Ordinary Share admitted to settlement by means of CREST or otherwise will be deemed to represent and warrant that it is not a Relevant Benefit Plan Investor. In addition, the Articles provide that the Directors may refuse to register a transfer of Ordinary Shares to, *inter alia*, a Relevant Benefit Plan Investor. They further provide that where the legal or beneficial interest in Ordinary Shares is held directly or indirectly by, *inter alia*, a Relevant Benefit Plan Investor, the directors may require that the Ordinary Shares of such Relevant Benefit Plan Investor shall carry no rights to vote or to receive dividends and that the directors may arrange for the Company to sell, transfer or otherwise dispose of the Ordinary Shares of a Relevant Benefit Plan Investor. For a discussion of transfer restrictions with respect to the Ordinary Shares, see ''Transfer of Shares'' in paragraph 4 of Part IV above.

15. GENERAL

15.1 There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

15.2 The gross proceeds of the Placing are expected to amount to £200 million. The costs and expenses of, and incidental to, Admission and Placing will be borne by the Company and will be approximately £6.6 million (excluding VAT).

15.3 The Asset Adviser was incorporated as a limited liability company in England and Wales on 20 August 2003 with registered number 04872946. The Asset Adviser operates under the Asset Advisory Agreement. The registered office of the Asset Adviser is at 7th Floor, 22 Billiter Street, London EC3M 2RY and the telephone number is +44 2075532360. The Asset Adviser is regulated by the FSA.

15.4 The Management Company was incorporated as a limited liability company in the Cayman Islands on 29 May 2007 with registered number 188208. The Management Company has been appointed by the Asset Adviser as its Appointed Representative pursuant to the Asset Advisory Agreement. The registered office of the Management Company is at P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

15.5 The Administrator was incorporated as a public company limited by shares in Luxembourg on 1 October 1998 under the name Insinger Fund Administration (Luxembourg) S.A. with registered number 066384 and subsequently changed its name to Equity Trust Fund Services Luxembourg SA on 28 October 2005. The Administrator is licensed as a registrar and transfer agent and to carry on the business of formation, administration and management of Investment funds and business companies. The registered office of the Administrator is at 46a Avenue J.F.Kennedy, L-1855 Luxembourg. The Administrator is licensed and regulated by the Ministry of Finance in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (Commission for the Supervision of the Financial Sector) in Luxembourg.

15.6 It is currently intended that safe custody services in relation to investments by the Company will be provided by Maples Finance Limited. The Company may enter into other custody arrangements in the future if this is considered necessary or desirable.

15.7 Save as otherwise set out in this document and except for fees payable to the professional advisers whose names are set out on pages 4 and 5 of this document, no person has received fees, securities in the Company or other benefit to a value of £10,000 (or its currency equivalent) whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on of after Admission.

15.8 There has been no significant change in the financial and trading position of the Company since 15 May 2007, the date to which the last financial statements of the Company were prepared.

15.9 Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from the information published by that third party, that no facts have been omitted which would render the reproduced information inaccurate or misleading.

15.10 Cenkos has given and not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which it appears.

15.11 KPMG LLP, the Reporting Accountant and auditor to the Company has given and has not withdrawn its written consent to the inclusion of the report set out in Part III of this document with the references to its name in the form and context in which it appears. KPMG LLP is a member of the Institute of Chartered Accountants of England and Wales. KPMG has given and has not withdrawn its written consent to the issue of this document with the references to its name in the form and context in which it appears.

15.12 EEA, The Shaw Group, Shaw Capital, Stone & Webster and the Management Company have given and have not withdrawn their written consent to the issue of this document with references to their names in the form and context in which they appear.

15.13 The Company has not, nor has it had since its incorporation, any employees and does not own any premises. The Company currently has no significant investments in progress and the Directors have made no firm commitments on any future investment.

15.14 The Directors have applied for the Depository Interests to be admitted to CREST with effect from Admission. Accordingly, it is expected that the Depositary Interests will be enabled for settlement in CREST following Admission.

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

15.16 The Directors are not aware of any exceptional factors which have influenced the Company's activities.

15.17 Monies received from applicants pursuant to the Placing will be held by Cenkos until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 28 June 2007 (or such later date as Cenkos and the Company may agree), application monies will be returned to applicants at their own risk without interest.

15.18 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.

15.19 The distribution of this document and the offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction, including those in the following paragraphs which relate to the United States. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or buy any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make any such offer or solicitation in any such jurisdiction. The Ordinary Shares have not been sold nor are they available, in whole or in part, to the public in conjunction with the application for Admission.

The Ordinary Shares have not been registered under the Securities Act and may not be offered or sold in the United States or to US persons (within the meaning of the regulations made under the Securities Act) unless the Ordinary Shares are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

16. AVAILABILITY OF DOCUMENTS

Copies of this document are available for collection free of charge during normal business hours on any weekday (Saturdays and relevant public holidays excepted) from the offices of Cenkos Securities plc, 6.7.8 Tokenhouse Yard, London EC2R 7AS, United Kingdom from the date of this document until one month from the date of Admission.

22 June 2007

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