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EREDENE CAPITAL PLC

(Registered in England No. 5330839)

Directors:

D.A. Coltman (*Non-Executive Chairman*)
A.J.N. King (*Chief Executive*)
G.D. Varley (*Executive Director*)
Sir Christopher Benson (*Non-Executive Director*)
The Hon. C.W. Cayzer (*Non-Executive Director*)
N. Naik (*Non-Executive Director*)

Registered Office:

7 Pilgrim Street
London EC4V 6LB

28 May 2008

To the holders of Ordinary Shares

Dear Shareholder

2008 Annual General Meeting

The 2008 Annual General Meeting ("AGM") of Eredene Capital PLC ("the Company") is to be held on Monday 23 June 2008 at 10.30 a.m. at 7 Pilgrim Street, London EC4V 6LB. The notice convening the AGM is set out at the end of this letter and I am writing to give you more information about the resolutions to be considered at the AGM.

A copy of the 2007 Annual Report and Accounts is enclosed. This contains the financial statements for the year ended 31 December 2007. A resolution relating to the financial statements is included in the ordinary business of the AGM.

As announced on 28 May 2008, the Company has changed its accounting reference date from 31 December to 31 March. This change aligns the Company's accounting reference date with the accounting reference date of its subsidiary and investee companies in India. As a result, the Company will publish audited financial statements and a report for the fifteen month period ending on 31 March 2009. The next interim statement will be published in respect of the nine months ending 30 September 2008.

Resolutions 1 to 5 deal with the ordinary business that normally takes place at the AGM, and require no explanation.

The information set out below explains the reasons for Resolutions 6 to 10.

Resolution 6 – Investment policy

As described in the Chairman's Statement in the Annual Report and Accounts, the Company's investment strategy will continue to be to invest in projects in logistics, warehousing, distribution, port and related services and real estate. The Company currently invests in these sectors through its own funds and it is now also considering becoming an investment advisor to third party funds. The Company would receive a management and performance fee in return.

Accordingly, Resolution 6 seeks your approval and consent to the Company's investment policy as set out in the Chairman's Statement in the 2007 Annual Report and Accounts.

Resolutions 7 and 8 – Authority to allot shares and disapplication of pre-emption rights

Resolutions 7 and 8 provide for the grant of authorities to the Directors pursuant to sections 80 and 95 of the Companies Act 1985 to allot shares. Resolution 7 will permit the issue of shares *pro rata* to existing shareholders and the issue of shares otherwise than to existing shareholders for non-cash consideration. The number of Ordinary Shares that may be issued pursuant to the authority is limited to 81,576,000 Ordinary Shares being approximately equal to one third of the Company's existing issued share capital. The authority will expire on 23 June 2013.

Resolution 8 will permit the issue of up to 24,472,800 Ordinary Shares for cash other than *pro rata* to existing shareholders, being equal to approximately 10% of the Company's existing issued share capital. The authority will lapse 15 months after the AGM or at the conclusion of the Annual General Meeting of the Company to be held in 2009, whichever occurs first.

The authorities sought will replace those granted at the last Annual General Meeting in July 2007. The new authorities are being sought so as to maintain flexibility in the financing of the Company and to give the Directors the opportunity to take advantage of business opportunities as they arise.

Resolution 9 – Authority to purchase own shares

Resolution 9 authorises the purchase by the Company of Ordinary Shares not exceeding 15% of the current issued share capital of the Company. The authority will lapse on the date falling 15 months after the passing of the resolution or at the next Annual General Meeting, whichever first occurs. The Directors would only exercise the authority to purchase own shares if, in the light of market conditions, they considered that the effect of purchases would be to increase the net asset value per share and that it would be in the best interests of shareholders generally.

Resolution 10 – Amendment of Articles of Association

Resolution 10 provides for the amendment of the Articles of Association of the Company, to take account of the changes in company law brought about by the provisions of the Companies Act 2006 which are already in force or are shortly to come into force, and to reflect other changes in law and practice since the Articles of Association were adopted in 2005.

The principal amendments to the Articles of Association are summarised in the Appendix to this letter. A copy of the Articles of Association as they are proposed to be amended are available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB from the date of this letter until the conclusion of the AGM.

Action to be taken

A form of proxy for use by shareholders at the AGM is enclosed. Shareholders are requested to complete and return the form of proxy in accordance with the instructions printed on it so as to arrive at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands BS63 3DA as soon as possible, but in any event no later than 10.30 a.m. on 21 June 2008. The return of a form of proxy will not preclude a shareholder from attending and voting at the AGM if he/she so wishes.

Recommendation

Your Directors believe that the Resolutions numbered 6 to 10 inclusive to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and recommend you vote in favour of such Resolutions as the Directors intend to do in respect of their own beneficial shareholdings.

Yours sincerely
D.A. Coltman
Chairman

APPENDIX

Summary of principal amendments to the Articles of Association

Definitions

Article 2 of the Articles of Association (“the Articles”) is amended to insert definitions of the “1985 Act”, the “2006 Act” and the “Companies Acts” to cater for the fact that the Companies Act 2006 (the “2006 Act”) is being brought into force and the Companies Act 1985 (the “1985 Act”) is being repealed in stages. Consequential amendments are made throughout the Articles to reflect the inclusion of these new definitions.

Definitions of “electronic address”, “electronic form” and “electronic means” have been inserted to reflect the new terms under the 2006 Act.

The amendments to Article 3 clarify that documents and information which are sent electronically or placed on a website by the Company are “in writing”.

Notice of general meetings

Article 47 is amended to cater for the provisions in the 2006 Act relating to notice periods for convening general meetings. The 2006 Act reduces the minimum period for all general meetings, other than the Annual General Meeting, to 14 clear days.

Article 151 is amended to enable the Company to send or give any notice, document or information to any member in electronic form or by making it available on the Company’s website in accordance with the provisions of the 2006 Act.

In relation to joint holders of shares, Article 152 is amended to provide that the agreement of the first-named holder on the register of members to accept notice, documents or information electronically or via a website will be binding on the other joint holders.

Article 50 has been amended to ensure that proceedings at Company meetings are not invalidated in circumstances where, due to circumstances beyond the control of the Company, a notice of meeting is not received by a shareholder.

Votes of members

Article 66 has been amended to reflect the fact that under the 2006 Act a proxy is able to vote on a show of hands as well as on a poll.

Disclosure of interests

The provisions relating to the disclosure of interests in shares contained in the 1985 Act were repealed in January 2007. Section 793 and related sections of the 2006 Act which contain the corresponding company investigation powers previously contained in Section 212 of the 1985 Act were brought into force simultaneously. The Articles have been amended to reflect the replacement of Section 212 of the 1985 Act with Section 793 of the 2006 Act.

Proxies

Article 75 is amended to enable the Company to receive appointments of proxy in electronic form, subject to any conditions or limitations which are specified by the Company in the notice of meeting.

Article 76 is amended to require a member who appoints more than one proxy to specify the number of shares that each proxy can vote and to ensure that no proxy is appointed to exercise rights which any other proxy has been appointed by that member to exercise.

Article 77 has been amended to allow directors, when calculating the return period for forms of proxy, not to take account of non-working days in accordance with Section 327(3) of the 2006 Act.

Corporations acting by representatives

Article 79 has been amended in line with Section 323 of the 2006 Act to permit the appointment of more than one corporate representative by a member which is a body corporate.

Age of directors

The Articles are amended to delete the provision requiring a persons age to be disclosed in a notice convening a meeting at which he is proposed to be elected or re-elected if he has attained the age of 70 years or more.

Directors' interests in contracts

The Articles provide that a director can be party to, or interested in, a transaction or arrangement with the Company or in which the Company is interested provided that the director has declared the nature and extent of his interest in the transaction or arrangement. The Articles are amended to include a provision that will be effective from 1 October 2008 which continues to allow a director to be interested in a contract or arrangement with the Company if the interest is disclosed in compliance with the 2006 Act.

Directors' conflicts of interest

The 2006 Act sets out directors' general duties, largely codifying the existing law but including some important changes. Under the 2006 Act, from 1 October 2008, a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of a company of which he is a director. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation.

The 2006 Act allows the board of a public company to authorise conflicts and potential conflicts, where appropriate, if the company's articles of association contain a provision to this effect. The 2006 Act also allows articles of association to contain other provisions for the authorisation of directors' conflicts of interest so as to avoid directors finding themselves in breach of a duty. The Articles as amended give the directors authority to approve such situations and include other provisions to allow conflicts of interests to be dealt with in a similar way to the current position.

There are safeguards that will apply when the board decides whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision, the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

The Articles are also amended to include provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director from being in breach of a duty if a conflict or potential conflict of interest arises. These provisions will only apply where the situation giving rise to the potential conflict has previously been authorised by the board.

Indemnity

Article 161 is amended in line with the 2006 Act to extend the scope of potential indemnities which may be granted to directors of pension trustee companies. Under section 235 of the 2006 Act, a director of a pension trustee company can be indemnified by the pension trustee company itself or an associated company against liability incurred in connection with the company's activities as trustee of the scheme. The indemnity cannot extend to liabilities to pay criminal or regulatory fines or to defending criminal proceedings in which the director is convicted. Article 161 has also been amended to make it clear that the Article extends to directors of associated companies as well as directors of the Company. None of the Company's directors is currently a director of an associated company that is a trustee of an occupational pension scheme in which any employee of the Company or its subsidiaries participates. It is not anticipated that the Company will establish any associated company that will act as trustee of an occupational scheme.

NOTICE OF ANNUAL GENERAL MEETING

EREDENE CAPITAL PLC

Notice is hereby given that the Annual General Meeting of Eredene Capital PLC ("the Company") will be held at 7 Pilgrim Street, London EC4V 6LB on Monday the 23rd day of June 2008 at 10.30 a.m. for the following purposes:-

1. To receive the Company's Report and Accounts for the year ended 31 December 2007.
2. To re-elect Mr. G.D. Varley, who retires by rotation, as a Director.
3. To elect Mr. D.A. Coltman as a Director.
4. To elect Mr. N. Naik as a Director.
5. To re-appoint BDO Stoy Hayward LLP as auditors of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider and, if thought fit, to pass the following resolutions as to the resolutions numbered 6 and 7 as Ordinary Resolutions and as to the resolutions numbered 8, 9, and 10 as Special Resolutions:

Ordinary Resolutions

6. THAT the investment strategy of the Company, as summarised in the Chairman's Statement contained in and forming part of the Company's Report and Accounts for the year ended 31 December 2007, be and it is hereby approved.
7. THAT the Directors be and they are hereby authorised generally and unconditionally for the purposes of Section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (as defined in Section 80(2) of the Act) up to an aggregate nominal amount of £8,157,600 provided that this authority shall expire five years from the date of the passing of this Resolution save that the Company may make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 80 of the Act.

Special Resolutions

8. THAT the Directors be and they are hereby generally empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) pursuant to the authority conferred by Resolution numbered 7 above as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:-
 - (a) the allotment of equity securities in connection with a rights issue or open offer in favour of ordinary shareholders where the equity securities attributable to the respective interests of all ordinary shareholders are proportionate to the respective numbers of Ordinary Shares held by them on the record date for such allotment, but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment (otherwise than pursuant to paragraph (a) of this Resolution) of equity securities for cash up to an aggregate nominal amount of £2,447,280 such power to expire at the earlier of the date fifteen months from the date of passing of this Resolution and the conclusion of the Annual General Meeting of the Company to be held in 2009;

provided that the Company may make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

9. THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 166 of the Act to make one or more market purchases (within the meaning of section 163(3) of the Act) on the London Stock Exchange plc of Ordinary Shares of 10 pence each in the capital of the Company provided that:
- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 36,709,200 (representing approximately 15 per cent. of the Company's issued ordinary share capital);
 - (b) the minimum price which may be paid for such shares is 10 pence per Ordinary Share (exclusive of expenses);
 - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall not be more than 5 per cent. above the average of the closing mid-market prices of an Ordinary Share as derived from the AIM Appendix to the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary Share is purchased;
 - (d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or 15 months from the date of passing this resolution, if earlier;
 - (e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.
10. THAT the Articles of Association of the Company be and they are hereby amended by making the alterations set out in the document produced to the Meeting and signed by the Chairman for the purposes of identification.

Registered Office:
7 Pilgrim Street
London EC4V 6LB

By Order of the Board
G.D. Varley
Company Secretary

28 May 2008

Notes

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his or her stead. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. A form of proxy is enclosed for the use of members. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the above meeting should he or she so decide. If you appoint a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
2. The form of proxy and the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power of authority) must be deposited at the offices of Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands BS63 3DA by 10.30 a.m. on 21 June 2008.
3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of Members at 6.00 p.m. on 21 June 2008 ("the specified time"). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's Register of Members at the time which is not less than 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

