

Date: 26 August 2008
On behalf of: Eredene Capital plc (“Eredene” or “the Company”)
Embargoed until: 0700hrs

Eredene Capital PLC (“Eredene”)

- **Agrees to invest up to INR 400 million (£5 million) in an Inland Road and Rail Container Depot in Gujarat, northwest India**
- **Depot located next to main north-south railway and national highway**
- **No similar depot facility in eastern Gujarat**
- **Eredene Group’s 8th investment in current portfolio**

Eredene Capital PLC (AIM: ERE), the AIM quoted investor in Indian infrastructure, announces that, through a wholly owned subsidiary (together “the Eredene Group”), it is investing up to INR 400 million (£5 million) in a Road and Rail Inland Container Depot (ICD) in Gujarat State, northwest India - a strategically located facility to handle a boom in India’s containerised freight traffic. It is the Eredene Group’s eighth investment in its current portfolio.

The planned site is on an 800-metre wide land corridor in eastern Gujarat next to the two primary transport routes from Delhi to Mumbai - National Highway 8 and the main north-south rail line, which carries the highest freight traffic in India.

The Eredene Group is investing in the ICD through an existing Special Purpose Vehicle (SPV) together with an established industry partner.

The partner has acquired more than 70 acres of land which will subsequently be transferred to the SPV and is also in the process of purchasing a further substantial tranche of adjacent land. The site will have 2,000 metres parallel to the railway line - sufficient to berth a full length freight train - and there will also be access to the adjacent national highway. There is no similar depot in eastern Gujarat.

Eredene will invest an initial INR 107.8m (£1.35 million) to fund the acquisition of the land. Eredene will hold a 44% stake in the SPV following that investment and Eredene and its partner will then invest further amounts to fund the construction of the ICD, pro-rata to their shareholdings. Eredene’s total equity commitment is up to £5 million.

Commenting on the latest investment, Alastair King, founder and Chief Executive of Eredene, said:

“The Eredene Group has made two investments in Container Freight Stations at Indian ports, and this new investment in an Inland Container Depot is a significant progression in our strategy of investing in the core transport and logistics infrastructure that India needs to sustain and support its rapid economic growth.

“We are delighted to be making this investment with an established and reputable industry operator.”

India’s western ports account for more than two thirds of the country’s container traffic, feeding the most industrialised states of Gujarat and Maharashtra. The ports that will be served by the ICD are growing at significant rates. According to industry figures, container volumes at the DP World operated Mundra International Container Terminal grew by 74% to 542,000 twenty foot equivalent units (TEUs) in 2006-7, while container throughput at Maersk-operated Pipavav increased by 79% to 159,000 TEUs in the same period. In 2006-7, container traffic at Mumbai’s Jawaharal Nehru Port Trust increased by 24% to 3.3 million TEUs. In total India handled containerised cargo of 6.14 million TEUs in 2006-7, compared with 5 million TEUs in the previous year – a growth of 22%.

Container traffic on Indian Railways (IR) is increasing at an annual rate of 11.5% and the rail coefficient – the percentage of total manufactured goods dispatched by rail – is forecast to double from 31% in 2007 to 61% by 2012. The proportion of freight carried in containers on IR is also set to double over the same period.

IR plans to develop a Dedicated Freight Corridor to handle this projected increase, and it is expected that the new ICD into which the Eredene Group has invested will have access to this new line.

Inland Container Depots provide broadly the same facilities as Container Freight Stations at seaports. They help de-congest the railways and roads, and provide secure sites for loading and un-loading cargo and containers, warehousing space, packaging and factory space for assembly of kit parts.

Enquiries:

Eredene Capital PLC
Alastair King/Ranveer Sharma

Tel: 020 7448 8000
www.eredene.com

Landsbanki Securities (UK) Limited
Heraclis Economides

Tel: 020 7426 9000

Redleaf Communications
Adam Leviton/Samantha Robbins

Tel: 020 7822 0200
eredene@redleafpr.com

Notes to Editors

Eredene Capital PLC

- Eredene Capital PLC is a UK-based company which invests in infrastructure projects and real estate developments in India. It focuses primarily on logistics, distribution warehouses and port services.
- The Eredene Group has made eight joint venture investments in India in its current portfolio.
- Three of these investments are revenue generating. Current investment commitments total up to £46 million, which represents 83% of the net funds Eredene raised in April 2006.
- Eredene trades on the Alternative Investment Market (AIM) of the London Stock Exchange.

www.eredene.com