

Date: 7 May 2008
On behalf of: Eredene Capital PLC ("Eredene" or the "Company")
Embargoed until: 0700hrs

Eredene Capital PLC

- **Agrees to invest up to INR 210 million (£2.6 million) in new Logistics Park in east Indian State of Orissa**
- **Sixth investment in India and second with Apeejay Surrendra Group, owners of Typhoo Tea**
- **To announce annual results on 19 May 2008**

Eredene Capital PLC (AIM: ERE), the AIM quoted investor in Indian infrastructure and real estate, announces that, through a wholly owned subsidiary (together "the Eredene Group"), it is investing a forecasted INR 210 million (£2.6 million) in a new Logistics Park at Kalinganagar in the State of Orissa in eastern India.

This is the Eredene Group's sixth investment in India and its second joint venture with Apeejay Surrendra Group, owners of Typhoo Tea and a global Indian business which employs more than 40,000 people in real estate, tea, hospitality, shipping and retail.

The planned 30-acre Logistics Park will serve the Kalinganagar industrial complex, a fast-growing steel hub in Orissa State's Jajpur district, and will be developed and managed by Apeejay Infra-Logistics Pvt. Ltd., the joint venture ("JV") company through which the Eredene Group is also developing a large integrated logistics park in Haldia, West Bengal. By using the same joint venture management company for the two Logistics Parks, the JV partners expect to reduce costs through the use of shared resources.

As with the Haldia JV, the Eredene Group has taken an equal 50 per cent stake with Apeejay Surrendra Group, with whom it has an exclusive agreement to source new projects in nine states in eastern India.

Both partners have invested an initial INR 5.25 million (£68,000) each for an 80-year lease on the land, which is in the village of Khurunti, and close to the 13,000 acre Kalinganagar industrial complex which is emerging as one of the largest steel clusters in India. The two partners will invest further amounts on an equal basis with the Eredene Group's total equity commitment forecast to be up to INR 210 million (£2.6 million).

Large steel projects under implementation in the vicinity include India's Tata Steel's 6 million tonnes ("MT") plant and South Korean Posco's 12MT plant. ArcelorMittal, the world's largest steel producer, is developing a US\$9 billion integrated steel plant in the nearby district of Keonjhar with a total annual capacity of 12MT. Other leading iron and steel producers in the area include India's Jindal Stainless Steel and Nilanchal Ispat Nigam Limited, and Mesco Steel, which is part owned by the UK's Stemcor.

The Logistics Park will be the first fully purpose built transport and warehouse facility to service the Kalinganagar region and it will specifically target the in-bound and out-bound cargo centred around the steel industry. Construction is scheduled to start in the second half of 2008 with operations targeted to start in 2009.

The location is well connected by road and rail - 129 km from the major port at Paradip and 86 km from the newly built Dhamra Port which is due to open by 2009. A new railway line linking Daitari and Banshapani that is scheduled to open in 2008 will enable access to the rail network via a proposed siding.

The Eredene Group has now made six investments in India, totalling up to £39.1 million which represents 71% of the net funds raised in 2006. Five of the investments are in infrastructure and, of those, three are now revenue generating.

Eredene also announces that it will release its annual results for the year ended 31 December 2007 on 19 May 2008.

Alastair King, founder and Chief Executive of Eredene, commented:

“The Kalinganagar Logistics Park is a natural addition to our joint development of a Logistics Park in Haldia in West Bengal which we announced in November 2007. We are investing with the same partners and on the same equal basis and we will achieve synergies and business efficiencies by running them under the same company. We are pleased to be extending our partnership with Apeejay Surrendra Group.”

Karan Paul, Chairman of Apeejay Surrendra, commented:

“We are delighted to be building on our original investment with the Eredene Group by developing a second Logistics Park with them in our joint company Apeejay Infra-Logistics Pvt. Ltd. We look forward to working with them on this and future projects.”

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
al@redleafpr.com

Notes to Editors

About Eredene Capital PLC

Eredene Capital PLC is a UK-based company which invests in infrastructure projects and real estate development in India. It focuses primarily but not exclusively on logistics, distribution warehouses and port services. The Eredene Group has made six joint venture investments in India to date - five in logistics and infrastructure and one in a residential development. Three of its investments are revenue generating.

Eredene trades on the Alternative Investment Market (AIM) of the London Stock Exchange.
www.eredene.com