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On behalf of: Eredene Capital PLC (“Eredene” or the “Company”)
Immediate release

Eredene Capital PLC

- **Invests in new Container Freight Station (CFS) to serve the southern Indian port of Ennore**
- **Commits up to £5 million for an initial 85% equity stake in a company developing the facility**
- **Eredene Group’s ninth investment in current portfolio and 2nd investment with its partner the Sattva Business Group**
- **Eredene Group has now committed 92% of funds**

Eredene Capital PLC (AIM: ERE), the AIM quoted investor in Indian infrastructure developments, announces that, through its wholly owned subsidiary (together “the Eredene Group”), it has invested in a new Container Freight Station (“CFS”) close to the rapidly expanding Indian port of Ennore in the southern State of Tamil Nadu (“Ennore Port”).

This is the Eredene Group’s ninth investment in India and its third in a CFS. The Eredene Group has now committed 92% of the funds raised in 2006.

The Eredene Group has committed up to £5 million for an initial 85 per cent equity stake in a Special Purpose Vehicle which will develop and operate a CFS on a site 18 km from the port of Ennore. Eredene’s stake will be diluted in tranches from the initial 85% to 74% provided the business achieves a number of staged milestones, with the final milestone being the payment of the first dividend to shareholders.

The investment is a joint venture with the Sattva Business Group (“Sattva”) with which Eredene has already invested in a separate revenue producing CFS at Vichoor, which serves the nearby port of Chennai.

The new CFS will be located on a State Highway near the town of Ponneri to the north of Ennore. The land will be purchased in phases, with an initial acquisition of around 35 acres. The site will be developed initially as a large-scale warehousing operation to meet existing demand for warehousing services and will be converted into a fully fledged CFS in time for the opening of the new Ennore Container Terminal scheduled for 2011.

Ennore Port, 24 km north of Chennai, was set up to ease the congestion at Chennai Port. Ennore Port began operations in 2001 and a tender process is currently underway for the construction of a new, 1,000-metre container terminal with an estimated capacity of 1.5m 20 foot equivalent units (“TEUs”) per annum. The Eredene Group is also bidding for the Ennore Container Terminal project in a consortium headed by Spain’s leading port operator, Barcelona-based, Grup Marítim TCB SL (www.gruptcb.com), Spanish construction group Obrascón Huarte Lian SA (www.ohl.es), and GE Mauritius Int Holdings, a subsidiary of America’s GE Equipment Services (www.ge.com). The consortium is one of the six that has been selected in a tender process to submit a formal bid for the Ennore Container Terminal. Eredene holds a 22% interest in this consortium. The same consortium has also applied for shortlisting to build and operate a new 330-metre container terminal at Jawaharlal Nehru Port Trust (JNPT) near Mumbai – the Eredene Group has a 22% stake in that consortium.

The Chennai-Ennore region is the centre of India’s automobile industry and a major manufacturing and light industry hub. Major global car manufacturers in the region include BMW, General Motors, Hyundai, Ford and Renault which together with Nissan is setting up a manufacturing facility to export around 200,000 cars every year through Ennore port to the European market.

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

“We are pleased to be entering into our second investment with the Sattva Business Group with whom we have already invested in a successful revenue producing and rapidly growing CFS serving Chennai Port. This new CFS near Ennore Port is in line with our strategy to invest on the ground with strong partners in the core infrastructure that India needs to support its sustained economic development.”

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Notes to Editors

• **Eredene Capital PLC**

Eredene Capital PLC is a UK-based company which invests in infrastructure projects in India. It focuses primarily on logistics, distribution warehouses and port services. The Eredene Group has made nine joint venture investments in India – seven in logistics and infrastructure, one in IT offices and one in a residential development. Three of its investments are revenue generating. Pre-sales have commenced at a fourth investment. Current investment commitments total up to £51 million which represents 92% 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

• **Sattva Business Group**

The Sattva Business Group is based in the southern Indian State of Tamil Nadu where it has extensive interests in Container Freight Stations serving ports and railways, transport, logistics, IT services and agricultural exports. In September 2007, Eredene took a 49% interest in Sattva's CFS at Vichoor which became operational and revenue generating in October 2007. The existing CFS serves the port of Chennai. www.sattva.in

• **Ennore Port**

Originally developed as a satellite port to Chennai to handle bulk and dirty cargoes, Ennore Port began operations in 2001 and volumes there and at nearby Chennai have since expanded rapidly. It is now tendering for a new container terminal which is expected to be operational in 2011. It is the 12th major port of India and the first to be run on a landlord basis. The immediate hinterland of the Chennai-Ennore area is a fast-developing manufacturing hub and the centre of India's automobile industry where BMW, General Motors, Hyundai and Ford all have factories. It is also a thriving centre of light industry. www.ennoreport.gov.in

• Container Freight Stations

The rapid growth in global container traffic has given rise to a new support industry of Container Freight Stations which help de-congest ports by shifting cargo and customs related activities outside the ports themselves. These service facilities – known by their initials CFS – are bonded and secure areas, strategically located close to container ports, where multiple value added activities can be carried out at all stages of the supply chain of containerized freight. These include container stuffing and de-stuffing, re-assembling in factory units machinery and vehicles which have been broken down into kit parts for shipping, goods labelling and packaging, full container handling and storage, temperature controlled storage, bonded storage, long term warehousing, road and rail transport services, cross docking and cargo handling consultancy. Indian container traffic is experiencing rapid growth with the container handling capacity set to increase from over 7.7m TEU per annum in 2006-07 to around 31.5m TEU per annum by 2019-20, reflecting an annual average growth of approximately 11.4% per annum.