SB00185579

SUBSCRIPTION AGREEMENT

This Agreement is made on 21st October 2005

Between:

(1) **GuarantCo Ltd** (a company registered in Mauritius with company registration number 58185 C1/GBL) whose registered office is at Les Jamalacs, Vieux Conseil Street, Port Louis, Mauritius (the "**Company**"); and

(2) **The Trustees** represented by SG Hambros Trust Company Ltd, 41 Tower Hill, London EC3N 4SG, England; Multiconsult Trustees Ltd (formerly known as 'MC Trust Ltd', PO Box 799, 10 Frère Felix de Valois Street, Port Louis, Mauritius; and Minimax Ltd., PO Box 799 , 10 Frère Felix de Valois Street, Port Louis, Mauritius, acting collectively for and on behalf of the **Private Infrastructure Development Group Trust** (the "**Trust**")

(the "**Parties**")

Operative Provisions:

1. Definitions and Interpretation

1.1 In this agreement the following words and expressions shall have the following meanings:

'**Constitution**' means the constitution of the Company;

'**Board**' means the Board of the Company;

'**Declaration of Trust**" means the declaration of trust made under Mauritian Law executed on 1st December 2001 to establish the Trust as amended and restated.

'**Grant Arrangement**' means the arrangement between the Department for International Development and the Trust dated as of 8th December 2003;

'**PIDG**' means the Private Infrastructure Development Group;

'**Required Shares**' has the meaning given in Clause 3.1;

'**Shares**' means shares in the share capital of the Company;

'**Share Subscription**' means each subscription for Shares by the Trust as set forth in Clause 3;

'**Share Subscription Date**' means each date on which the Trust is required (subject to Clause 2) to subscribe for Shares under this Agreement;

'**Resolution**' means a resolution of the Company approving the issue and allotment to the Trust of the Required Shares.

1.2 Unless the context otherwise requires, any reference to a document shall be interpreted as including a reference to that document as amended from time to time.

1.3 References to parties and references to a Clause are, unless otherwise stated, references to the parties to or to a clause of this agreement.

2. Conditions

2.1 The Trust's obligation to subscribe for Shares on each Share Subscription Date is conditional upon the following matters being fulfilled on or before each Share Subscription Date:

(a) The Company having issued a request to the Trust to subscribe for the Required Shares in accordance with Clause 3.1 below, accompanied by evidence of need and of use of funds from previous Subscriptions as required under the Grant Arrangement;

(b) Sufficient funds under the Grant Arrangement having been made unconditionally available to the Trust for that purpose;

(c) The passing of a Resolution; and

(d) All approvals required under the Declaration of Trust having been given in relation to the Subscription.

2.2 The Company will disclose to the Trust in writing any matter occurring prior to any Share Subscription which constitutes a breach of or is inconsistent with the terms of this Agreement forthwith upon becoming aware of it.

2.3 The Trust and the Company agree that the Company will make available to the Trust any amount payable by the Trust under a letter of indemnity dated 15th September 2005 a copy of which is attached to this Subscription Agreement and given by the Trust to R J Weston of Mazars LLP in relation to all actions, proceeding claims and demands which may be taken or made against R J Weston in the course of the liquidation of GuarantCo Limited (UK).

3. Subscription

3.1 From time to time the Company may issue a request to the Trust to subscribe for Shares in the required number (the "**Required Shares**") at such price as may be agreed in writing between the Company and the Trust and on the date (the "**Share Subscription Date**") as specified in such request, in order to finance the operations of the Company in accordance with the Company's business plan. The request shall be accompanied with sufficient evidence of need and use of funds from previous Subscriptions and shall otherwise be consistent with the provisions of the Grant Arrangement.

3.2 Subject only to satisfaction of the Conditions Precedent set out in Clause 2.1, on or before each Subscription Date:

(a) the Trust shall subscribe for the Required Shares and make the proceeds thereof available in full to the Company (to the extent that such subscription monies have not yet been made available to the Company under any other arrangement), in accordance with the terms of the Grant Arrangement; and

(b) The Company shall allot the Shares referred to above and issue share certificates to the Trust forthwith upon receipt by the Company of payment of the consideration for such Shares.

3.3 The Company shall apply the proceeds of each Share Subscription towards operation of the Company in accordance with the requirements of the Grant Arrangement.

4. Representations

4.1 Each Party hereby represents and warrants to the other in the following terms:

(a) that it has been duly authorised to enter into this Agreement and has full power to perform the obligations expressed to be assumed or undertaken by it herein; and

(b) it has taken all necessary corporate action to authorise the execution, delivery and performance of this Agreement and that this Agreement will, when executed, constitute a binding obligation on it in accordance with its terms.

5. Financial information

5.1 The Company shall ensure that the Trust is provided with all financial reports and other information required in order for the Trust to comply with its reporting obligations under the Grant Arrangement and the Declaration of Trust in respect of its investment in the Company.

6. Miscellaneous

6.1 No Assignment

Neither Party shall be permitted to assign this Agreement nor all or any of the their rights and obligations under this Agreement without the prior consent of the other Party.

6.2 No Partnership etc.

Nothing in this Agreement shall create, or be deemed to create, a partnership or the relationship of principal and agent or employer and employee between the Parties.

6.3 Amendment Variation

This Agreement shall be capable of being amended only by a written instrument signed by a duly authorised officer or other representative of each of the Parties.

6.4 Third Party Rights

No third party shall have any rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise in connection with this agreement.

7. Notices

Any notice, request, instruction or other document to be given under this agreement to any of the Parties by any of the others shall be in writing and delivered personally or sent by prepaid recorded delivery post, facsimile or comparable means to their addresses set

out in this agreement. Any Party may change the address to which notices are to be sent to it by giving written notice of the change of address to the other Parties in the manner provided for in this clause for giving notice. Any notice delivered personally shall be deemed to be received when delivered and any notice sent by prepaid recorded delivery post shall be deemed received 48 hours after posting.

8. Governing law

This agreement shall be governed by the laws of England and the Parties agree to submit to the non-exclusive jurisdiction of the English Courts.

This Agreement has been made in three originals and may be executed in any number of counterparts and this has the same effect as if the signatories on the counterparts were on a single copy of this Agreement.

Entered into by the Parties on the date set out above.

The Trustees acting collectively for and on behalf of the

PRIVATE INFRASTRUCTURE DEVELOPMENT GROUP TRUST

By .....

S G Hambros Trust Company Ltd

.....

Multiconsult Trustees Ltd

.....

Minimax Ltd

GuarantCo Ltd

By .....

Name:

Title:

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By ..Shirley M. Bowes.....

S G Hambros Trust Company Ltd

.....

M C Trust Ltd

.....

Minimax Ltd

GuarantCo Ltd

By .....

Name:

Title:

6.4 **Third Party Rights** **Execution Copy**

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M C Trust Ltd

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Minimax Ltd

GuarantCo Ltd

By .....

Name: 17 October 2005

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M C Trust Ltd

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Minimax Ltd

GuarantCo Ltd

By .....

Name: BEATRICE FOK CHOW

Title: DIRECTOR

For and on behalf of STANDARD BANK TRUST COMPANY (MAURITIUS) LIMITED

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Authorised Signatory

Execution Copy

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