

CLEAN ENERGY BRAZIL PLC

("CEB" or the "Company")

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

Highlights

- A major joint venture agreement signed with one of the most respected companies in the Brazilian sugar and ethanol sector and an associated capital increase completed – full details are contained in a separate announcement to this report
- Completed the acquisition of Pantanal and Agua Limpa greenfield investments
- The Group's management expertise has been demonstrated in the Usaciga joint venture where a management reorganisation, industrial investments and improved commercial practices continue to deliver results
- Operational highlights at Usaciga for the six months to 31 October 2007 include:
 - 7.8% increase in cane crushed relative to the six months ended 31 October 2006
 - Usaciga became profitable at the operating level during the period
 - 41% increase in ethanol production relative to the same period last year, capturing domestic market ethanol price premium over sugar
 - Delivery of approximately 8,500 MWh to the electricity grid
 - Following efficiency improvements, for the first time Usaciga sold a significant amount of crystal sugar in the domestic market (approximately 24,000 tonnes) taking advantage of high domestic prices for this quality of sugar
- CEB paid its second interim dividend of 2.5p per ordinary share on 4 December 2007

Antonio Monteiro de Castro, Chairman of Clean Energy Brazil, commented:

"We believe that Brazilian ethanol consumption is set to continue to enjoy strong growth driven by the continuing increase in flexfuel car sales and the price competitiveness of ethanol compared to gasoline. In addition, we are witnessing growing international demand for ethanol that in our view will continue in the medium and longer term due to the growing need for Brazil to supply countries adopting targets for biofuel consumption through ethanol blending programmes.

CEB continues to grow, investing in partnership with current market operators. Having made this series of initial investments, our activities will now focus on the integration of CEB's investments and the development of the projects under the Group's management. The Company is now invested in businesses with an aggregate planned crushing capacity of 18.5 million tonnes of cane per year and in due course will seek to raise additional resources in order to achieve its longer term target of 30 million tonnes per year. With positive medium and longer term domestic and international trends, successful track record and consolidation opportunities in this sector, we continue to look to the future with optimism."

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Chairman's Statement

I am pleased to report Clean Energy Brazil's interim financial results for the six months ended 31 October 2007. It has been a very busy and successful period for the business, which is currently at an early development stage.

Since CEB published its first financial results for the period ended 30 April on 1 August 2007, the Company has declared and paid its second interim dividend of 2.5p per ordinary share.

The interim accounts reflect CEB's payment of the final Usaciga investment tranche. The total consideration for the acquisition of Usaciga was approximately US\$127 million as previously reported.

In addition the Group has completed the acquisition of the Agua Limpa and Pantanal greenfield projects, and progressed with the initial development of these projects, which will require additional funding.

Income to date from CEB investments has been from cash deposits because as expected no dividend income from Usaciga is expected to be received until the 2008/09 financial year.

The longer term objective of CEB in acquiring strategic stakes in a number of businesses across the sector is to take a leadership role in forming alliances and mergers, seeking out synergies and to become a major consolidator of the cane sector. Given the highly fragmented nature of this sector today, the directors believe that a consolidation premium could add further significant value to CEB over the medium to longer term.

The directors also believe that the conflict between the growing global energy gap and the need to reduce greenhouse gases from current energy production will lead to the Brazilian cane sector assets moving from a valuation based primarily on Brazilian agriculture to a valuation based more on international energy. The directors believe that this creates a current window of opportunity to invest in the sector despite the short term depressed market conditions for sugar.

Since CEB's admission to AIM and £100 million placing of Ordinary Shares in December 2006, the net proceeds of that placing (being approximately US\$182 million) have been invested in Usaciga, committed to the development of Pantanal and used for the initial funding of Agua Limpa.

- Usaciga is a joint venture business in which the Group holds 49 per cent. of the equity and which has existing production and advanced stage greenfield projects under development.
- Pantanal is a greenfield development directly under the management control of the Group in which the Group currently holds 92 per cent. of the equity.
- Agua Limpa is a greenfield development directly under the management control of the Group in which the Group currently holds 100 per cent. of the equity.

As a result of these investments CEB, as at 31 October 2007, had interests in businesses with a planned crushing capacity of approximately 14 million tonnes of cane per annum. Active risk management within CEB's existing investments is intended largely to protect against the effect of short term price weakness in sugar and ethanol markets whilst maintaining exposure to medium and longer term trends which the Directors believe to be very positive.

The Group aims to use its expertise to assist its partners in improving agricultural and

industrial productivity, price risk management and commercialisation of ethanol and sugar within CEB's investee companies. A typical joint venture that the Group looks to enter into is one where the Group's partner puts its assets into the joint venture and the Group capitalises the joint venture against a valuation of those assets. The structure is such that funds invested remain in the joint venture, with the Group retaining control and/or protection through majority ownership and/or shareholder agreements.

The intention is that the joint venture then has funds to accelerate the expansion of its business. CEB aims to seek out those existing market participants who, in addition to existing assets, have advanced stage greenfield developments and/or brownfield developments (which can often take the form of agricultural investment to increase cane availability up to the installed industrial capacity of a mill). In addition the Group is developing its own greenfield sites with the objective of subsequently identifying potential further joint venture partners with which to work to secure production and revenue generation.

In applying the Company's strategy, intensive investigations of new investment opportunities have taken place. Negotiations have been taken forward through exclusive discussions avoiding tenders and inflation of asset valuations.

I am pleased to announce that such efforts have resulted in a partnership with Unialco SA, one of the most respected companies in the Brazilian sugar and ethanol sector and an associated capital increase, of which full details are being announced in a separate announcement to this report.

This new investment will result in the Company being invested in businesses with a planned aggregate crushing capacity of 18.5 million tonnes of sugar cane, when fully developed. CEB will continue to build out its majority-owned greenfield sites, seeking to work in conjunction with other sector participants to complete its development programmes.

The directors believe that such business growth has the potential to generate considerable value for shareholders given that current valuations of fully built out assets have generally increased significantly above development costs. The directors believe that the increase in valuations reflects increasing demand for industrial and agricultural assets from a range of other investors due to growing acceptance of climate change and understanding of the unique carbon footprint of sugar cane in producing ethanol and electricity generation.

CEB continues to grow, investing in partnership with current market operators. Having made this series of initial investments, our activities will now focus on the integration of CEB's investments and the development of the projects under the Group's management. The Company is now invested in businesses with an aggregate planned crushing capacity of 18.5 million tonnes of cane per year and in due course will seek to raise additional resources in order to achieve its longer term target of 30 million tonnes per year. With positive medium and longer term domestic and international trends, successful track record and consolidation opportunities in this sector, we continue to look to the future with optimism.

Antonio Monteiro de Castro
Chairman

Investment Manager's Report

Investments

Usaciga

In March 2007, CEB completed its investment of approximately US\$127 million for a 49 per cent. participation in Usaciga based on an agreed enterprise value of the business, at the time of the investment, of US\$213 million. The investment in Usaciga was made through an increase in capital, diluting Usaciga's other shareholders (the Barea family) to a 51 per cent. interest. This structure provides for CEB's contributed funds to stay in the joint venture company, to be subsequently invested in projects which we believe will add value to Usaciga.

During the period, CEB has paid the last tranche of its investment in Usaciga and released escrow funds following the completion of the condition precedent related to possible delays in the operations of the electricity cogeneration plant. The cogeneration plant is now fully operational and selling electricity to the domestic market. As of 31 October, Usaciga has sold approximately 8,500 MWh to the electricity grid, and is expected to sell a total of 26,000MWh up to the end of the combined 2007/08 crop.

Since our last update on Usaciga's operations on 1 August 2007, the company has been performing very well, with sugar cane crushed in the period to 31 October up 7.8% compared with the same period for the last crop season. Total output has been focused on ethanol in order to capture the premium in the domestic market compared to sugar; this policy has resulted in an increase of 41% in ethanol production compared with the last crop season.

Usaciga management made a strategic decision to stop crushing cane earlier this crop season, leaving approximately 300,000 tonnes of cane standing. This strategy will allow Usaciga to start crushing the 2008/09 crop earlier than other mills in the region, aiming to take advantage of the expected seasonal premium in prices during the off-crop period, which would be reflected in the Company's 2007/08 results (ending April 2008). Management expect to crush a total of c.2.0 million tonnes in the current financial year.

Following efficiency improvements, for the first time Usaciga has sold a significant quantity of crystal sugar in the domestic market (approximately 24,000 tonnes), taking advantage of high domestic prices for this quality of sugar.

The implementation by CEB of a pro-active risk management policy for Usaciga has also resulted in realisation prices well above current international sugar market levels. Through a combination of sugar and ethanol domestic sales and active hedging for the export production, CEB has ensured that Usaciga has now sold or hedged approximately 68% of its combined 2007/08 production at US12.29 cents/lb as of 3 December 2007 (based on the raw sugar futures market price as quoted on the New York Exchange No.11 contract). In addition, Usaciga's strategy to carry over stocks of ethanol produced at the beginning of the crop season has proved to be very successful, as such stocks are now being sold at significantly higher prices. We estimate that the sale of its outstanding exposure at current domestic market prices would result in a realisation price of US12.85 cents/lb for the combined 2007/08 crop, which contrasts favourably with current international sugar prices of approximately US9.8 cents/lb. In addition, 35% of the anticipated 2008/09 exposure has been hedged at US10.74 cents/lb, as of 3 December 2007.

Management's decision to focus on the domestic market has led to Usaciga benefiting from the strength of the Brazilian Real whilst US Dollar/Real exposures relating to export sugars have been hedged by the Company through to April 2009 through the use of currency derivative instruments, which CEB believes should continue to benefit the Group.

The management reorganisation implemented by CEB at Usaciga is working very well, with the new executives fully committed to the Company's expansion and operational strategy. Usaciga's strategy and development plans for the next five years are being implemented. Management has already increased the potential crushing capacity of Usaciga's greenfield

projects to 2.5 million tonnes per year each up from the initial forecast of 2.3 million tonnes, bringing the total processing capacity of the whole group to 10 million tonnes when fully developed. The development of these projects will follow a progressive timetable, with the Rio Parana project planned to start crushing cane in the 2009/10 crop season and Santa Monica and Santa Cruz de Montecastelo in 2010/11 and 2011/2012 respectively.

The development of the greenfield projects is progressing well, with over 10,000 additional hectares of cane being planted and equipment acquisition underway.

A long term financing line is currently under negotiation with a number of banks. This will be applied to the development of the greenfield projects.

The planned production of the Usaciga facility following CEB's turnaround programme is illustrated below:

	06/07crop	07/08*crop	08/09*crop
Cane (million tonnes)	1.5	2.0	2.5
Agricultural yield (tonnes of cane per hectare)	70	74.5	78.4
Sugar/ethanol split	70/30	59/41	Open
Industrial efficiency (%)	86	90	90
Average interest rate on pre-payments (%)	10.01	8.9	8.2
Co-generation output (MWh)	n/a	26.5k	129k

*estimated target

Pantanal

Pantanal Agroindustrial Ltda. was created in 2001 with the aim of developing a sugar cane plantation, sugar mill and ethanol distillery in Sidrolandia city region, Mato Grosso do Sul state. The project has a planned annual cane crushing capacity of 2.0 million tonnes, with a planned annual production of 187,000 cubic metres of ethanol plus cogeneration of 94,000MWh of electricity. It is expected that operations will commence with the 2009/10 season crop.

We believe that the project is located in an attractive area, due to high agricultural yields and low land lease costs compared to other regions and its proximity to Mato Grosso do Sul's capital, Campo Grande (which facilitates access to one of the biggest ethanol consumers in the region).

The Group has finalised the effective acquisition of 92% of Pantanal for a consideration of c.US\$250,000, and has entered into leases of over 6,000 hectares of land in which US\$15 million is being invested in sugar cane planting that is already underway.

The corporate structure of Pantanal has also been set up. Claudio Belodi has been hired as general manager of both Pantanal and Agua Limpa projects. Mr Belodi has extensive technical and managerial experience in recognised companies in the sector, such as Equipav S/A Açúcar e Álcool and Central Energética Moreno Açúcar e Álcool Ltda.

The Group will seek to bring sector participants as co-investors in Pantanal to develop the project fully, which we intend to execute at the appropriate stage of development to maximise value of the investment.

Agua Limpa

Destilaria Agua Limpa is a greenfield sugar plantation located in Santa Fe de Goias, Goias

state. The project involves the construction of a sugar cane mill and ethanol distillery with an anticipated annual cane crushing capacity of 2.0 million tonnes, 193,000 cubic metres of hydrous ethanol production and 94,000MWh of electricity (part of which will be used for the factory's own needs and part sold to the national grid).

The Group has finalised the acquisition and now owns the entire share capital of the company and is the sole developer of this project which, we believe, will give the Group the opportunity to benefit from an anticipated capital gain associated with its development. The environmental licence for the project has been awarded and the Group has commissioned the planting of 120 hectares of seed cane.

Agua Limpa is located in a flat region, which allows for higher levels of mechanisation in the agricultural operations. In addition, the region offers attractive land leasing costs when compared to other states. We believe that the project has the potential to take advantage of Petrobras' investment in Goiás state, which consists of a pipeline infrastructure project that will give low cost access to both export logistics facilities and to the Sao Paulo city market for the project's ethanol.

The construction of the Agua Limpa project is subject to additional funding, which would finance the industrial and agricultural development. Following CEB's strategy, the Group will seek to bring sector participants as co-investors to Agua Limpa in order to develop fully the project. As with Pantanal, this is intended to be done at a stage of development at which we judge the value to be optimised.

Investment market / TCP's sugar and ethanol view

The international sugar market continues to be negatively affected by Indian exports. The increase in exports is on account of the large surpluses of Indian cane, which in turn is caused by state government subsidies which support local farmers, leading to Indian sugar production exceeding consumption. We believe that Indian cane exports are not sustainable without subsidies due to India's high cost of production but that this has created the negative sentiment which has in turn allowed speculators to pressure the sugar market lower. We also believe that incentives for the production of other crops will result in Indian cane farmers switching from growing cane and that this in turn will help support the international sugar price.

We believe that one of the key supports to the market environment has been the rise in hydrous ethanol demand within Brazil. This year, Brazilian producers have focused on increasing ethanol production to the detriment of sugar, largely because domestic Brazilian sugar and ethanol prices are providing significantly higher returns to producers when compared with depressed international sugar prices. The increasing popularity of flexfuel cars in Brazil coupled with the relative competitiveness of the ethanol price compared with gasoline, in addition to the healthy growth in the Brazilian economy, are driving a strong demand for ethanol, which has in turn been reflected in higher ethanol prices. Consequently, although analysts expect a large increase in cane availability in Brazil, the country's sugar export forecasts for the 2007/08 crop season are actually below the 2006/07 crop season.

Another impact on Brazilian sugar/ethanol prices is the relationship between the prices of different energy source. This is due to expanding Brazilian energy consumption from an increasingly wider variety of sources. For instance, recent supply concerns in the electricity sector are diverting natural gas consumption from vehicles to power generation plants and this demand has been reflected in higher natural gas prices. Such an environment is adding to the existing dynamism of the domestic market and in conjunction with the approach of the end of the cane crop, have resulted in a strong increase in domestic ethanol prices, which are currently trading at a premium of approximately 50% when compared with international sugar market prices.

In this context, CEB benefits from Usaciga's ability to supply the Brazilian domestic market. Usaciga is focusing on the production of hydrous ethanol for domestic sales and capturing high premiums in the domestic sugar market through the production of crystal sugar, as

previously described. Such a strategy also means that CEB benefits from the strength of the Brazilian Real in relation to the US Dollar, which we believe to be a long term trend.

Outlook

We continue to be optimistic about the medium and longer term prospects for Clean Energy Brazil. The dynamics of the current Indian sugar market gives us good reason to question the sustainability of India's sugar production. We strongly believe that the demand driven by the underlying increase in international sugar consumption will lead to higher sugar prices in order to attract Brazilian exports, which instead are currently focused on the supply of ethanol to the domestic market.

Furthermore, the directors believe that Brazilian ethanol consumption is set to continue to enjoy strong growth in demand driven by the continuing increase in flexfuel car sales and the price competitiveness of ethanol compared to gasoline. In addition, we are witnessing growing international demand for ethanol that in our view will continue in the medium and longer term due to the growing need for Brazil to supply countries adopting targets for biofuel consumption through ethanol blending programmes.

Peter Thompson
Chairman, Temple Capital Partners

Marcelo Junqueira
Director, Temple Capital Partners

Condensed consolidated income statement**For the six months to 31 October 2007**

	(Unaudited) 1 May 2007 to 31 October 2007 \$'000	(Audited) 19 September 2006 to 30 April 2007 \$'000
Bank interest received	1,909	2,662
Foreign exchange gain	767	934
Fees and commissions	-	240
Net investment income	2,676	3,836
Investment manager's fees	(1,476)	(952)
Other administration fees and expenses	(1,278)	(728)
Administrative expenses	(2,754)	(1,680)
Finance costs	(294)	(31)
(Loss) / profit for the period before tax	(372)	2,125
Tax	-	-
(Loss) / profit for the period after tax	(372)	2,125
Earnings per share	\$0.00	\$ 0.02

Condensed consolidated interim balance sheet**At 31 October 2007**

	(Unaudited) 31 October 2007 \$'000	(Audited) 30 April 2007 \$'000
ASSETS		
Non-current assets		
Investments	122,256	93,768
Goodwill	215	-
Other fixed assets	60	-
Total non-current assets	122,531	93,768
Current assets		
Trade and other receivables	1,836	413
Cash and cash equivalents	65,517	98,386
Total current assets	67,353	98,799
Total assets	189,884	192,567
LIABILITIES		
Non-current liabilities		
Loan from portfolio company	(6,730)	(6,730)
Current liabilities		
Trade and other payables	(975)	(451)
Total liabilities	(7,705)	(7,181)
Net Assets	182,179	185,386
Represented by:		
Share capital	1,964	1,964
Share premium	-	181,297
Distributable reserves	178,052	2,125
Other reserves	2,163	-
	182,179	185,386

Condensed consolidated statement of changes in equity

For the six months to 31 October 2007

	Unaudited 1 May 2007 to 31 October 2007					Audited 19 September 2006 to 30 April 2007
	Share Capital \$'000	Share premium \$'000	Distributable reserves \$'000	Other Reserves \$'000	Total \$'000	Total \$'000
Balance at the start of the period	1,964	181,297	2,125	-	185,386	-
Share issue proceeds	-	-	-	-	-	198,040
Placing costs	-	-	-	-	-	(13,084)
Cancellation of share premium	-	(181,297)	181,297	-	-	-
Net (loss) / profit for the period	-	-	(372)	-	(372)	2,125
Dividend	-	-	(4,999)	-	(4,999)	-
Foreign exchange on translation of subsidiaries	-	-	-	2,163	2,163	-
Balance at the end of the period	1,964	-	178,052	2,163	182,179	185,386

Condensed consolidated interim cash flow statement**For the six months to 31 October 2007**

	(Unaudited) 1 May 2007 to 31 October 2007 \$'000	(Audited) 19 September 2006 to 30 April 2007 \$'000
Cash flows from operating activities		
(Loss) / profit for the period after tax	(372)	2,125
Change in trade and other receivables	(1,111)	(413)
Change in trade and other payables	484	451
Net cash flows used in / from operating activities	(999)	2,163
Cash flows from investing activities		
Purchase of investments	(28,695)	(93,768)
Acquisition of subsidiary, net of cash acquired	(263)	-
Loan from portfolio company	-	6,730
Net cash flows used in investing activities	(28,958)	(87,038)
Cash flows from financing activities		
Net proceeds on issue of equity shares	-	196,345
Issue costs paid	-	(13,084)
Dividends paid	(4,999)	-
Net cash flows used in / from financing activities	(4,999)	183,261
Net (decrease) increase in cash and cash equivalents	(34,956)	98,386
Foreign exchange	2,087	-
Cash and cash equivalents at start of period	98,386	-
Cash and cash equivalents at end of period	65,517	98,386

Selected notes to the condensed consolidated financial information

For the six months to 31 October 2007

1. General information

The Company is a closed-end investment company incorporated on 19 September 2006 in the Isle of Man as a public limited company. The address of its registered office is IOMA House, Hope Street, Douglas, Isle of Man.

The Company is listed on the Alternative Investment Market of the London Stock Exchange.

The Group has no employees.

The condensed consolidated financial information comprises the results of the Company and its subsidiaries (together referred to as the "Group") and is unaudited.

2. Accounting policies

Basis of preparation

This condensed interim financial information for the period ended 31 October 2007 has been prepared in accordance with IAS 34, Interim Financial Reporting and on a basis consistent with the accounting policies set out in the Company's audited annual report and accounts for the period ended 30 April 2007.

The financial information has been presented in US Dollars.

Investments

Investments of the Group where the Group does not have control are initially recognised at cost at the date of investment. Investments are subsequently re-measured at fair value at least every six months by the Directors using the most appropriate valuation techniques for each investment. Unrealised gains and losses arising from the revaluation of investments at the period end are taken directly to the income statement.

Investments in entities over which the Group has control are consolidated in accordance with IAS 27.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

The directors are of the opinion that the Group is engaged in a single segment of business being the sugar and bio-ethanol business in one geographical area being Brazil.

3. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

Net (loss) attributable to shareholders	(\$372,000)
Weighted average number of ordinary shares in issue (thousands)	100,000
Basic earnings per share	\$ 0.00

The Company has issued 25,000,000 warrants (see note 9) which have a dilutive effect on the ordinary shares in issue. However, the diluted earnings per share for the period is the same as the basic earnings per share.

4. Investment manager fees and performance fees

Under the terms of the Investment Advisory Agreement the Investment Adviser will receive a management fee of 2 per cent per annum of the amount invested plus 0.5 per cent of any cash retained by the Company. The management fee will be paid quarterly in arrears and the Investment Adviser will also have the right to reimbursement of its expenses (including professional advisers' fees incurred in connection with acquisitions on behalf of the Company).

The agreement is for an initial term of ten years with a right to extend on 12 month notice periods thereafter. The agreement is subject to certain early termination rights.

The Investment Adviser is entitled to a carried interest subject to meeting a minimum return. The hurdle is 8 per cent IRR on the total amount of cash returned on invested amounts. If the hurdle has been exceeded then the Investment Adviser will be entitled to receive a profit share of 20 per cent of the gain generated by the Group

5. Subsidiaries

The subsidiaries of Clean Energy Brazil PLC are recorded at cost in the accounts of the Company and included in the consolidated financial statements.

Name	Country of Incorporation	Proportion of ownership interest
Clean Energy Brazil Ltd.	Cayman Islands	100%

In addition to the direct subsidiary noted above, the Company has an indirect interest in the following entities through its subsidiary.

Name	Country of Incorporation	Proportion of ownership interest
CEB Unicorn S.A.R.L.	Luxembourg	100%
CEB Pantanal S.A.R.L.	Luxembourg	100%
CEB Agua Limpa S.A.R.L.	Luxembourg	100%
CEB Unialco S.A.R.L.	Luxembourg	100%
CEB Cesar S.A.R.L.	Luxembourg	100%
CEB Alpha Participações Ltda.	Brazil	100%
CEB Beta Participações Ltda.	Brazil	100%
CEB Gamma Participações Ltda.	Brazil	100%
CEB Omega Participações Ltda.	Brazil	100%
Pantanal Agro Industrial Ltda.	Brazil	100%
Destilaria Agua Limpa Ltda.	Brazil	100%

6. Investments

Investments comprise one holding as follows:

Name	Country of Incorporation	Proportion of ownership interest
Usaciga – Açucar,Álcool E Energia Elétrica SA	Brazil	49%

The investment is stated at fair value, which the Directors estimate to be equivalent to cost.

7. Escrow Account

Under the terms of the Investment Agreement with Usaciga - Açucar,Álcool E Energia Elétrica SA, an Escrow account was established to protect the Company against certain possible liabilities. At 31 October 2007 \$8.0 million (30 April 2007: \$16.8 million) was held in the Escrow account and is included within cash and cash equivalents on the balance sheet.

8. Loan

The Group has borrowed \$6,730,000 from Usaciga – Açucar,Álcool E Energia Elétrica SA on a market based floating rate. The loan is repayable no later than 2012, but may be paid at

the rate of 1/5 of the total outstanding per year. Repayment may be effected through offsetting against dividends due from the lender. Interest on the loan is payable at Libor + 3%.

9. Share capital

Ordinary shares of 1p each	Number of shares (thousands)	Ordinary shares £'000
Issued	100,000,000	1,000
Authorised	600,000,000	6,000

All shares are fully paid and each ordinary share carries one vote.

In addition to the placing of ordinary shares, 25,000,000 equity warrants were admitted to trading on the Alternative Investment Market. Each warrant entitles the holder to subscribe for new ordinary shares at £1.00 per share, subject to adjustment as detailed in the Admission Document.

10. Share premium

On 15 June 2007, the High Court in the Isle of Man approved a reduction in the share capital of the Company by way of cancellation of the share premium account. The amount cancelled has been credited to distributable reserve.

11. Net asset value per share

The net asset value per share is calculated by dividing the net assets attributable to shareholders by the number of ordinary shares in issue at 31 October 2007.

Net assets attributable to shareholders	\$182,179,000
Number of ordinary shares in issue	100,000,000
Net asset value per share	\$ 1.82

12. Commitments

The Group has capital commitments of \$ 8.0 million in respect of capital expenditures contracted for at the balance sheet date but not yet incurred, for completion of the investment in Usaciga – Açucar, Álcool E Energia Elétrica SA.

13. Related party transactions

There are no transactions carried out with related parties except the following:

Mr Marcelo Junqueira, a director of the Company is also a director of Temple Capital Partners Limited (the Investment Adviser). Mr Junqueira is joint owner of Agropecaria Orlando Prado Diniz Junqueira, a shareholder in the Investment Adviser.

As part of the terms of the Placing of shares on Admission, investors were allocated B shares in the Investment Adviser. As a result, directors had interests in the Investment Adviser as follows:

	Number of B shares
Timothy Walker	45
Richard Jewson	90
Marcelo Junqueira	180

Fees paid to the Investment Adviser are detailed in note 4.

Czarnikow is a shareholder in both the Company and the Investment Adviser. Czarnikow also receives fees from Usaciga in connection as acting as a physical offtaker of sugar and ethanol and other services.

Any investment recommendation made by the Investment Adviser must include in the proposal details of any potential conflicts of interest that may arise.

14. Directors' interests

The following directors had interests in the shares of the Company as at 31 October 2007

	Number of shares	Number of Warrants
Timothy Walker	25,000	6,250
Antonio de Castro	236,000	0
Richard Jewson	50,000	12,500
Marcelo Junqueira	1,356,000	25,000

15. Events after the balance sheet date

A second interim dividend of 2.5p per ordinary share was paid on 4 December 2007 to shareholders on the register as at close of business on 9 November 2007.