Portfolio Valuation Report

Various real estate assets in Uralsk, Bautino, Atyrau, Aktau, Aksay, Almaty and Ust-Kamenogorsk, Kazakhstan

Prepared for:
Chagala Group Limited

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The Directors
Chagala Group Limited (the "Company")
PO Box 957
Offshore Incorporations Centre
Road Town
Tortola
British Virgin Islands

04 August 2008

Dear Sirs

Chagala Group Limited– Valuation of Various real estate assets in Uralsk & Bautino, Atyrau & Aktau, Aksay & Almaty and Ust-Kamenogorsk, Kazakhstan

In accordance with your instructions, we have pleasure in reporting to you as follows:

1. SCOPE OF INSTRUCTIONS

We, LLC "DTZ Debenham Zadelhoff Limited" (DTZ), have prepared a Market Valuation for each Property (as defined below), as at 30 June 2008, in accordance with the terms set out in this Valuation Report and its Appendices.

The properties that are the subject of this Valuation Report, each a "Property" and together the "Properties" are listed as follows:

Chagala Group Limited
Portfolio Assets
Schedule of Properties
(valuation as of 30 June 2008)

No	Development Project	Address	Area	Construction start date (month / year)	Estimated completion date (month / year)	Project completion, %	Tenure	Development strategy
Properties held as investment								
Uralsk								
1	Hotel	67/1, T. Masina Street	2,667 sq m	completed		100%	Freehold	Hold
Bautino								
2	Hotel Phase I&II	57, Fetisova Street	3,890 sq m	completed		100%	Freehold	Hold
3	SOS Station	67/1, Dubskogo Street	404 sq m	completed		100%	Freehold	Hold
4	Vacant land		2 ha				Freehold	Hold
Atyrau								
5	Hotel	1, Smagulova Street	4,354 sq m	completed		100%	Freehold	Hold
6	Waterfront Apartments Block I	1, Smagulova Street	1,632.1 sq m	completed		100%	Freehold	Hold
7	Waterfront Apartments Block II	1, Smagulova Street	1,903.6 sq m	completed		100%	Freehold	Hold
8	Plaza Apartments Block I	2, Azattyk Highway	1,802 sq m	completed		100%	Freehold	Hold
9	Plaza Apartments Block II	2, Azattyk Highway	1,802 sq m	completed		100%	Freehold	Hold
10	Plaza Apartments Block III	2, Azattyk Highway	4,550 sq m	completed		100%	Freehold	Hold
11	Garage and Storage	2, Azattyk Highway	3,685 sq m	completed		100%	Freehold	Hold
12	La Cabana	2, Azattyk Highway	1,374.8 sq m	completed		100%	Freehold	Hold
13	Petrovski	2, Aattyk Highway	400.6 sq m	completed		100%	Freehold	Hold
14	O'Neills (bar and office)	1, Smagulova Street	573.6 sq m	completed		100%	Freehold	Hold
15	Technical Building and Fitness	2, Azattyk Highway	650 sq m	completed		100%	Freehold	Hold

No	Development Project	Address	Area	Construction start date (month / year)	Estimated completion date (month / year)	Project completion, %	Tenure	Development strategy
16	Chagala Centre West	1 ,Smagulova Street	1,900 sq m	completed		100%	Freehold	Hold
17	Chagala Centre East	1 ,Smagulova Street	10,281 sq m	completed		100%	Freehold	Hold
18	Baker Hughes Office Building 1	2, Azattyk Highway	1,008.6	completed		100%	Freehold	Hold
19	Baker Hughes Office Building 2	2, Azattyk Highway	230 sq m	completed		100%	Freehold	Hold
20	Hotel Office (AGIP)	1, Smagulova Sterrt	1,000 sq m	completed		100%	Freehold	Hold
21	Vacant Land	n/a	15.9 ha				Freehold	Hold
22	Vacant Land	n/a	30 ha				Freehold	Hold
Almaty								
23	Office	n/a	546 sq m	completed		100%	Freehold	Hold
Aksay								
24	Vacant Land	n/a	4 ha				Freehold	Hold

Properties in the course of development

Uralsk								
25	45 Apartments	n/a	2,330 sq m	Already under construction	January 2009	5%	Freehold	Build & Hold
Bautino								
26	Hotel	n/a	1,958 sq m	Already under construction	January 2009	50%	Freehold	Build & Hold
27	RCP PHASE I	n/a	6 500 sq m	Already under construction	March 2009	0%	Freehold	Build &Hold
Atyrau								
28	“Ural Buildings” apartments & offices	n/a	19,564 sq m of apartments & 7 382 sq m of offices	Already under construction	August 2009	0%	Freehold	Biuld & Hold

No	Development Project	Address	Area	Construction start date (month / year)	Estimated completion date (month / year)	Project completion, %	Tenure	Development strategy
Aktau								
29	Hotel Phase I	n/a	5 900 sq m	Already under construction	March 2009	50%	Freehold	Build & Hold
Aksay								
30	Apartments for lease	n/a	3 904 sq m	Already under construction	November 2008	20%	Freehold	Build & Hold

Properties held for future development

Uralsk								
31	79 Apartments	n/a	5,197 sq m	May 2009	April 2010	0%	Freehold	Build & Hold
Bautino							Freehold	Build & Hold
32	RCP Phase II	n/a	13,000 sq m	March 2009	January 2010	0%	Freehold	Build & Hold
Atyrau								
33	Apartments for sale Phase I	n/a	15,050 sq m	October 2009	December 2010	0%	Freehold	Build & Sell
	Apartments for sale Phase II	n/a	32,952 sq m	November 2009	January 2011	0%	Freehold	Build & Sell
	Apartments for sale Phase III	n/a	45,773 sq m	June 2010	April 2011	0%	Freehold	Build & Sell
34	Clinic & SPA	n/a	5,870 sq m	March 2009	March 2010	0%	Freehold	Build & Hold
35	Sports and Leisure Park	n/a	2,700 sq m	September 2008	May 2009	0%	Freehold	Build & Hold
36	Waterfront Apartments	n/a	3,253 sq m	August 2009	April 2010	0%	Freehold	Build & Hold
37	Offices	n/a	6,562 sq m	January 2010	March 2011	0%	Freehold	Build & Hold
38	Hotel	n/a	15,087 sq m	April 2010	April 2011	0%	Freehold	Build & Hold
39	Chagala Zere Mall	n/a	20,618 sq m (leasable area)	December 2008	March 2010	0%	Freehold	Build & Hold
Aktau								
40	Offices	n/a	7,000 sq m	April 2009	July 2010	0%	Freehold	Build & Hold
41	180 Apartments	n/a	15,000 sq m	April 2009	July 2010	0%	Freehold	Build & Hold

No	Development Project	Address	Area	Construction start date (month / year)	Estimated completion date (month / year)	Project completion, %	Tenure	Development strategy
42	Warehouse	n/a	2 760 sq m	April 2009	July 2010	0%	Freehold	Build & Hold
43	Hotel Phase II	n/a	4,000 sq m	August 2009	May 2010	0%	Freehold	Build & Hold
Ust-Kamenogorsk								
44	Chagala Zere Mall	n/a	22, 277 sq m (leasable area)	April 2009	September 2010	0%	Freehold	Build & Hold

In the case where Property interests are only partly owned by the Company we have valued the whole interest and it is up to the Company to advise of the percentage owned.

We have been instructed to prepare this Re-Valuation Report as at 30 June 2008. We, OOO “DTZ Debenham Zadelhoff Limited”, have prepared a Market Valuation for each Property (as defined below) in accordance with the terms set out in this Valuation Report and its Appendices.

We confirm that the valuations contained in this Valuation Report have been made in accordance with the appropriate sections of the Practice Statements, Guidance Notes and United Kingdom Practice Statements (“UKPS”) contained within the Royal Institution of Chartered Surveyors (the “RICS”) Appraisal and Valuation Manual (also known as the “Red Book”, 6th edition), issued by the RICS and that such valuations have been undertaken by valuers, acting as external valuers, qualified for the purpose of the valuation. Although this is a United Kingdom basis for valuation, it is internationally accepted as a basis of arriving at the valuation of real estate wherever situated.

In preparing this report, we have complied with the requirements contained within the provisions of PR 5.6.5G of the Prospectus Rules regulated by the Financial Services Authority.

In accordance with the RICS guidelines, we confirm that DTZ has had no historic involvement with the Company. The Company has confirmed this. We also confirm that for the purposes of the Listing Rules issued by the Financial Services Authority, DTZ has no interest (whether material or otherwise) in the Company.

2. BASIS OF VALUATION

2.1 MARKET VALUE

The value of each of the Properties has been assessed in accordance with the relevant parts of the current RICS Appraisal and Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term "Market Value" means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value we have applied the interpretive commentary which has been settled by the International Valuation Standards Committee and which is included in PS 3.2. The RICS considers that the application of the Market Value definition provides the same result as Open Market Value, a basis of value supported by previous editions of the Red Book.

Each property is defined in three distinct categories: (a) properties held as investments, (b) properties in course of development, and (c) Properties held for future development and have been valued in accordance with the requirements of the Red Book on the basis of Market Value.

2.2 NET ANNUAL RENT

The net annual rent for each of the Properties that are leased is referred to in the Schedule where appropriate. Net annual rent is defined in the Listing Rules as "the current income or income estimated by the valuer:

(i) ignoring any special receipts or deductions arising from the property;

(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent". In assessing an appropriate level of management costs, we have assumed that a third party purchaser would be an established company with a track record in the hospitality business. They would therefore be able to acquire the subject developments "at the margin" of their management and administration costs. However, where the stock is being acquired by a "start-up" business, costs can be considerably higher than average management costs, particularly in the first few years of business.

2.3 TAXATION AND COSTS

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants; taxation allowance funding that may arise on disposals. The capital valuations and rents included in the valuation report are net of value added tax at the prevailing rate.

3. TITLE

We have not had access to the title deeds of the Properties, though we have had access to and have read the legal reports on title for the properties and have reflected these in our valuations subject hereto. We have made an Assumption that the Properties have good and marketable freehold title in each case and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. A number of the properties are subject to individual mortgages

We understand that each property is either held by the Company, its subsidiaries, or jointly with third parties. We have valued a 100% share of the tenure stated in each property as if each property was held entirely by the Company as at the valuation date. We have not made any adjustment to value which may be appropriate when considering fractional ownership. We would caution that where the Company has a fractional entitlement to revenues from the sale / lease of properties, the Company may have a higher proportional (typically 100%) liability for the construction costs. This is particularly the case where the Company has an obligation to provide a share of the completed developments to the City authorities.

Unless disclosed to us to the contrary and recorded in the Appendix, each valuation is on the basis that:

- the property possesses a good and marketable title (albeit in the case of land leases through the sale of shares of the lessee company), free from any unusually onerous restrictions, covenants or other encumbrances;
- where the interest held in the property is leasehold, there are no unreasonable or unusual clauses which would affect value and no unusual restrictions or conditions governing the assignment or disposal of the interest;
- leases to which the property may be subject are on standard market terms, and contain no unusual or onerous provisions or covenants which would affect value;
- all notices have been served validly and within appropriate time limits;
- the property excludes any mineral rights; and

- vacant possession can be given of all accommodation which is not leased.

4. STATUTORY REQUIREMENTS AND PLANNING

In accordance with instructions, we have not made enquiries of the Local Planning Authorities but have been appraised of the planning position by virtue of discussions with Board Members of the Chagala Group.

We have assumed that in each case, the buildings have been, or will be, constructed in full compliance with valid Town Planning and Building Regulations' approval and have the benefit of valid Fire Certificates. Similarly, we have also seen that the subject properties are not subject to any outstanding Statutory Notices as to their construction, use or occupation and that the uses of the subject properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

From our discussions with Board Members of the Chagala Group, we understand that at the date of this Report, Bautino RCP has zoning approval and the site has been formally designated for residential, warehousing and office accommodation. For the planned projects in Atyrau, Chagala Group have additional provisional approval for the master plan from the City authorities. The site has been formally designated for multi use purposes. Once the master plan and detailed designs are finalised, Chagala Group will submit for formal planning consent. None of the other properties held for development have formal planning consent. We further understand however that discussions are ongoing with the relevant Planning Authorities regarding the proposed developments. As the Government in Kazakhstan is committed to maximising oil and gas revenues, the Chagala Group are confident that the plans proposed at the subject development sites will receive approval from the relevant Planning Authorities.

For the avoidance of doubt, we are assuming that all planning consents for development as per the Chagala Group Proposals will be granted without delay.

We are advised that the Chagala Group office in Almaty does not have the requisite consent to be used as offices. We recommend that this situation is rectified. Our valuation is of this office is based on office use and therefore assumes that change of use consent to office will be granted without delay or financial penalty.

5. LEASING

We have read all the related documents provided to us. We have not been supplied with any legal due diligence reports in respect of the leases. We have made assumptions that copies of all relevant documents have been sent to us and that they are complete, up to date and accurate.

We have not undertaken investigations into the financial strength of the tenants. Unless we have become aware by general knowledge, or we have been specifically advised to the contrary, we have made an Assumption that the tenants are financially in a position to meet its/their obligations. Unless otherwise advised, we have also made an Assumption that there are no material arrears of rent or service charges or breaches of covenants, current or anticipated tenant disputes.

However, our valuation reflects the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

In assessing gross development values of the completed commercial elements of the schemes, we have assumed that the properties will be let on 5 year ‘triple net’ leases.

6. LEGAL ISSUES

Legal issues, and in particular the interpretation of matters relating to title and leases, may have a significant bearing on the value of an interest in property. Where we have expressed an opinion upon legal issues affecting the valuation, then such opinion should reflect legal advice and be subject to verification by the client with a suitable qualified lawyer. In these circumstances, we accept no responsibility or liability for the true interpretation of the legal position of the client or other parties in respect of the valuation of the property.

7. STRUCTURE

We have neither carried out a structural survey of each Property, nor tested any services or other plant or machinery. We are therefore unable to give any opinion on the condition of the structure or services at any Property. Each valuation takes into account any information supplied to us and any defects noted during our inspection, but otherwise are on the basis that there are no latent defects, wants of repair or other matters which would materially affect each valuation.

We have not inspected those parts of each Property which are covered, unexposed or inaccessible and each valuation is on the basis that they are in good repair and condition.

We have not investigated the presence or absence of High Alumina Cement, Calcium Chloride, Asbestos and other deleterious materials. In the absence of information to the contrary, each valuation is on the basis that no hazardous or suspect materials or techniques have been used in the construction of any property that is to be demolished as part of the development process.

8. SITE AND CONTAMINATION

We have not investigated ground conditions/stability and each valuation assumes that buildings that have been constructed, and will be constructed, have made, or will have, appropriate regard to existing ground conditions. Where the relevant Property has development potential, our valuation is made on the basis that there are no adverse ground conditions which would affect building costs.

Where the Company has supplied us with a building cost estimate, we have relied on it being based on complete information regarding existing ground conditions. We have considered the Company's construction estimates in the light of typical market norms.

We have not carried out any investigations or tests, nor been supplied with any information from the Company or from any relevant expert that determines the presence or otherwise of contamination (including any ground water). Accordingly, our valuation has been prepared on the basis that there are no such matters that would materially affect our valuation.

9. PLANT AND MACHINERY

Process-related plant / machinery and tenants' fixtures / trade fittings have been excluded from each valuation.

10. INSPECTIONS

We have not re-inspected the subject developments as part of this re-valuation exercise. We have however undertaken an inspection of the office development in the city of Almaty on 3 June 2008. Chris Dryden BLE MA MRICS and Andrey Kuzmin, licensed Russian Valuer, undertook the inspection.

11. SOURCES OF INFORMATION

All formal information relating to a Property has been provided to DTZ by the Company. Each valuation is based on the information which has been supplied to DTZ by the Company or which we have obtained in response to our enquiries. We have relied on this information as being correct and complete and there being no undisclosed matters which would affect each valuation.

12. ASSUMPTIONS

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information. Where appropriate, the Company's advisers have confirmed that our Assumptions are correct so far as they are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed.

13. DISCLOSURE

The member of The Royal Institution of Chartered Surveyors who is named in Section 11 has previously been a signatory to the valuations provided to the Company for the same purposes as this Valuation Report.

DTZ have previously carried out these valuations for the same purpose as this Valuation Report on behalf of the Company.

14. NO SIGNIFICANT CHANGE

The subject developments comprise development sites, many of which are sites in the course of construction. As such, there will have been significant changes to a number of the developments as

construction continues. These changes however have not required us to revise our assumptions in this Valuation Report.

15. DISCLOSURES REQUIRED UNDER THE PROVISIONS OF UKPS 5.4

LLC "DTZ Debenham Zadelhoff Limited" is an independent company being part of the DTZ Zadelhoff Tie Leung Central and Eastern European Network. In relation to the preceding financial year the proportion of the total fees payable to DTZ by the Company was less than 5% of DTZ Debenham Zadelhoff Limited's turnover and we anticipate that it will remain less than 5% in the financial year to 30 June 2008.

16. MACRO-ECONOMIC OVERVIEW

The Republic of Kazakhstan, which extends to 2,717,300 square kilometers, is situated in central Asia and is bordered by Russia, Turkmenistan, Uzbekistan, Kyrgyzstan and China. It is landlocked apart from access to the Caspian Sea in the east. Kazakhstan was formerly a Soviet Republic until it declared its independence in 1991.

Kazakhstan's population is currently estimated at 15.4 million inhabitants with Almaty being its most populous city with 1,129,000 citizens. Astana, which has been substantially developed over the last 10 years, is the republic's administrative capital and contains the country's parliament, law courts, ministries and state oil company and has 313,000 inhabitants.

Kazakhstan's currency is denominated in Tenge, which currently exchanges at 120.18 tenge per US dollar. Real GDP growth in 2007 totaled 8.5%, however a more muted 6.5% real GDP growth is expected by the economist intelligence unit in 2008 due to turmoil created in the global economy caused by the systemic shocks of both the liquidity and the food crises. Official CPI inflation in 2007 was 18.8%. The government has set a target of 10% for 2008, which some observers would argue is optimistic in the face of steady global inflation in natural resources, food and construction materials.

In 2007 Kazakhstan was a net exporter of goods and services, with a trade balance of 15.1 billion US Dollars, the result of importing 33.2 billion USD of goods and exports totaling 48.5 billion USD. The trade balance for 2008 is expected to grow to 21.2 billion USD as exports increase. Kazakhstan's principle trade partners include Russia, China, Germany and Italy, with China taking the lead as the nation importing the highest share of Kazakhstani goods and services.

Kazakhstan has a relatively undiversified economy with oil as the chief economic driver and main export; other significant exports include uranium, ferrous and nonferrous metals, machinery, chemicals, grain, wool, meat and coal. However, it is the strength of demand for oil and rising oil prices over the past few years which have most contributed to Kazakhstan's economic growth.

However, as a result of global economic uncertainty, the Kazakhstani government has recently downgraded their growth forecast to 5% for 2008, half the average growth rate of the earlier years of the decade. Standard and Poor's (the credit rating agency) has also recently downgraded its rating of Kazakhstan's long term sovereign credit from "stable" to "negative" to reflect its view that the republic's bank asset quality is deteriorating amidst the funding crisis.

As a result of financing difficulties on the wholesale money markets, Kazakh banks have slowed lending to construction, which was, until recently, a strong driver of economic growth - this has

triggered a fall in real estate prices. However we understand that a slowing down of lending to construction may ironically result in an increase in rents and sale prices, as pipeline supply will be affected.

However, there is still a significant weight of foreign direct investment in the Kazakhstani economy in the form of oil and gas companies seeking to exploit Kazakhstan's rich natural oil and gas fields. The European Bank for Reconstruction and Development has recently suggested that the current government ought to encourage economic diversification away from oil and gas; it identifies agriculture, food processing and electricity as sectors requiring immediate attention.

17. MICRO-ECONOMIC OVERVIEW

As mentioned above, the oil industry remains the major driver for the Kazakhstani economy. All branches of business connected with the oil industry attract significant investment from different parts of the world. In providing the market values for the subject projects we have understood that the real estate sector where the Company is operating is fully based on the oil industry and is fully dependent on the performance of the oil sector in the country. This is particularly the case in Bautino, Aktau and to a slightly lesser extent Atyrau, where we recognize the major (and perhaps only) driver to value is the oil and gas industry. It is clear that without the oil industry, the majority if not all the occupational demand currently experienced would not exist. In assessing on going demand for the subject properties, we have taken cognizance of the level of investment being undertaken by the oil industry and take comfort from numerous predictions that oil production is not estimated to peak until 2020.

The subject developments at Bautino, Aktau and Atyrau are, or will become, self contained villages for employees in the oil and gas industry. There are hotels, serviced apartments, restaurants, bars, offices and in time there will be shopping facilities. In our opinion, these uses are largely inter-dependant on one another and as such we have considered each 'village' as one entity and valued the different uses collectively by application of a multiplier to gross operating profit.

18. VALUATION METHODOLOGY & ASSUMPTIONS

18.1 GENERAL

In the case where Property interests are only partly owned by the Company we have valued the whole interest and it is up to the Company to advise of the percentage owned.

18.2 VALUATION METHODOLOGY & ASSUMPTIONS

For our valuation of properties subject to occupational leases, we have used the traditional income and yield method of valuation. The appropriate yield adopted is derived, where available, from comparable evidence of investment yields in the current market for similar property. Our choice of yield also implicitly accounts for rental indexation and reversion, the length of lease/leases and possibility for extension, the covenants of the tenants plus the macro and micro location of each property, quality of the building and catchment population where applicable. Taking into consideration all the facts presented above, we have applied a multiplier of 8.33 on EBITDA for the trading entities, whereas for existing office accommodation we have adopted initial yields with the range from 12.3% to 13.6%. For all planned projects and projects in the course of construction we have based our

valuations on an all risk yield, i.e. equivalent yield of 12.00% to produce the Market Value of the properties. The resultant figure gives the net value, which we have reported in this report.

For the existing hotels, residential accommodation, restaurants and ancillary buildings, we have valued these as trading entities, which capitalizes EBITDA attributed to the properties by applying an appropriate multiplier.

In our calculations of EBITDA we have analysed revenue and costs provided by the Company. To calculate EBITDA we have utilised the income and outgoings generated by the property in the first year where we can see stabilized income. For example, in Bautino, the first year of stabilized income is 2012. Relying upon information provided by the Company, in Uralsk income is not stabilized until 2015,By way of contrast however, we have utilized income and expenditure figures as at 2008 in Atyrau, as this business has been established for a number of years. In all cases, we have deducted all expenses from income, apart from depreciation and finance costs. This gives us an EBITDA figure.

In preparing the market values for the vacant land plots within cities of Aksay, Bautino and Atyrau we have utilized the sales comparable approach.

18.3 DEVELOPMENTS VALUATION METHODOLOGY & ASSUMPTIONS

We have undertaken residual valuations to calculate the Market Value of the development sites. The Gross Development Value the "GDV" is the gross present value derived from the sale of the developed properties as at the date of the valuation. Our values are supported by values on per sq m basis.

We have received from the Company details of the proposed developments and we have employed those details as the basis of our residual valuations. We have assumed that the Company is acting in business like manner with the aim to maximise their profits. Therefore we have assumed that the Company is developing the sites to their maximal potential.

Purchase's costs: We have adopted purchase's costs at the rate of 1% to our gross development value, which is in accordance with local market practice.

Acquisition Costs: We have adopted the legal fees at the rate of 0.5% for all the projects with only exception of shopping-entertainment projects, where we have utilized agent fee at the rate of 1.5% and legal fees at the rate of 1 %.

Construction Cost: The Company has supplied us with their estimation of the cost of construction of their intended developments. For the projects, which are currently at the stage of development we have utilized the outstanding construction costs, required to complete the project. This data was also provided by the Company. We have not verified or validated these estimations and in preparing residual valuations we have made the assumption that they are accurate, complete and fully inclusive of all fees and contingencies. We have discussed the level of construction costs with the Board members of the Chagala Group and satisfied ourselves as to what is included / excluded from the figures provided. As Chagala Group are currently constructing a number of buildings at the subject locations, we are satisfied that the figures they have adopted reflect current tender prices. We have however added 5% contingency for these costs for the purpose of our valuation. We have also made the assumption that no additional expenditure is to be incurred in obtaining consent for development

Timing: Where a development timetable has been provided by the Company we have made the assumption that it is reasonably achievable and that all necessary consents have been or will be obtained.

Marketing and letting/sales Costs: Due to the fact that the Company is a professional operator of the hotels and office centers across all the oil regions of Kazakhstan, with a corresponding knowledge of all those occupiers in the market, we have made no allowance in our valuations for agents' letting fees in relation to the residential and office accommodation. To date, the Company have not used agents to secure occupiers for their property assets, and we are of the opinion that this situation would subsist in the event of the portfolio selling to a third party. We have only adopted 3% on letting legal fee for projects, which will be developed and let and 1.5% and 0.5% for sales agent fee and sales legal fee respectively for the projects, which will be developed and sold.

Additional Assumptions: We have assumed that finance could be available at the rate of appropriate interest to the country for the duration of the development and we have also assumed appropriate profit on cost and applied it to reflect the developer's risk.

18.4 VALUATION RESULTS

We understand that the high uplift in the aggregate portfolio value is due mainly by the introduction of new projects into portfolio and more importantly by increasing areas to be developed in a number of planned developments, specifically the "RCP" property in Bautino and "Apartments for sale" property in Atyrau This has been made possible following the local authority confirming that plot densities can be increased. Among the new projects, which were added to the portfolio are "79 Apartments" in Uralsk, "Sports and Leisure Park" in Atyrau, "Phase II Hotel" in Aktau and "Camp" in Aksay.

In addition, following the Company's continuing analysis of its competitors, and of the markets in general, they have concluded that there is scope to increase rent levels at several of the developments. An example of that is increase in rates for planned warehouse accommodation in Aktau. Conversely, there are instances (for example at Bautino Hotel Phase I) where costs have increased ahead of revenues, with the result that market value has reduced slightly this time.

Such projects as "45 Apartments" in Uralsk, "Hotel Phase III" in Bautino and "Hotel Phase I" in Aktau were at the stage of development as of the date of the previous valuation and still are under construction. The construction process comes closer to the delivery stage and this means that construction costs and costs of financing decrease, which increases the market value of the project. Another example is the existing office building in Almaty, which was recently refurbished and to reflect that fact we had to increase the market rates on which the property could be currently let.

The factors presented above have had a significant impact on the aggregate value of the portfolio.

19. AGGREGATE VALUATION

Subject to the foregoing, and based on current values as at 30 June 2008, DTZ are of the opinion that the aggregate of the Market Value of each freehold right to each development in which the Company has an interest, as set out in the Schedules, and on the basis of the "Special Assumptions" as described above is the total sum of:

Chagala Group Limited

Portfolio Assets

Schedule of Properties

(valuation as of 30 June 2008)

No	Project	Address	Area	Construction Costs/Outstanding Construction Costs, US$	Developer's Profit Used, %	Market Value of 100% Ownership, US$
Properties held as investment						
Uralsk						
1	Hotel	67/1, T. Masina Street	2,667 sq m	Completed		US$ 5,218,891
Bautino						
2	Hotel Phase I&II	57, Fetisova Street	3,890 sq m	Completed		US$ 15,043,009
3	SOS Station	67/1, Dubskogo Street	404 sq m	Completed		US$ 297,947
4	Vacant land		2 ha	Not applicable		US$ 431,300
Atyrau						
5	Hotel	1, Smagulova Street	4,354 sq m	Completed		US$ 5,367,353
6	Waterfront Apartments Block I	1, Smagulova Street	1,632.1 sq m	Completed		US$ 5,124,089
7	Waterfront Apartments Block II	1, Smagulova Street	1,903.6 sq m	Completed		US$ 5,246,091
8	Plaza Apartments Block I	2, Azattyk Highway	1,802 sq m	Completed		US$ 5,002,087
9	Plaza Apartments Block II	2, Azattyk Highway	1,802 sq m	Completed		US$ 5,002,087
10	Plaza Apartments Block III	2, Azattyk Highway	4,550 sq m	Completed		US$ 8,296,144
11	Garage and Storage	2, Azattyk Highway	3,685 sq m	Completed		US$ 1,542,344
12	La Cabana	2, Azattyk Highway	1,374.8 sq m	Completed		US$ 3,866,312
13	Petrovski	2, Azattyk Highway	400.6 sq m	Completed		US$ 4,510,551
14	O'Neills (bar and office)	1, Smagulova Street	573.6 sq m	Completed		US$ 3,010,102
15	Technical Building and Fitness	2, Aattyk Highway	650 sq m	Completed		US$ 151,129

No	Project	Address	Area	Construction Costs/Outstanding Construction Costs, US$	Developer's Profit Used, %	Market Value of 100% Ownership, US$
16	Chagala Centre West	1 ,Smagulova Street	1,900 sq m	Completed		
17	Chagala Centre East	1 ,Smagulova Street	10,281 sq m	Completed		
18	Baker Hughes Office Building 1	2, Azattyk Highway	1,008.6	Completed		US$ 46,220,000
19	Baker Hughes Office Building 2	2, Azattyk Highway	230 sq m	Completed		
20	Hotel Office (AGIP)	1, Smagulova Sterrt	1,000 sq m	Completed		
21	Vacant Land	n/a	15.9 ha	Not applicable		US$ 649,515
22	Vacant Land	n/a	30 ha	Not applicable		US$ 1,225,500
Almaty						
23	Office	n/a	546 sq m	Completed		US$ 1,930,000
Aksay						
24	Vacant Land	n/a	4 ha	Not applicable		US$ 800,000

Properties in the course of development

Uralsk						
25	45 Apartments	n/a	2,330 sq m	US$ 2,717,599	15%	US$ 3,855,484
Bautino						
26	Hotel Phase III	n/a	1,958 sq m	US$ 1,987,150	17.5%	US$ 6,415,916
27	RCP PHASE I	n/a	6 500 sq m	US$ 9,179,848	17.5%	US$ 9,285,923
Atyrau						
28	"Ural Buildings" apartments & offices	n/a	19,564 sq m of apartments & 7 382 sq m of offices	US$ 36,529,840	15%	US$ 17,126,342
Aktau						
29	Hotel Phase I	n/a	5 900 sq m	US$ 6,232,837	15%	US$ 6,106,559

No	Project	Address	Area	Construction Costs/Outstanding Construction Costs, US$	Developer's Profit Used, %	Market Value of 100% Ownership, US$
Aksay						
30	Apartments for lease	n/a	3 904 sq m	US$ 3,689,979	20%	US$ 4,617,058

Properties held for future development

Uralsk						
31	79 Apartments	n/a	5,197 sq m	US$ 7,795,483	15%	US$ 5,824,014
Bautino						
32	RCP Phase II	n/a	13,000 sq m	US$ 18,200,000	17.5%	US$ 32,566,395
Atyrau						
33	Apartments for sale Phase I	n/a	15,050 sq m	US$ 15,050,000	20%	
	Apartments for sale Phase II	n/a	32,952 sq m	US$ 32,952,000	20%	US$ 47,109,330
	Apartments for sale Phase III	n/a	45,773 sq m	US$ 45,773,000	20%	
34	Clinic & SPA	n/a	5,870 sq m	US$ 5,870,000	15%	US$ 2,753,203
35	Sports and Leisure Park	n/a	2,700 sq m	US$ 3,240,000	20%	US$ 3,968,418
36	Waterfront Apartments	n/a	3,253 sq m	US$ 4,879,500	20%	US$ 7,558,379
37	Offices	n/a	6,562 sq m	US$ 8,530,000	15%	US$ 2,147,316
38	Hotel	n/a	15,087 sq m	US$ 24,139,200	20%	US$ 13,193,586
39	Chagala Zere Mall	n/a	20,618 sq m (leasable area)	US$ 42,261,600	30%	US$ 19,823,407
Aktau						
40	Offices	n/a	7,000 sq m	US$ 7,700,000	15%	US$ 7,156,998
41	180 Apartments	n/a	15,000 sq m	US$ 21,000,000	15%	US$ 8,981,312
42	Warehouse	n/a	2 760 sq m	US$ 2,346,000	15%	US$ 701,073
43	Hotel Phase II	n/a	4,000 sq m	US$ 6,400,000	15%	US$ 4,544,642

No	Project	Address	Area	Construction Costs/Outstanding Construction Costs, US$	Developer's Profit Used, %	Market Value of 100% Ownership, US$
Ust-Kamenogorsk						
44	Chagala Zere Mall	n/a	22, 277 sq m (leasable area)	US$ 39,118,800	35%	US$ 9,506,149

20. MARKET VALUE

It is our opinion that the Rounded Market Value of a freehold interest in the Subject Properties, as at the date of valuation, **30 June, 2008**, subject to the assumptions and special assumptions and comments contained in this Report and Appendices, is:

US$ 332,176,000
(Three Hundred Thirty Two Million One Hundred and Seventy Six Thousand US dollars)

The valuation stated above, of **US$ 332,176,000** represents the aggregate of the current values attributable to each of the individual properties and should not be regarded as a valuation of the portfolio as a whole in the context of a single sale. We set out the value ascribed to each Property in the Schedules.

DTZ has based its valuation of the Properties on assumptions as to the expected highest and best use of each Property by a typical local developer in Kazakhstan, considering the spectrum of available uses. As a result, the description of each of the developments, and the accompanying valuation, reflects our reasonable expectations as to what a typical Kazakh developer may build on the Property, as well as the amount that such a developer would likely pay for the relevant Property in its current state.

We have considered an appropriate development commencement date and development period for each Property in isolation, based on each Property's particular circumstances. Each valuation does not consider any effect of multiple properties being developed concurrently (e.g. any resource, expense or savings issues if undertaken by a single developer), or released to the market (occupation or investment) together.

21. CONFIDENTIALITY

The contents of this Valuation Report and Schedule may be used only for the Purpose of this Valuation Report. Before this Valuation Report, or any part thereof, is reproduced or referred to, in any other document, prospectus or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt such approval is required whether or not DTZ are referred to by name and whether or not the contents of our Valuation Report are combined with others.

We confirm consent has been given to this valuation report being included in the admission document in the form and context in which it is included.

Yours faithfully

C.W.F. Dryden

CHRIS DRYDEN
CHARTERED SURVEYOR
DIRECTOR
FOR AND ON BEHALF OF DTZ