Zambia Copper Investments Limited
(Registered in Bermuda)
(South African registration number 1970/000023/10)
JSE share code: ZCI & ISIN: BMG988431240
Euronext share code: BMG988431240
("ZCI" or "the Company")

Zambia Copper Investments Limited (“ZCI”)

Improved US$22.5 Million Financing Offer to African Copper Plc (“ACU”)

ZCI is pleased to announce an improved binding financing proposal for ACU and to clarify misleading remarks concerning ZCI’s proposal made by Natasa Mining Ltd (“Natasa”) in its press release dated 21 April 2009.

ZCI’s improved proposal significantly increases the bridge loan facility offered by it *from $2.5 million to $10 million* so that ACU can:

- satisfy all repayment obligations to Natasa in full, removing the ability of Natasa to force ACU into liquidation;

- pay ACU’s bondholders and key trade creditors 50% of the total amounts payable to them under the ZCI terms in advance of the full implementation of ZCI’s proposal; and

- protect ACU shareholders’ investment in Botswana.

As an indication of the seriousness of its intent, ZCI has transferred the full $10 million amount of the bridge loan facility to its solicitors in London, McCarthy Tétrault, to be held in trust at National Westminster Bank plc, Fleet Street, London branch for the purposes of the implementation of ZCI’s proposal.

The full $22.5m offer from ZCI will satisfy bondholders and creditors and give shareholders in ACU the chance of significant upside in future operations. Shareholders, bondholders and creditors should note that Natasa’s agreements with bondholders and creditors are conditional on ACU’s shareholders voting in favour of certain resolutions proposed for ACU’s 7 May EGM. Shareholders are accordingly urged to vote against the resolutions at the EGM enabling ACU to proceed with ZCI’s offer.

Commenting on ZCI’s proposals, Tom Kamwendo, Chairman, said:
“This new offer does three things: firstly it should satisfy all external stakeholders – shareholders, creditors and the wider Botswanan mining industry that we are committed to taking ACU towards a strong future as a listed, successful copper miner;

Secondly, it demonstrates that our promise of finance is real – we have put transparent funds in place that creditors can and will be paid according to the transaction timetable;

Finally, we have blown Natasa's offer and reservations out of the water. This package is quite clearly in advance of anything that they have come up with for creditors, shareholders and Botswana itself.

Under these circumstances, ACU shareholders should vote against Natasa at the EGM to enable themselves and other stakeholders to benefit from ZCI's superior proposal."

Should ACU shareholders or other ACU stakeholders require any clarification of the terms of ZCI's offer or have other feedback relating to the offer they can contact ZCI at zci@email.lu or its representatives at the contact details set out below.

For more information, please contact:

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Bridge Facility Highlights

- **Significantly improved bridge facility** of US$10 million ("Bridge Facility") offered to ACU to ensure immediate and interim funding of ACU. This compares to the US$ 1.5 million provided by Natasa.

- ZCI has transferred the full US$10 million to be held in trust at National Westminster Bank plc, Fleet Street, London branch by ZCI's solicitors, McCarthy Tétrault, Registered Foreign Lawyers and Solicitors, to give assurance to stakeholders of ACU as to the seriousness of ZCI's offer and its **commitment to advance bridge facility funds to ACU immediately**.

- The Bridge Facility will be advanced in two tranches as follows:

  - a US$5 million tranche ("tranche A") that will be available immediately upon acceptance for the purpose of discharging indebtedness owed by African Copper or its subsidiaries to Natasa and other pre-approved expenditures. The only requirements to the advance are the execution of standard documentation, including that relating to the provision of security for the Bridge Facility, and the appointment of three persons nominated by ZCI as senior managers of Messina Copper, a subsidiary of African Copper. It is not a condition to draw-down of the US$5 million that the security granted to Natasa be released or that the security granted to ZCI be perfected; and

  - a US$5 million tranche ("tranche B") that will, subject to compromise agreements being entered into and the security provided in relation to the Bridge Facility having become effective, be made available for the purpose of making interim payments to certain creditors and bondholders and for other pre-approved expenditures.

- Based on advice ZCI has received, it is confident that, if the ACU shareholders vote against the Natasa offer, the US$5 million tranche A of funding under the Bridge Facility can be advanced to ACU **before any insolvency proceedings threatened by Natasa would take effect**. Any security that Natasa might have at that time would cease to be effective once Natasa has been repaid.

- In order to deal with any uncertainties surrounding the timing of the ZCI shareholders meeting, ZCI's offer now proposes that interim cash payments be made to bondholders and large trade creditors in the amount of 12.5% and 20% of the amounts owed to them by ACU, being half of the total cash payments proposed to be made to them under the ZCI offer. These interim payments would be made as soon as security documents in relation to the Bridge Facility are registered, which ZCI is confident should occur by 30 June 2009. These payments would be financed by the US$5 million tranche B of the Bridge Facility. The remaining cash payments owing to bondholders and creditors under the ZCI offer would be conditional on ZCI shareholder approval and completion of the entire offer which is expected by 31 July 2009.

- On completion of the ZCI offer, US$2.5 million advanced under the Bridge Facility would be repaid to ZCI out of proceeds of the equity subscription by ZCI and the remaining amounts owing under the bridge facility (up to US$7.5 million) would be refinanced by drawing funds available first under the US$8.1 million convertible loan and second under the US$2.0 million short term loan.

- The proposed timetable for the full implementation of ZCI's proposals is set out in Appendix 1

- The terms of ZCI's proposed $22.5 million refinancing are set out in Appendix 2

Rebuttal of Natasa allegations

On 17 April 2009 ZCI released an announcement that it had made a binding offer of finance to ACU, which in its opinion represented a superior proposal in all respects to that currently offered to shareholders, bondholders and creditors of ACU by Natasa. This continues to be the opinion of ZCI, particularly taking into account the improvements ZCI is making to the bridge finance elements of its proposal referred to above.

On 21 April 2009, Natasa released an announcement seeking to discredit the value and deliverability of ZCI's offer. ZCI views a number of the remarks made by Natasa as highly misleading, especially in light of the improvements to the bridge facility ZCI is offering to ACU. ZCI believes this to be no more than a scare tactic that seeks to distract stakeholders from the substantial additional value available to them under the ZCI proposals, which comprise a comprehensive US$22.5 million equity and debt refinancing that is some 50% greater than the US$15 million Natasa financing offer.

As regards the specific points which Natasa makes in its announcement in promotion of its significantly less substantial offer:

- **Natasa Indebtedness.**
  Natasa stated that ZCI's proposed US$2.5 million bridge facility is "insufficient" to cover the level of indebtedness owed to Natasa. ZCI has now increased the bridge facility to a total of US$10 million. Of this US$10 million, US$5 million will be available to ACU or its subsidiaries to repay any Natasa indebtedness immediately following the execution of documents granting ZCI security and the appointment of 3 ZCI nominees as senior managers of Messina Copper. ZCI has proposed that the security documents be in the same form as the documents entered into by ACU or its subsidiaries with Natasa thereby avoiding any delay that would be incurred if new forms of documents had to be prepared and negotiated. It is not a condition to draw-down of the US$5 million that the security granted to Natasa be released or that the security granted to ZCI be perfected.

  ZCI believes that terms of the availability of this US$5 million means that ACU will readily be in funds to meet its commitments to Natasa, removing the grounds upon which Natasa could commence insolvency proceedings against ACU or any of its subsidiaries. In this regard ZCI notes that the letter from the Chairman of ACU to its shareholders dated 9 April 2009 highlights that the risk of ACU being unable to avoid formal insolvency proceedings if shareholders to not approve the First Resolution proposed at the EGM arises **"in the absence of an immediate alternative source of funds".** ZCI's bridge facility offers ACU and its subsidiaries that immediate alternative source.

  In the event that Natasa were to commence insolvency proceedings against ACU or Messina Copper it is ZCI's belief, based on advice it has received, that Natasa would not be able to enforce its security without going through a court process and that any such process, even if expedited, would provide ACU and ZCI sufficient time to finalise the arrangements relating to execution and advancement of monies under ZCI's bridge facility.

- **Natasa's valuation of its offer to ACU's bondholders is misleading**. Bondholders and creditors will be aware that ZCI has sought to base its offer to them in a way which it believes is likely to most closely reflect their interests – i.e. mainly in cash (and, additionally for bondholders a retained bond investment) rather than largely in equity in a UK and Canadian quoted entity. Natasa's proposals are, however heavily dependent on issuing new shares in ACU.

  For its own investment in ACU shares, Natasa is proposing that ACU issue it with 1.58 billion ordinary shares at a highly dilutive price of 0.279p per share (or 15.8 million new ordinary shares at a subscription price of 27.9p per share following ACU's proposed share reorganization). Nevertheless it values its offer to bondholders at a market price on 20 April of 2.63p (equivalent to 263p following the proposed share reorganization).

  ZCI believes that bondholders are unlikely to be misled by a valuation based on a share price so significantly removed from the Natasa subscription price and before the outcome of Natasa's highly dilutive offer is in any way certain and can be effectively reflected in the market.

  Based on ZCI's subscription price of 1p per existing ordinary share in ACU (equivalent to £1.00 assuming the effects of ACU's proposed share reorganisation) and valuing the US$2.5 million of existing bonds to be retained at par, ZCI's offer to bondholders is worth approximately US$ 8.9 million or some 44 % greater than Natasa's, valuing the shares in ACU to be issued to bondholders under Natasa's proposals at Natasa's subscription price.

  Creditors also should be beware of any similarly misleading valuation of their share settlement that Natasa might suggest to them.

- **Interim payments to be made to bondholders and creditors.** Bondholders and creditors should note that, although completion of the transactions comprising ZCI's proposal requires approval of ZCI's shareholders, ZCI's revised bridge facility offer will make available to ACU or its subsidiaries monies to enable them to make interim payments of US$2.5 million to bondholders and US$1.9 million to creditors prior to such shareholder approval. The advance of the monies to make these payments is conditional only on the security provided by ACU to ZCI for its debt financing being perfected, which ZCI expects would occur by or before 30 June 2009. This will enable bondholders and creditors to receive an element of their settlement promptly and underlines ZCI's commitment to delivering its complete financing package to ACU.

- **ZCI shareholder approval.**
  Although completion of the transactions comprising ZCI's proposal does require the approval of a majority of ZCI's shareholders in a general meeting pursuant to the rules of the Johannesburg Stock Exchange, ZCI's 71.5% shareholder, the Copperbelt Development Foundation, has indicated in writing to ZCI that it will vote in favour of any resolutions to be put at the ZCI shareholder meeting. ZCI is thus confident that such approval will be forthcoming and expects to receive the requisite approval by no later than 31 July 2009. The advances under ZCI's bridge loan facility to repay Natasa indebtedness, finance ongoing operations and make the interim payments to bondholders and creditors referred to above are not subject to the approval of ZCI's shareholders.

- **Timing of ZCI proposal.**
  Natasa has been keen to point out that ZCI's offer will take a protracted period to implement and requires shareholder meetings of both ACU and ZCI. ZCI wishes stakeholders not to be misled by this and notes the following:

  - to the greatest extent possible, the documentation comprising the different components of ZCI's financing proposal is based on and substantially similar to the documentation ACU has entered into with Natasa. Accordingly ACU and other relevant stakeholders will be familiar with the documentation, avoiding any need for lengthy review and negotiation. Rather, ZCI believes the documentation should be capable of swift agreement. In particular, it is ZCI's proposal that the security to be provided for its debt financing is the same as ACU has provided to Natasa with the addition of a simple share pledge in relation to the shares of Messina Copper and that the compromise arrangements with bondholders and key creditors of ACU and its subsidiaries be on substantially the same terms as those entered into with ACU reflecting the Natasa proposal

  - Natasa is wrong in its assertion that ZCI's proposal requires approval of the ACU shareholders. ZCI's proposal does not require an approval from ACU's shareholders. The number of shares to be issued by ACU pursuant to the ZCI proposal falls within the authorities granted to ACU's directors at its Extraordinary General Meeting on 9 January 2009. The exercise by ZCI of its right to convert the convertible US$8.1 million part of its debt financing is provided to be expressly subject to ACU having sufficient authorized but unissued share capital and its directors having sufficient authority to allot and issue such shares on a non-pre-emptive basis. Should ZCI wish to exercise its conversion right during the four year term of the convertible debt, it will seek to have the ACU shareholder meeting necessary to provide the relevant authorities for the conversion

  - As noted above, ZCI does not believe that the requirement for ZCI shareholder approval will create any unreasonable delay in completion of the transactions comprising its proposal or, given the support from its majority shareholder, any additional completion risk. Advances under ZCI's revised bridge facility to repay Natasa indebtness, finance ongoing operations and make interim payments to bondholders and creditors are not subject to ZCI shareholder approval.

- **ACU shareholders are urged to vote against the Natasa proposals.**

- **A substantially better offer.** ZCI is offering a US$22.5 million package of cash and bonds, whilst Natasa is only offering US$15 million package. If appropriate, further financing for ACU from ZCI is well within ZCI's capabilities. As at 9 April 2009 ZCI had cash and cash equivalents of approximately US$100 million. As at 31 December, Natasa's accounts show it had only US$33 million in cash and cash equivalents.

ZCI's plans for ACU's future

ZCI would like to provide further detail regarding its plans for ACU.

- **Commitment to ACU's AIM listing**: ZCI will not delist ACU from AIM as ZCI sees a lot of value in the access to the equity investors that this affords.

- **Potential for government investment in ACU**: In due course, ZCI will consider inviting the government of Botswana to subscribe for shares in ACU up to 15% of its equity, in line with the government's current investment guidelines.

- **Management**: ZCI is committed to bolstering ACU's board of directors and management with experienced mining executives. ZCI will assist ACU management to optimise the Mowana mine operations, and seek ways to expand the mining and processing capability beyond the 25,000 t.p.a envisaged in ACU's current five year plan.

  - **David Rodier**, who ZCI is proposing as the new Chairman of ACU, is a non-executive director of ZCI and currently works as Senior Consultant, Sustainability for Hatch Associates, a global engineering company located in Ontario, Canada, which is devoted to the support of the Mining and Metallurgical industries. He gained his extensive working experience in the non-ferrous industry, starting with Cominco in British Columbia, (now Teck-Cominco) and later for Noranda Inc., where he was employed for 35 years and where he was involved with zinc and copper recycling. His experience includes a wide range of technical and managerial positions in zinc and copper businesses. His most recent positions were: Senior Vice President, Environment Safety and Health at Noranda between 1998 and 2002; Senior Vice President, Copper & Recycling at Noranda between 1995 and 1997; and President of Canadian Electrolytic Zinc between 1992 and 1995. Mr Rodier was Noranda's delegate to the World Business Council for Sustainable Development, the International Council for Mining and Metals, the International Zinc Association, the International Copper Association, the Mining Association of Canada and the Canadian Chemical Producers Association.

    Mr Rodier was born in Montreal, Canada, and has a Bachelor's degree in Metallurgical Engineering from McGill University, Montreal.

  - **Jordan Soko**, who ZCI is proposing as a non-executive Director of ACU, is the founder and CEO of iCapital (Mauritius), a private equity and advisory firm that are investment advisers to ZCI. Prior to forming iCapital (Mauritius), he was CFO, and also acted as CEO, of Konkola Copper Mines PLC (KCM), a Zambian copper mining company with over 10,000 employees, then producing about 220,000mt of copper from a complex suite of mining and metals assets. He has extensive capital markets and corporate finance experience having, prior to joining KCM, worked for Stanbic Bank Zambia for 9 years as head of its capital markets, leasing and corporate and project finance unit. He served for six years on the investment committee of the first venture capital and private equity fund in Zambia and has chaired several privatization transactions. He has also worked in the public sector in numerous financial roles for over 10 years. He is a qualified Chartered Management Accountant and holds an MBA degree from Lincoln University in the UK. Mr Soko is a qualified stock broker and investment advisor.

In addition to managing iCapital (Mauritius), Jordan is non-executive Chairman of AEL Zambia PLC, a company listed on the Lusaka Stock Exchange, and is a non-executive director of the Copper Development Association Africa and Lumwana Mining Company, the largest single copper mine in Africa.

Appendix 1
Proposed Timetable

Assuming the Natasa offer is not approved by ACU shareholders on 7 May, the ZCI offer proposes the following timetable:

Execution of offer and bridge loan	8 May
Advance of US$5million	8 May
Execution of bondholder/creditor compromise agreements and loan facility and subscription agreement	15 May
Registration of bridge loan security	By 30 June
Advance of US$5million	By 30 June
Payments to bondholders and large trade creditors (50% of cash due under compromise agreements)	By 30 June
ZCI shareholders meeting	By 31 July
Completion of ZCI offer	By 31 July

Appendix 2
Background to African Copper and Details of ZCI Amended Offer

Background to African Copper

African Copper is an international exploration and development company incorporated in England and Wales and tri-listed on the AIM market of the London Stock Exchange, the Toronto Stock Exchange and the Botswana Stock Exchange.

African Copper is involved in the exploration and development of copper deposits in Botswana and is currently developing its first copper mine at the Mowana Mine and holds permits in exploration properties at the Matsitama Project. The Mowana Mine is located in the northeastern portion of Botswana and the Matsitama Project is contiguous to the southern boundary of the Mowana Mine.

The ZCI Offer

ZCI is offering a total financing package to ACU of approximately US$22.5 million (the "ZCI Offer") compared to the approximately US$15 million financing package offered to ACU by Natasa Mining Ltd (the "Natasa Offer). The ZCI Offer comprises:

- a share subscription by ZCI for 676,570,543 new ordinary shares at an issue price of 1 pence per share (the "Share Subscription") for gross proceeds to ACU of approximately US$9.9 million, giving ZCI a post-ZCI Offer interest in ACU of 69.73 per cent.;

- provision by ZCI of a four year secured convertible credit facility (the "Convertible Loan Facility") to ACU of US$8.1 million with a coupon of 12 per cent. per annum and a conversion price of 1p exercisable at any time during its term;

- provision by ZCI of a short-term, secured credit facility (the "Short-Term Facility") to ACU of US$2 million bearing interest at a rate of 14 per cent. per annum;

- the continuation, to the benefit of bondholders, of US$2.5 million of the outstanding Pula bond; and

- in order to meet the immediate working capital needs of ACU, to repay the US$1.5 million bridge financing advanced to ACU by Natasa and other indebtedness owing by ACU or its subsidiaries to Natasa and to make interim payments to bondholders and certain large creditors as described below, the ZCI Offer provides for a secured bridge loan (the "Bridge Loan") of US$10 million. The Bridge Loan will be available in two tranches as follows:

- a five million Dollar ($5,000,000) tranche ("Tranche A") that:

  - will be available immediately following the satisfaction of the conditions to its advance, the principal ones being the execution of documents providing ZCI security for the Bridge Loan and the appointment of three persons nominated by ZCI as senior managers of with the power to participate in the management of Messina Copper, including to approve expenditures;

  - will be available for the purpose of repaying indebtedness owing to Natasa and for other pre-approved expenditures; and

  - will, from the date of any draw-down of monies under Tranche B, bear interest of twelve per cent. (12%) per annum; and

- a five million Dollar ($5,000,000) tranche ("Tranche B") that:

  - will be available following compromise arrangements with bondholders and certain creditors having been entered into and security for the Bridge Loan having become effective;

  - will be available for the purpose of making interim payments to bondholders and certain creditors of amounts to be paid to them, as described below and for other pre-approved expenditures; and

  - will bear interest of twelve per cent. (12%) per annum.

The security that would be provided for the Bridge Loan would be identical to that put in place for the Natasa bridge loan with the addition of a share pledge over the shares of ACU's subsidiary Messina Copper.

ZCI proposes that ACU's large trade creditors – currently believed by ZCI to be the mining contractor and the engineering, procurement, contracting and management contractors – would be paid in cash 40 per cent. of monies owed (equating to approximately US$3.8 million – calculated assuming amounts due to such creditors equal approximately US$9.6m, the figure extracted from ACU's 16 March 2009 announcement) and issued with 48,952,986 new ordinary shares in full and final settlement of debts due from ACU. Following completion of the ZCI Offer, such creditors would have an interest of 5.05 per cent. of the enlarged ACU share capital. The payments to the large trade creditors would be made in two equal installments with an interim payment of half the amount made upon the availability of Tranche B of the Bridge Loan and the other half paid at completion of the financing transactions. Small creditors (which we understand represent approximately US$4.6 million) would be repaid in full in cash from the proceeds of the ZCI Offer as their debts become due.

ZCI proposes that ACU's bondholders be paid 25 per cent. of the face value of their bonds (equating to approximately US$5.0 million) and retain existing bonds or be issued with new bonds equivalent to US$2.5 million on terms and conditions, as a whole, no worse than the current ACU bonds, with the balance of the bonds to be retired. The retained bonds would greatly benefit from the restored financial position of ACU. Bondholders would also be issued with 97,905,971 ordinary shares as final and total discharge of their debts due from ACU. Following completion of the ZCI Offer, they would have an interest of 10.09 per cent. of the enlarged ACU share capital. The payments to the bondholders would be made in two equal instalments with an interim payment of half the amount made upon the availability of Tranche B of the Bridge Loan and the other half paid at completion of the financing transactions.

Overall, the ZCI Offer would ensure over US$5 million of net cash is injected into ACU for working capital post settlement of creditors (based on the assumptions regarding creditors above) , including the US$2 million Short-Term Facility, which would be available for drawn down at any time should ACU require additional working capital. The proposed post-ZCI Offer shareholding structure would be as follows:

Description	**New Share Structure**	
	Ordinary Shares	% of total
Shares to be issued to large trade creditors	48,952,986	5.05
Shares to be issued to Bondholders	97,905,971	10.09
Existing shares in issue	146,858,957	15.14
Shares to be issued to ZCI	676,570,543	69.73
TOTAL	970,288,457	100.00

Management of ACU

Although ZCI has been limited in the level of due diligence it has been able to undertake, it currently intends to work within the existing management and board structure of ACU. Nevertheless, in light of its significant investment in ACU, it is a condition of the ZCI Offer that ZCI has the right to appoint two non-executive directors to the board of ACU, one of whom shall be chairman. In addition, ZCI intends that, upon signature of the Bridge Loan, three senior and experienced mining personnel be appointed into executive positions at the level immediately below the board.

Conditions precedent

Completion of the subscription by ZCI for ACU ordinary shares under the Subscription Agreement and the availability of funds under the Convertible Loan Facility and Short-Term Facility are subject to the satisfaction or waiver by ZCI of certain conditions precedent including the following:

- ACU and its subsidiaries arranging the compromise detailed above with its large creditors and bondholders;

- ACU's agreement to the legal documentation in relation to the Subscription Agreement and in relation to the Short-term Facility and Convertible Loan Facility;

- the management changes referred to above;

- ACU being delisted from the TSX;

- any nominees of Natasa appointed as directors or officers of ACU or its subsidiaries having resigned or been removed and any legal agreements between ACU or its subsidiaries and Natasa having been terminated;

- there having been no material adverse change in the condition or the earnings, business affairs, business prospects of any member of ACU or its subsidiaries; and

- the approval of ZCI shareholders as required under the rules of the JSE. No shareholder approval is required prior to any advances being made under the Bridge Loan. Further, ACU has obtained a signed comfort letter from The Copperbelt Development Foundation ("CDF" - the holder of 71.5 per cent. of the issued ZCI share capital) indicating that they intend to vote all of their shares in favour of all necessary resolution(s) approving the transaction.

Rationale for and merits of the Offer

The purpose of the ZCI Offer is to achieve the Company's objective of enhancing meaningful value to shareholders. At present, the Company's assets comprise of cash and the ZCI Offer to African Copper is one of the steps being taken by the board of ZCI in implementing the Company's new business plan.

The total funding and debt retention package of US$22.5 million is, by ZCI's calculation, at least US$7.5 million or 50 per cent. higher than that offered by Natasa. In addition, the ZCI Offer provides ACU with estimated net proceeds (depending on drawdown of the Short-term Facility) of more than US$5 million which provides almost double the working capital compared to the estimated US$3 million being offered by Natasa. This would allow ACU to focus on implementing its five year plan and allow it to make progress with bringing the Mowana mine back into production – offering the best chances for success in the future which all stakeholders would benefit from. As ZCI has the cash for the ZCI Offer free and unencumbered on its balance sheet and is prepared to move very quickly, it considers that there is minimal completion risk.

Unlike in the Natasa Offer, existing shareholders would retain a 15.14 per cent. interest in ACU, leaving them with over twice the percentage interest than is the case under the Natasa Offer (excluding the potential effects of conversion of the Convertible Debt Facility). Unlike the Natasa Offer, all shares to be issued in connection with the Offer will be issued at par.

In formulating the ZCI Offer, ZCI has sought to focus its terms on those elements of greatest concern to existing investors and creditors including immediate cash value for creditors and bondholders, restoring value to the bondholders' retained bond investment, reducing dilution to equity investors and certainty of execution. Accordingly, ZCI considers that the ZCI Offer provides significantly better terms to all of ACU's creditors and investors than the Natasa Offer. ZCI's Offer envisages the 100 per cent. cash repayment of small creditors as their debts fall due and the large creditors would receive nearly double the cash – US$ 3.8 million or 40 per cent as opposed to approximatly US$ 2.1 million (plus VAT) – being offered by Natasa. Large creditors would also get the potential long term uplift of 5.05 per cent. of the shares in the enlarged group. Similarly, bondholders would receive an attractive cash, share and bond offer with 25 per cent. of amounts owing being immediately repaid in cash, as well as retaining a portion of their bonds (including their coupon entitlement) and a 10.09 per cent. stake in the ordinary shares. ZCI considers that the recapitalisation of ACU would ensure a return to value for the retained bonds in issue.

From an operating perspective under the terms of the ZCI Offer, although the main operating assets of ACU and its subsidiaries will be subject to security, ZCI would agree to subordinate its security should project financing be secured, putting ACU on the best possible footing for securing project finance for the Mowana mine at the appropriate time.

Pro forma financial effects

In the event that the ZCI Offer is accepted by African Copper, in compliance with paragraph 9.15 of the Listings Requirements, pro forma financial effects will be disclosed.

ZCI controlling shareholder's undertaking

ZCI confirms that it has received a comfort letter from The Copperbelt Development Foundation ("CDF"), which holds 71.5% of the issued share capital of ZCI confirming that CDF intends to vote all of its shares in favour of all resolutions required to approve the ZCI Offer.