

The United States Company Simon and Shock International Logging Inc. (SSI) was awarded a State Forest Exploratory Permit (SFEP) in 2007 for 391,853 hectares.

Due to prolonged non-compliance with the terms of the agreement, the SFEP was suspended in 2009.

After completing the necessary due diligences, Government of Guyana (GoG) approved a request for a 100 % change in the shareholders of SSI to Vaitarna Holdings Private Inc. (VHPI); a subsidiary of Coffee Day Limited of India.

This approval in 2010 was also contingent on payment of all outstanding SSI fees (US \$ 254,000), and a commitment to execute a forest inventory, prepare a business plan, and conduct an Environmental and Social Impact Assessment (ESIA) for submission to the GoG.

Work is currently being finalized in these 3 areas.

At the same time, the Timber Sales Agreement (TSA) awarded to Caribbean Resources Limited (CRL) was also terminated and re-possessed by the GoG in 2010, because of continuous non-compliance with the terms and conditions of the TSA.

GoG accepted an offer of G\$600 million by VHPI to re-allocate this re-possessed concession of 345,961 hectares. This re-allocation was done in 2010. The sum of G\$600 million was applied to help meet liabilities owed to policyholders of Clico (Guyana), given that CRL is part of the same group of companies as Clico which went into receivership in 2010. CRL continues to have significant indebtedness to Clico (Guyana).

Operational activities have already commenced in this re-allocated concession.