

LOAN AGREEMENT CM-2

THIS AGREEMENT is dated 01st of August, 2008

BETWEEN:

- (1) **Cantley Investments Limited**, a company organised and operating under the laws of British Virgin Islands (Registration № 542992) with its registered office at 3rd Floor, Omar Hodge Building, Wickhams Cay I, P.O. Box 362, Road Town, Tortola, British Virgin Islands (the "Lender");
- (2) **Matteson Overseas Limited**, a company organised and operating under the laws of British Virgin Islands (Registration № 1067412), with its registered office at 3rd Floor, Omar Hodge Building, Wickhams Cay I, P.O. Box 362, Road Town, Tortola, British Virgin Islands (the "Borrower");

IT IS AGREED as follows:

1. DEFINITIONS AND CONSTRUCTION

- (a) In this Agreement, the following terms have the following meanings:

Disbursement Date means the date of the advance of the Loan to the Borrower determined in accordance with Clause 3.

Dollars or **\$** means the lawful currency for the time being of the United States of America.

Event of Default means any of the events specified in Clause 9 (Events of Default).

Loan means a principal amount of up to \$19 531 400.00 (Nineteen million five hundred thirty one thousand four hundred 00/100 Dollars), being the principal amount of borrowing by the Borrower under this Agreement.

Maturity Date means 01st of August, 2011 or such other date as may be expressly agreed by the Lender and the Borrower in writing.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature from a payment under this Agreement.

- (b) In this Agreement, unless the contrary intention appears, a reference to:

- (i) a **person** includes any individual, company, unincorporated association or body of persons (including a partnership, joint venture or consortium), government, state, agency, international organisation or other entity;
- (ii) a provision of law is a reference to that provision as amended or re-enacted;
- (iii) a Clause or a Schedule is a reference to a clause of or a schedule to this Agreement; and

- (iv) a person includes its successors and assigns.
- (c) The index to and the headings in this Agreement are for convenience only and are to be ignored in construing this Agreement.

2. LOAN

The Lender shall make the Loan available to the Borrower subject to the terms of this Agreement. The Loan may be used for general corporate purposes.

3. DISBURSEMENT DATE

- (a) The Lender will advance the Loan till 31st of August, 2008 provided that there are no Events of Default then outstanding.
- (b) The Lender will make the Loan available by way of transfer of the requested amount of the Loan to the account in accordance with the Borrower's written instructions for payment. The relevant transfer shall be deemed made on the value date stated on the relevant SWIFT transfer, issued by the Bank of the Lender.

4. REPAYMENT

The Borrower shall repay the Loan in full prior to or on the Maturity Date.

5. PREPAYMENT

The Borrower may, by giving not less than 10 days prior written irrevocable notice to the Lender, prepay the Loan in whole or in part.

6. INTEREST

- (a) The Company shall pay an interest on the outstanding loan amount at the rate of 8.00 (Eight, 00/100) per cent per annum.
- (b) Interest shall be calculated on the exact number of days elapsed on the basis of a 360-day-year basis.
- (c) The payment of the Interest accrued has to be made together with the repayment of the principal amount of the loan.
- (d) Overdue Interest will be capitalized.

7. PAYMENTS

Payments by the Borrower are to be made in Dollars in immediately available funds to the Lender at such account as the Lender may notify the Borrower without set-off or counterclaim and without any deduction. If the Borrower is compelled to make any deductions for any reason it will pay additional amounts to ensure receipt by the Lender of the full amount that the Lender would have received but for the deduction.

8. BORROWER'S REPRESENTATIONS

The Borrower represents on the date of this Agreement and on the Disbursement Date that:

- (a) it is an international business, duly incorporated and validly existing under the laws of British Virgin Islands;
- (b) this Agreement is its legally binding obligation enforceable in accordance with its terms, is within its powers, has been duly authorised and does not conflict with any law or document and that all consents and authorisations in relation to this Agreement have been obtained;
- (c) no Event of Default is outstanding;
- (d) all authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by this Agreement have been obtained or effected (as applicable) and are in full force and effect;
- (e) its payment obligations under this Agreement rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally;
- (f) all amounts payable by it under this Agreement may be made without any deduction or withholding for or on account of Tax from a payment under this Agreement;
- (g) the execution by it of this Agreement constitutes, and the exercise by it of its rights and performance of its obligations under this Agreement will constitute, private and commercial acts performed for private and commercial purposes and it will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to this Agreement;

9. EVENTS OF DEFAULT

- (a) If:
 - (i) the Borrower fails to pay any sum when due under this Agreement or to comply with any other provision of this Agreement or any representation in or in connection with this Agreement is or becomes incorrect; or
 - (ii) the Borrower goes into liquidation or is dissolved, or a meeting of the members or creditors of the Borrower is convened for the purpose of considering a resolution for (or to petition for) its winding up or for its administration or any such resolution is passed; or
 - (iii) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or other creditors' representative is appointed (or is requested to be appointed) in respect of the Borrower or any of its assets; or
 - (iv) the Borrower is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or to be insolvent or ceases or threatens to cease to carry on all or a substantial part of its business; or

- (v) any attachment, sequestration, distress or execution affects any asset of the Borrower and is not discharged within 14 days; or
- (vi) any step (including, without limitation, petition, proposal, convening a meeting, negotiations or suspension of payments on any debt) is taken with a view to a composition, assignment or arrangement with any creditors of the Borrower or with a view to the rehabilitation, administration, custodianship, liquidation, winding-up or dissolution of the Borrower or any other insolvency proceedings involving the Borrower or an order for the winding-up or administration of the Borrower is made; or
- (vii) any event analogous (in the opinion of the Lender) to those described in subparagraphs (ii) to (vi) (inclusive) above occurs in any jurisdiction; or
- (viii) it is or becomes illegal for the Lender or the Borrower to make or maintain any of its obligations under this Agreement,

then and at any time thereafter, the Lender may by written notice to the Borrower terminate its obligations under this Agreement and/or demand immediate repayment of the Loan, together with all other amounts payable under this Agreement, whereupon they shall immediately become due and payable.

- (b) The Borrower shall notify the Lender in writing of any Event of Default promptly upon its occurrence.

10. TRANSFERS

The Lender may assign and/or transfer all or any of its rights under this Agreement. The Borrower may not assign or transfer any of its rights or obligations under this Agreement.

11. WAIVERS

No failure or delay by the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof or prejudice any other or further exercise by the Lender of any of its rights or remedies under this Agreement. The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. NOTICES

All notices or other communications under or in connection with this Agreement shall be given in writing.

13. LAW

- (a) The governing law and jurisdiction of this Agreement is English law.
- (b) The parties agree that if the Lender so requires, any dispute arising out of this Agreement (including any question regarding its existence, validity or termination) shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the London Court of International Arbitration (the **Rules**) by one arbitrator appointed in accordance with the said Rules, which Rules are deemed to be incorporated by reference into this Clause 14.

14. SEVERABILITY

If a term of this Agreement is or becomes invalid or unenforceable in any jurisdiction, that shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement;
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

15. COUNTERPARTS

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SIGNATORIES

Lender

Cantley Investments Limited

BENEF. ACCOUNT: [REDACTED]
 BENEF. BANK: LATVIAN TRADE BANK, 22 Grecinieku, Riga, LV-1050, Latvia
 SWIFT: LATCLV22
 COR. ACCOUNT: 04-419-466
 CORR. BANK: DEUTSCHE BANK TRUST COMPANY AMERICAS, NEW YORK, USA
 SWIFT: BKTRUS33

By: _____ / Mrs. [REDACTED]
 o/b Thackeray Investments Limited
 Director of Oliveyard Holdings Limited
 Director in Cantley Investments Limited/

Borrower

Matteson Overseas Limited

BENEF. ACCOUNT: [REDACTED]
 BENEF. BANK: LATVIAN TRADE BANK, 22 Grecinieku, Riga, LV-1050, Latvia
 SWIFT: LATCLV22
 COR. ACCOUNT: 04-419-466
 CORR. BANK: DEUTSCHE BANK TRUST COMPANY AMERICAS, NEW YORK, USA
 SWIFT: BKTRUS33

By: _____ / [REDACTED], Director/