

OZANNES

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Our Ref: RGS/CHE/AMM/I1190003/1508318.1

Your Ref:

Please quote our reference in all correspondence

19 October 2006

Dear Paul

LBA Systems

I have received, and presume that you have as well, a copy of a letter dated 12th October 2006 from the FIS to yourself confirming that the FIS will consent to the distribution of assets to either Mr Macgill or HMRC.

Once you have received the proposals from Mr Macgill then I would be pleased to assist you further.

May I take this opportunity to remind you, for the avoidance of doubt, that both ourselves and Allen & Overy have drawn to your attention a risk which Investec faces in relation to a potential civil claim.

The assets currently under administration would provide Investec with some comfort in one sense in that they provide an easy means of recourse in the event that a claim were to be brought against Investec. If those assets were distributed then, if a claim were later brought and a judgement obtained then Investec would be in a position where it would need to pursue those assets, and other assets of Mr Macgill/LBA wherever they may be.

I will not restate the advice that has previously been given in relation to the likelihood of such a claim but it is a risk which must be considered, particularly in light of the discussions which you have told me have taken place between the Kenyan Police and the FIS.

If the decision is made to distribute the assets then at the very least I would strongly recommend that proper indemnities be taken.