SKIL PORTS & LOGISTICS LTD.

Annual Report & Accounts

for the period ended 31 December 2011

CONTENTS

Directors' Report	4
Independent Auditors' Report	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Cash Flows	9
Consolidated Statement of Changes In Equity	10
Notes to the Financial Statements	11
Notice of Annual General Meeting	24
Form of Proxy	29

DIRECTORS' REPORT

For the period ended 31 December 2011

The directors ("Directors") of SKIL Ports & Logistics Limited ("SPL" or the "Company") present their report and the audited consolidated financial statements of the Company and its subsidiaries for the period ended 31 December 2011.

Status

The Company was incorporated and registered under The Companies (Guernsey) Law, 2008 with registered number 52321 on 24 August 2010. On 7 October 2010 its ordinary shares of no par value were listed on the London Stock Exchange's AIM market ("AIM").

The Company's subsidiaries are Karanja Terminal & Logistics (Cyprus) Limited and Karanja Terminal & Logistics Private Limited, incorporated in August 2010 in Cyprus and in May 2010 in India respectively.

Principal Activity

The principal activity of the Company is to act as a holding company established to develop, own and operate port and logistics facilities in India.

Business Review

SKIL Ports & Logistics Limited was formed to build ports and logistics facilities across India and India's sphere of influence. The need for ports and logistics facilities has never been greater or more urgent. India's fundamental growth depends on it having modern gateways for goods to enter and leave, and infrastructure that complements this. Sadly, India continues to struggle in both these areas. SPL intends to leverage this mis-match and create and operate world-class ports and logistics facilities.

The Company embarked on building its first facility in the state of Maharashtra, principally in the vibrant Navi Mumbai area, which is the gateway to a further eight land locked states in India. At the time of the Company's admission to AIM ("Admission"), SPL's management stated their intention to complete construction of the facility within a 36-month period. The timetable set out at Admission always catered for potential delays arising from the intensely bureaucratic nature of infrastructure projects in India. SPL's management team continues to navigate through this delicate process and believes that on-site reclamation works will commence in the coming months. The additional studies that the Company was requested to undertake have been completed, including Coastal Regulatory Zone demarcation, modelling studies (including shoreline changes and hydrodynamics pre- and post-construction) and an Environment Impact Assessment Report. As a result, and with additional work that was scheduled for the latter part of the build having been brought forward, the Directors remain confident of achieving a completion timetable broadly in line with that which was expected at the time of Admission.

In anticipation of receiving the requisite approvals, the Company is in the process of short-listing engineering, procurement and construction ("EPC") contractors and expects to be in a position to announce the chosen EPC contractor in due course.

The Group has maintained a very conservative cash burn rate and had cash or cash equivalent balances of approximately GBP 63.4 million as of 31 December 2011. The Directors expect the cash burn to remain low until such time as material works begin at the Navi Mumbai facility. The Company remains debt free and therefore has a very flexible capital structure. As announced on 28 February 2012, SPL's Chairman Nikhil Gandhi, the executive management and others associated with the Company are proud and protective of their track record of building world-class infrastructure projects in India on time and on budget. As a result, whilst the Directors continue to expect to complete the project broadly in line with the original timetable, the Company will seek to return cash to shareholders in the event that outstanding consents and approvals are not obtained in sufficient time to enable reclamation works to commence at the Navi Mumbai facility during this calendar year.

The Company is in the process of evaluating candidates to further strengthen the board and aid management in the delivery of a successful business, and it is anticipated that further announcements will be made in this regard in the near term. The Group will also increase personnel on the ground in India once ground-works commence; the first hire is anticipated to be a head of the finance and reporting function for SPL and will be based in Mumbai.

The Company continues to analyse a number of strategic avenues to enhance shareholder value but the focus amongst the Directors and SPL management remains to deliver a world-class port and logistics facility in the Navi Mumbai region on time and within budget. The Directors look forward to updating the market with further developments on the Company's path to becoming a leading ports and logistics developer and operator.

Principal risks and uncertainties

The Directors believe that the management of the business and the implementation of the Company's plans are potentially exposed to a variety of risks. The admission document published by the Company in connection with Admission (a copy of which is available on the Company's website at www.skilpl.com) sets out a number of the principal risks that the Directors considered, at the time of Admission, the Company and its business were potentially exposed to. Potential financial risks have also been disclosed in the Company's accounts and specifically the notes thereto.

Directors' Responsibilities

In accordance with The Companies (Guernsey) Law, 2008, the Directors are responsible for preparing financial statements for each financial period, which give a true and fair view, in accordance with applicable law and regulations. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures noted in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of the financial statements confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Grant Thornton UK LLP have expressed their willingness to continue in office as auditors, and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

Annual General Meeting ("AGM")

The AGM will be held at 12 noon on 12 July 2012 at the Company's registered office at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW. The notice convening the AGM and the associated form of proxy accompany this document.

Signed for and on behalf of the Directors on 16th May, 2012.

Nikhil Gandhi, Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SKIL PORTS & LOGISTICS LIMITED

We have audited the financial statements of SKIL Ports & Logistics Limited for the period ended 31 December 2011 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance withSection 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report for the period ended 31 December 2011 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair viewof the state of the company's affairs as at 31 December 2011 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you, if in our opinion:

- the company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
London
16 May 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

From 24 August 2010 (Date of incorporation) to 31 December 2011

	Notes	£000
CONTINUING OPERATIONS		
Revenue		–
		–
Administrative Expenses	5	**(1,609)**
OPERATING LOSS		**(1,609)**
Finance income	6	**5,767**
Finance expense		**–**
NET FINANCING INCOME		**5,767**
PROFIT BEFORE TAX		**4,158**
Tax expense	7	**(1,891)**
PROFIT FOR THE PERIOD		**2,267**
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Exchange differences on translating foreign operations		**(11,824)**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		**(9,557)**
Earnings per share (consolidated):		
Basic, for the period attributable to ordinary equity holders (pence)	9	0.056

The notes form part of these consolidated financial statements.

There were no recognised gains or losses other than the profit for the financial period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	£000
Assets		
Property, plant and equipment	10	**328**
Total non-current assets		**328**
Trade and other receivables	11	**64**
Cash and cash equivalents	12	**63,447**
Total current assets		**63,511**
Total assets		**63,839**
Equity		
Share Premium	14	**71,596**
Retained earnings	14	**2,267**
Translation Reserve	14	**(11,824)**
Total equity		**62,039**
Liabilities		
Current tax liabilities	7	**1,646**
Trade and other payables	15	**154**
Total current liabilities		**1,800**
Total liabilities		**1,800**
Total equity and liabilities		**63,839**

The notes form part of these consolidated financial statements.

The financial statements were approved by the directors and authorised for issue on 16th May 2012 and were signed on their behalf by:

Nikhil Gandhi
Chairman

CONSOLIDATED STATEMENT OF CASH FLOWS

From 24 August 2010 (Date of incorporation) to 31 December 2011

	Notes	£000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		**4,158**
Adjustments	17	**(5,232)**
Operating profit before working capital changes		**(1,074)**
Net changes in working capital	17	**90**
Net cash generated from operating activities		**(984)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets		**(332)**
Finance Income		**5,767**
Net cash used in investing activities		**5,435**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (net of issue costs)		**71,596**
Net cash generated from financing activities		**71,596**
Increase in cash during the period		**76,047**
Cash balance at the beginning of the period		**–**
Exchange differences on cash and cash equivalents		**12,600**
Cash balance at the end of the period		**63,447**

The notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

From 24 August 2010 (Date of incorporation) to 31 December 2011

	Share Premium £000	**Currency Translation Reserve £000**	**Retained Earnings £000**	**Total Equity £000**
Issue of shares	76,006	–	0	76,006
Share issue costs	(4,410)	–	0	(4,410)
Transactions with owners	71,596	–	0	71,596
Profit for the period	–	–	2,267	2,267
Other comprehensive income				
Foreign currency translation differences for foreign operations	–	(11,824)	0	(11,824)
Total comprehensive income	–	(11,824)	2,267	(9,557)
As at 31 December 2011	**71,596**	**(11,824)**	**2,267**	**62,039**

The notes form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

From 24 August 2010 (Date of incorporation) to 31 December 2011

1. CORPORATE INFORMATION

SKIL Ports & Logistics Limited (the "Company") is incorporated in Guernsey under the Companies (Guernsey) Law 2008 with registered number 52321 on 24 August 2010. Its registered office and principal place of business is 1st & 2nd Floors Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW. It was admitted to AIM on 7 October 2010.

The consolidated financial statements of SKIL Ports & Logistics Limited comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements have been prepared for the period from 24 August 2010 (date of incorporation) to 31 December 2011, and are presented in Great Britain Pounds Sterling (GBP).

The principal activities of the Group are to develop, own and operate port and logistics facilities in India.

As at 31 December 2011, the Group had 7 (seven) employees.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and also to comply with the Companies (Guernsey) Law 2008.

The period from 24 August 2010 (date of incorporation) to 31 December 2011 is the first period of the Group's operations and, therefore, no comparatives are presented.

The financial statements have been prepared on a going concern basis as the Group has adequate funds to enable it to exist as a going concern for the foreseeable future. The Company is currently awaiting statutory approvals prior to commencement of ground works at its site. After receiving necessary approvals the management believe that they will have sufficient equity and headroom in the capital structure for the build out of the facility. Currently the company has no debt and limited expenses. The Company closely monitors and manages its liquidity risk. In assessing the Group's going concern status, the directors have taken account of the financial position of the Group, anticipated future utilisation of available bank facilities, its capital investment plans and forecast of gross operating margins as and when the operations commence.

Based on the above, the board of directors believes that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(b) Basis of Consolidation

The consolidated financial statements incorporate the results of the Company and entities controlled by the Company (its subsidiaries) up to 31 December 2011. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through holding more than half of the voting rights. The financial statements of the subsidiaries are prepared for the same period as the Company, using consistent accounting policies.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired during the year are recognised from the effective date of acquisition.

The results of subsidiaries acquired during the period are included in the consolidated income statement from the effective date of acquisition. Individual profit and loss account and balance sheet of the subsidiaries are not presented.

(c) LIST OF SUBSIDIARIES

Details of the Group's subsidiaries which are consolidated into the company's financial statements are as follows:

Subsidiary	Immediate Parent	Country of Incorporation	% Voting Rights	% Economic Interest
Karanja Terminal & Logistics (Cyprus) Limited	SKIL Ports & Logistics Limited	Cyprus	100.00	100.00
Karanja Terminal & Logistics Private Limited	Karanja Terminal & Logistics (Cyprus) Limited	India	99.71	99.71

(d) FOREIGN CURRENCY TRANSLATION

The consolidated financial statements are presented in Great Britain Pounds Sterling (GBP), which is the Company's functional currency. The functional currency for all of the subsidiaries within the Group is as detailed below:

– Karanja Terminal & Logistics (Cyprus) Ltd. -Euro
– Karanja Terminal & Logistics Private Limited -INR

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at exchange rates ruling at the balance sheet date are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date).

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation.

On consolidation, the assets and liabilities of foreign operations are translated into GBP at the exchange rate at the reporting date. The income and expenses of foreign operations are translated into GBP at the average exchange rates for the period. Foreign currency differences are recognised in other comprehensive income; in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR shall be transferred to profit or loss.

(e) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The Group applies revenue recognition criteria to each separately identifiable component. In particular:

Interest income

Interest income is reported on an accrual basis using the effective interest method.

The Group is in process of constructing its initial project, the creation of a modern and efficient port and logistics facility in India.The Group has not yet commenced operations and hence, currently does not have any revenue from operations of its core business activity.

(f) INCOME TAX

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax.

Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are measured at the balance sheet date at the amount expected to be recovered from or paid to the taxation authorities. Current tax is payable on taxable profit, which may differ from profit or loss in the financial statements. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply to the year when the related asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilized against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(g) FINANCIAL ASSETS

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Group's financial assets are loans and receivables.Financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(h) FINANCIAL LIABILITIES

The Group's financial liabilities include trade and other payables. Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

(i) PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The Group is in the process of constructing its initial project, the creation of a modern and efficient port and logistics facility in India. All the expenditure incurred in respect of terminal port under development is carried at historical cost under Capital Work In Progress. Cost includes professional fees, material charges, construction costs and other direct expenditure.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is recognised in profit or loss over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold improvements are amortized over the shorter of the lease term or their useful lives.

The estimated useful lives for the current periods are as follows:

– Port and Logistics facility	50-55 years
– Equipment	3-5 years
– Computers	2-3 years
– Furniture	5-7 years
– Leasehold Improvements	1-2 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(j) TRADE RECEIVABLES AND PAYABLES

Trade receivables are financial assets categorized as loans and receivables, measured initially at fair value and subsequently at amortised cost using effective interest rate method, less an allowance for impairment. An allowance for impairment is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

Trade payables are financial liabilities at amortised cost, measured initially at fair value and subsequently at amortised cost using effective interest rate method.

(k) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(m) SHARE CAPITAL AND RESERVES

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital reduced by share issue costs.

Retained earnings include all current and prior period retained profits.

The foreign currency translation reserve is on account of foreign exchange rate difference on re-translation of investment in foreign operations on conversion from functional currency to presentation currency and difference arising due to monthly profit and loss items being translated at average exchange rates whereas the profit and loss figure in the functional currency balance sheet is translated at the year-end exchange rate to presentation currency.

(n) PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Company’s management team/director’s best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(o) DIVIDENDS

Dividend distributions, if any, to the Company's shareholders are recognised as another liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders in a general meeting.

Subject to the provisions of the Company's articles of incorporation, the Company's board of directors may by ordinary resolution declare that out of profits available for distribution in accordance with Guernsey law, dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the board of directors. There is no fixed date on which an entitlement to dividend arises.

(p) IMPAIRMENT OF FINANCIAL AND OTHER ASSETS

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortized cost, the reversal is recognised in profit or loss.

Property, Plant and Equipment

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that the property, plant and equipment may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

Considering the current stage of the Group, it possesses very limited equipment. Going-forward as the Group accumulates property, plant and equipment, these will be stated at cost, net of accumulated depreciation and/or impairment losses, if any. The cost will include expenditures that are directly attributable to property, plant and equipment such as employee cost, if recognition criteria are met. Likewise, when a major inspection will be performed, its costs will be recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria have been satisfied. All other repairs and maintenance will be recognised in the profit and loss as incurred. There is currently no impairment of property, plant and equipment.

(q) STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group. These are listed below and are not expected to have a material impact on the Group's financial statements.

New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 January 2011 are:

- IFRS 9 Financial Instruments (effective 1 January 2015)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 19 Employee Benefits (Revised June 2011) (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)

- Disclosures - Transfers of Financial Assets - Amendments to IFRS 7 (effective 1 July 2011)
- Deferred Tax: Recovery of Underlying Assets - Amendments to IAS 12 Income Taxes (effective 1 January 2012)
- Presentation of Items of Other Comprehensive Income - Amendments to IAS 1 (effective 1 July 2012)
- Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7 (effective 1 January 2013)
- Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32 (effective 1 January 2014)
- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (effective 1 January 2015)
- Government Loans - Amendments to IFRS 1 (effective 1 January 2013)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)

(r) SHARE OPTIONS

The Company has an equity-settled share-based plan in place. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where individuals are rewarded using share-based payments, the fair values of individuals services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based cost is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The following are the significant management judgment in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Warrants

The Board of Directors are of the opinion that based on where the company is currently with regards to the build out of the facility that the founder warrants are not vested and hence no charge is recognised in the current year P&L.

Functional Currency

The Board of Directors believe that the functional currency of the group is GBP. This is based on the fact that the funds raised at the time of the IPO were in GBP and that any dividends that may be paid to shareholders in the future will also be denominated in GBP. SPL which is the managing entity of all the subsidiaries is managed and controlled in Guernsey.

Capitalisation of expenses related to port and logistics facility

Management judgment is required for the capitalisation or expensing of costs incurred for the port and logistics facility. The Group is in process of constructing its initial project, the creation of a modern and efficient port and logistics facility in India. All the expenditure incurred in respect of terminal port under development is carried at historical cost under Capital Work In Progress. Cost includes professional fees, material charges, construction costs and other direct expenditure.

The estimated useful life of the port and logistics facility under development is estimated around 50-55 years.

Estimation uncertainty

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to obsolescence that may change the utility of certain assets.

4. SEGMENTAL REPORTING

The Group has only one operating and geographic segment, being the project on hand in India and hence no separate segmental report has been presented.

5. ADMINISTRATIVE EXPENSES

	£000
Employee costs	334
Travelling expenses	382
Professional fees	688
Directors' fees	104
Communication charges	28
Other administration costs	69
Depreciation	4
Foreign currency gains/losses	–
	1,609

6. INVESTMENT INCOME

	£000
Interest on corporate deposits	5,660
Bank interest	20
Interest on fixed deposits receipts	87
	5,767

7. INCOME TAX

Reconciliation between profit before tax and actual tax expense

	£000
Profit before tax as per accounts	4,158
Tax at the applicable tax rate in India*	1,363
Adjustment for non-deductible expenses:	
Administrative expenses	528
Actual tax expense	**1,891**

* The Indian corporate tax rate for part of the period is 33.22% up to 31 March 2011 and 32.445% from 1 April 2011 to 31 December 2011. Tax expense is calculated based on the average tax rate of 32.79%.

The current income tax charge of £1,891,000 represents tax charges on profit arising in India converted at average exchange rates for the period. Administrative expenses are not taken as deductions for tax income since they shall not be allowed until commencement of operations.

Current tax liabilities of £1,646,000 represent the tax charges on profit arising in India converted at the year-end exchange rate.

The major components of income tax expense for the period ended 31 December 2011 are:

	£000
CURRENT INCOME TAX	
Current income tax charge	1,891
DEFERRED TAX	
Relating to origination and reversal of temporary differences	–
Income tax expense reported in the income statement	**1,891**

The Company is incorporated in Guernsey under the Companies (Guernsey) Law 2008, as amended.

The Guernsey tax rate for companies is 0%. The rate of withholding tax on dividend payments to non-residents by companies within the 0% corporate income tax regime is also 0%.

Accordingly, the Company will have no liability to Guernsey income tax on its income or gains and there will be no requirement to deduct withholding tax from payments of dividends to non-resident shareholders.

There are no corporation, capital gains or inheritance taxes payable in Guernsey.

8. AUDITORS' REMUNERATION

The following are the details of fees paid to the auditors, Grant Thornton UK LLP and Indian auditors, in various capacities for the year:

FEES PAID AS	**£000**
Statutory auditors (*)	15
- Interim review	
- Annual audit	30
Non audit service (**)	73
- Corporate finance work	
Total	**118**

(*) charged to the income statement
(**) charged to the share premium account

9. EARNINGS PER SHARE

Both basic and diluted earnings per share for the period ended 31 December 2011 have been calculated using the profit attributable to equity holders of the Company of £2,267,301.

Profit attributable to equity holders of the parent	£ 2,267,301
Weighted average number of shares used in basic earnings per share	40,253,737

EARNINGS PER SHARE	**Pence**
Basic earnings per share	0.056

There are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

10. PROPERTY, PLANT AND EQUIPMENT

	Computers £000	Office Equipment £000	Furniture £000	Capital Work In Progress £000	Total £000
COST					
As at 24 August 2010	–	–	–	–	–
Additions	6	11	9	306	332
Balance as at 31 December 2011	**6**	**11**	**9**	**306**	**332**
DEPRECIATION					
Charge for the period	(2)	(1)	(1)	–	(4)
Balance as at 31 December 2011	4	10	8	306	328

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

	£000
Deposits	2
Debtors	62
	64

12. CASH AND CASH EQUIVALENTS

	Group £000	Company £000
Cash at bank and in hand	4,702	4,544
Deposits	58,745	–
	63,447	**4,544**

Cash at bank earns interest at floating rates based on bank deposit rates. Short-term deposits are callable on demand depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is £63,447,000

As at 31 December 2011, there is no cash held in blocked accounts.

13. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market foreign exchange rates. The Company's presentation currency is the Great Britain Pound.

The functional currency of SPL is GBP. The functional currency of its subsidiary Karanja Terminal & Logistics Private Limited (KTLPL) is INR and the functional currency of Karanja Terminal & Logistics (Cyprus) Limited is the Euro. Any difference in cash balances on the account of exchange rate fluctuations between INR/GBP are taken in equity as the translation currency is INR and the presentation currency is GBP. There are no flows between the parent and KTLPL and therefore, there are no other currency risks or exposures at the balance sheet date.

(ii) Price risk

The Group is currently not exposed to any price risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As of 31st December 2011 the Company has no debt instruments or interest rate derivatives and therefore, SPL has limited interest rate risk other than what it receives in interest with regards to the cash the Company has on deposit. Further, the Group utilises fixed rates of deposit and thus a 100 basis point increase or decrease in interest rates would have an immaterial impact on the Group's equity.

(b) Credit risk

Credit risk is the risk that counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date. The Group's policy is to deal only with creditworthy counterparties. The Group has no significant concentrations of credit risk.

The Company does not concentrate any of its deposits in one bank or non-banking finance company (NBFC). This is seen as being prudent. Credit risk is managed by the management having conducted its own due diligence. The balances held with NBFC's and banks are on a short term basis. The Company receives a fixed interest and thus has limited interest rate risk. Management reviews quarterly NAV information sent by NBFC's and monitors bank counter-party risk on an on-going basis.

(c) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its financial obligations. To date all investments have been funded by cash from the IPO and the Group has no debt. The Group has adequate cash to pay its creditors.

Financial Instruments

Fair Values

Set out below is a comparison by category of carrying amounts and fair values of the entire Group's financial instruments that are carried in the financial statements.

	Note	Loans and Receivables (carried at amortised cost)	Total
		£000	£000
FINANCIAL ASSETS			
Cash and Cash Equivalents	12	63,447	63,447
Trade and other receivables	11	64	64
		63,511	**63,511**

	Note	Other Liabilities (carried at amortised cost)	Total
		£000	£000
FINANCIAL LIABILITIES			
Trade and other payables	15	154	154
		154	**154**

14. EQUITY

14.1 Issued Capital

The issued fully paid up share capital of the company as at December 31, 2011 was 44,000,000 Ordinary Shares of no par value. The share premium amount on the no par value shares amounts to £71,596,000 after reduction of share issue costs of £4,410,000

Holders of the ordinary shares are entitled to receive dividends and other distributions and to attend and vote at any general meeting.

14.2 Other Components of Equity

Retained Earnings

Retained earnings of £ 2,267,000 include all current period retained profits.

Translation Reserve

The foreign currency translation reserve of (£11,824,000) is on account of foreign exchange rate difference on re-translation of foreign operations and on account of differences in average exchange rates used in profit and loss account and closing exchange rate used in balance sheet.

15. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	£000
Sundry creditors	139
Duties and taxes	15
	154

16. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of the Company and the subsidiaries listed in the following table:

Name	Country of Incorporation	Field of Activity	Ownership Interest	Type of Share Held
HELD BY The Company				
Karanja Terminal & Logistics (Cyprus) Ltd.	Cyprus	Holding company	100.00%	Ordinary
HELD BY Karanja Terminal & Logistics (Cyprus) Ltd. :-				
Karanja Terminal & Logistics Pvt. Ltd.	India	Operating company– Terminal project	99.71%	Ordinary

The Group has the following related parties with whom it entered into transactions with during the period.

a) Shareholder having significant influence

The following shareholders of the Group have had a significant influence during the period under review:

– SKIL Global Ports & Logistics Limited, which is 100% owned by Mr. Nikhil Gandhi, holds 28.91% of issued share capital at the period end.

b) Key Managerial personnel

Non-executive Directors

– Mr. Peter Anthony Jones
– Mr. James Stocks Sutcliffe

Chief Executive Officer and Key Managers

– Mr. Pavan Bakhshi (Managing Director)

c) Other related party disclosures

– SKIL Infrastructure Ltd.
– JPT Securities Limited.
– Grevek Investment & Finance Private Limited.

The following transactions took place between the Group and related parties during the financial period:

Transactions with shareholder having significant influence

SKIL Global Ports & Logistics Limited – Receivable amount: GBP 33,895

Transactions with subsidiaries
None

Transactions with key management personnel of the parent
See Key Management Personnel Compensation details as provided below

Advisory services fee
None

Key management personnel compensation
Fees paid to persons or entities considered to be key management personnel of the Group include:

	£000
Directors' fees	85
– Peter Jones	45
– James Sutcliffe	40
Consultancy charges	–
Salaries	
– Short-term employee benefits	175
– Pavan Bakhshi	
– Post-employment benefits	–
– Other long-term benefits	
– Termination benefits	–
– Equity compensation benefits	–
Total compensation paid to key management personnel	175

SKIL Global Ports & Logistics Limited (controlled by Mr. Nikhil Gandhi) and Mr. Pavan Bakhshi (together the "Founder Shareholders"), as the sole shareholders of the Company prior to admission, have been granted warrants by the Company to subscribe, for 4,400,000 ordinary shares at nominal consideration within three months of the earlier of 1) the Multi-purpose Terminal and Logistics Park becoming fully operational and 2) the Group generating annualised consolidated revenues of at least GBP 48 million in any consecutive three month period ending on or prior to 31 December 2015.

Cenkos Securities PLC have been granted warrants to subscribe for 220,000 ordinary shares exercisable at £2.50 per share at any time within five years ending October 7, 2015.

Corporate deposits
As at 31 December 31, 2011, the Group had GBP 975,594 as demand deposits with related parties.

1. Name: JPT Securities Limited
   Amount of deposit: Rs. 47,500,000 (GBP 557,650 @ 1 INR = 0.01174 GBP)
   Nature: Unsecured; Callable on Demand
   Interest Rate: 5 per cent per annum
   Nature of Relationship: Mr. Nikhil Gandhi has a controlling interest in JPT Securities Ltd.

2. Name: Grevek Investment & Finance Private Limited
   Amount of deposit: Rs. 35,600,000 (GBP 417,944 @ 1 INR = 0.01174 GBP)
   Nature: Unsecured; Callable on Demand
   Interest Rate: 5 per cent per annum
   Nature of Relationship: Mr. Nikhil Gandhi has a controlling interest in Grevek Investment & Finance Private Ltd.

Payment of liability on behalf of the Group
SKIL Infrastructure Ltd. has paid IPO expenses of GBP 54,438 on behalf of Karanja Terminal & Logistics Pvt. Ltd., India. This amount appears as a Trade Payable under Current Liabilities and shall be paid within twelve months from the Balance Sheet date.

Ultimate controlling party
None

17. CASH FLOW ADJUSTMENTS AND CHANGES IN WORKING CAPITAL

The following non-cash flow adjustments and adjustments for changes in working capital have been made to profit before tax to arrive at operating cash flow:

Adjustments	**£000**
Depreciation	4
Finance income	(5,767)
Miscellaneous	531
	(5,232)

Net changes in working capital	**£000**
Change in trade and other receivables	(64)
Change in trade and other payables	154
	90

18. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- To ensure the Group's ability to continue as going concern
- To provide an adequate return to shareholders

by development of the port and logistics facility and effective & efficient operation of the business commensurate with the level of risk.

The Company currently has no debt. The Company will source debt once all the requisite approvals are in place and construction begins. The Company believes that it is adequately capitalised and will pursue a conservative capital structure during the development and operational phrase. The Board has no immediate plans for paying a dividend and as such would only consider a dividend or share buy-back at a time where the project has significant free cash flow. The capital that was raised at the time of the IPO has been earmarked for the build out of the Company's project in Navi Mumbai and for the general working capital of the Company.

As building of the project has not commenced the Company manages its capital by depositing its funds with various banks and NBFCs (Non-Banking Financial Companies). The Company seeks to maximise its interest income through this route in preparation for the build out of the project. Once the project build out commences the cash usage rate will increase and the management will seek to manage the cash usage in a conservative manner while always maintaining enough head room to employ debt securities or hybrid securities. The cash management policy is reviewed at board meetings.

Capital

The Company's capital includes share premium (reduced by share issue costs), retained earnings and translation reserve which are reflected on the face of the balance sheet and in Note 14.

Shares in issue: As at December 31, 2011 44,000,000 ordinary shares of no par value were in issue.

19. CONTINGENT LIABILITIES AND COMMITMENTS

The Company has no contingent liabilities as at 31 December 2011. The Group does not have any capital commitments as at 31 December 2011.

20. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There are no events subsequent to the balance sheet date that affect the accounts reflected on the balance sheet date.

21. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2011 were approved and authorized for issue by the board of directors on 16 May 2012.

Registered Number 52321

SKIL Ports & Logistics Limited
(the "Company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the Company shall be held at the registered office of the Company at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW on 12 July 2012 at 12 noon for the purpose of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 4 inclusive shall be proposed as ordinary resolutions and resolutions 5 and 6 shall be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. THAT the audited consolidated financial statements for the period ended on 31 December 2011 for the Company and its subsidiaries, together with the directors' report and auditors' report thereon, be and hereby are received and considered;

2. THAT the board of directors of the Company (the "**Board**" or the "**Directors**") be and hereby is authorised to fix the Directors' remuneration, which for the executive Directors will be informed by the recommendations of the remuneration committee of the Board, save that no Director shall vote in relation to his own remuneration;

3. THAT upon the recommendation of the Directors, Grant Thornton UK LLP be and hereby are re-appointed as auditors to the Company, and that the Board be authorised to fix the remuneration of the auditors;

4. THAT Mr Peter Anthony Jones be and hereby is re-appointed as a Director, following his retirement by rotation pursuant to article 18 of the articles of incorporation of the Company (the "Articles");

SPECIAL RESOLUTIONS

5. THAT the Directors be and hereby are authorised to exercise all powers of the Company to issue up to 14,666,666 ordinary shares of no par value ("**Shares**"), being one third of the number of Shares in issue at the date of this document, such authority to replace and supercede an authority on the same terms granted to the Directors by resolutions passed at the Company's annual general meeting held in July 2011, and such authority to expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, at the end of the next annual general meeting of the Company (unless previously renewed, revoked or varied by the Company by special resolution) save that the Company may before such expiry make an offer or agreement which would or might require Shares to be issued (or require rights to subscribe for or to convert any security into shares to be granted) after such expiry and the Directors may issue shares (or grant such rights) in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired.

6. THAT, in accordance with article 4.5 of the Articles, the Directors be and hereby are authorised to issue Shares for cash as if the pre-emption rights contained in article 4.3 of the Articles did not apply to such issues, this power being limited to:

   a) the issue of Shares in connection with an offer of such Shares by way of rights (including without limitation, under a rights issue, open offer or similar arrangement) to holders of Shares in proportion (as nearly as may be practicable) to their respective holdings of such securities, but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient to deal with fractional entitlements, record dates or any other legal or practical problems under the laws of any territory, or the requirements of any regulatory authority or stock exchange; and

   b) the issue of up to 2,200,000 Shares, being 5 per cent. of the number of Shares in issue at the date of this document,

   such authority to expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, at the end of the next annual general meeting of the Company (unless previously renewed, revoked or varied by the Company by special resolution) save that the Company may before such expiry make an offer or agreement which would or might require Shares to be issued (or require rights to subscribe for or to convert any security into shares to be granted) after such expiry and the Directors may issue shares (or grant such rights) in pursuance of such an offer or agreement as if the authority conferred by the above resolution had not expired.

BY ORDER OF THE BOARD

C.L. Secretaries Limited **16 May 2012**

Explanatory notes to the resolutions proposed at the annual general meeting (the "Meeting") of the Company to be held at the registered office of the Company at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW on 12 July 2012 at 12 noon.

Resolution 1 – The Company is required by its Articles to lay before the Meeting its accounts for the Company's first accounting period, ended 31 December 2011, together with the directors' and auditors' reports thereon. Consolidated group accounts have been prepared for the period in respect of the Company and its subsidiaries, Karanja Terminal & Logistics (Cyprus) Limited and Karanja Terminal & Logistics Private Limited.

Resolution 2 – This resolution concerns the authority of the Board, subject to the recommendations of its remuneration committee in the case of executive directors, to fix the remuneration of the directors of the Company. The remuneration committee of the Board was established on 1 October 2010 and is made up of Mr Nikhil Gandhi, Mr Peter Jones and Mr James Sutcliffe.

Resolution 3 – This resolution concerns the re-appointment of Grant Thornton UK LLP ("**GT**"), recommended by the Directors for operational reasons, as auditors to the Company. Whilst resolving to re-appoint GT as auditors to the Company, the resolution also authorises the Board to fix the auditors' remuneration.

Resolution 4 – A third (or the number nearest to and less than one-third) of the Directors are required to retire from office by the Articles of the Company and seek re-appointment at the Meeting. Biographies of the Directors were contained in the Company's AIM admission document dated 4 October 2010.

Resolutions 5 and 6 – These resolutions concern the authority of the Directors to allot up to one third of the Company's existing issued share capital (including up to 5 per cent. as if the pre-emption rights contained in the Articles did not apply), in line with UK corporate governance best practice.

Please also read the notes overleaf which provide further information in respect of the Meeting.

NOTES:

Quorum

1. The quorum for the meeting shall be two shareholders present in person or by proxy. If, within fifteen minutes from the appointed time for the meeting, a quorum is not present, then the meeting will stand adjourned to the same day in the next week (or if that day is a public holiday in the Island of Guernsey to the next working day thereafter) at the same time and place or to such other day, time or place as the Directors may determine and no notice of such adjournment need be given. At an adjourned meeting, Shareholders present in person or by proxy will form a quorum.

Website address

2. Information regarding the meeting is available from www.skilpl.com.

Entitlement to attend and vote

3. Only those holders of ordinary shares of no par value in the capital of the Company ("**Shares**") registered on the Company's register of members at 12 noon on 10 July 2012 shall be entitled to attend and vote at the meeting.

Appointment of Proxies

4. Members entitled to attend, speak and vote at the meeting (in accordance with Note 3 above) are entitled to appoint one or more proxies to attend, speak and vote in their place. If you wish to appoint a proxy please use the form of proxy enclosed with this document (the "**Form of Proxy**"). In the case of joint members, only one need sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. The completion and return of the Form of Proxy will not stop you attending and voting in person at the meeting should you wish to do so. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies use a separate copy of this form (which you may photocopy) for each proxy, and indicate after the proxy's name the number of shares in relation to which they are authorised to act (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope.

5. You can appoint the chairman of the meeting, or any other person, as your proxy. If you wish to appoint someone other than the chairman, cross out the words "the Chairman of the Meeting" on the Form of Proxy and insert the full name of your appointee.

6. You can instruct your proxy how to vote on each resolution by ticking the "For" and "Against" boxes as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution please tick the box which is marked "Vote Withheld". It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.

   If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if how so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the meeting.

   A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

Appointment of Proxy using Hard Copy Form

7. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom at 12 noon on 10 July 2012 in respect of the meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Capita Registrars no later than 48 hours before the rescheduled meeting.

On completing the Form of Proxy, sign it and return it to Capita Registrars at the address shown on the reverse of the Form of Proxy. As postage has been prepaid no stamp is required. You may, if you prefer, return the Form of Proxy in a sealed envelope to the address shown above.

Termination of proxy appointments

8. In order to revoke a proxy instruction you will need to inform the Company. Please send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom.

   In the case of a member which is a company incorporated in England and Wales or Northern Ireland, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.

   If you attempt to revoke your proxy appointment but the revocation is received after the time of the meeting or the taking of the vote at which the proxy is used, then, subject to the paragraph directly below, your proxy will remain valid.

   If you submit more than one valid proxy appointment in respect of the same Shares, the appointment received last before the latest time for receipt of proxies will take precedence.

   Completion of a Form of Proxy will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

Issued Shares and total voting rights

9. The total number of shares in issue in the capital of the Company at the date of this notice is 44,000,000 ordinary shares of no par value.

   On a vote by a show of hands, every holder of Shares who (being an individual) is present by a person, by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member, shall have one vote. On a poll every holder of Shares who is present in person or by proxy shall have one vote for every complete Share held by him and such proportion of a vote that represents the number of fractions of a Share so held.

Communication

10. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

    - calling Capita Registrars' shareholder helpline (lines are open from 8.30am to 5.30pm Monday to Friday, excluding public holidays):

      (i) From the UK: 0871 664 0300 (calls cost 10p per minute plus network extras);

      (ii) From outside the UK: +44 208 639 3399 (calls from outside the UK are charged at applicable international rates); or

    - in writing to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, BR3 4TU, United Kingdom.

    You may not use any electronic address provided either:

    - in this notice of meeting; or

    - any related documents (including the Form of Proxy for this meeting),

    to communicate with the Company for any purposes other than those expressly stated.

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Registered Number 52321

SKIL Ports & Logistics Limited
(the "Company")

Form of Proxy for use at the annual general meeting of the Company to be held at the registered office of the Company at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW on 12 July 2012 at 12 noon.

I/We ....

(in BLOCK CAPITALS please)

of ....

being a shareholder(s) of the above-named Company, appoint the Chairman of the meeting or ....

to act as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at the registered office of the Company at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW on 12 July 2012 at 12 noon and at every adjournment thereof and to vote for me/us on my/our behalf as directed below.

Please indicate with an 'X' in the spaces below how you wish you vote to be cast. If no indication is given your proxy will vote for or against the resolutions or abstain from voting as he thinks fit.

Resolutions	For	Against	Withheld	Discretionary
1. To receive the Company's audited consolidated financial statements for the period ended 31 December 2011 together with the directors' and auditors' reports thereon.				
2. To authorise the board of directors ("**Directors**") to fix the Directors' remuneration.				
3. To re-appoint Grant Thornton UK LLP as auditors to the Company, and authorising the Directors to fix their remuneration.				
4. To re-appoint Peter Anthony Jones as a Director.				
5. To authorise and empower the Directors to issue further securities.				
6. To authorise and empower the Directors to disapply pre-emption rights in relation to equity securities issued under the authority conferred by resolution 5.				

Please tick here ☐ *if this proxy appointment is one of multiple appointments being made (***See note 5 overleaf***)*

Signed .... Dated 2012

Notes

1. If any other proxy is preferred, strike out the words "Chairman of the Meeting" and add the name and address of the proxy you wish to appoint, who need not be a member. Any such amendment must be initialed.
2. If the appointer is a corporation this form must be completed under its common seal or under the hand of some officer or attorney duly authorised in writing.
3. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for or against a resolution
4. The signature of any one of joint holders will be sufficient, but the names of all the joint holders should be stated.
5. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
6. To be valid, this form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power must reach the registrars of the Company, Capita Registrars, at PXS, 34 Beckenham Road, Beckenham BR3 4TU, United Kingdom not later than 12 noon on 10 July 2012 (or not less than forty-eight hours before the time appointed for holding the General Meeting in the event of an adjournment as the case may be).
7. The completion of this form will not preclude a member from attending the Meeting and voting in person.