

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

9 July 2019

Anglo African Agriculture plc

(“AAA” or the “Company”)

Comarco Group receives consent to designate Mombasa facility as a Private Port

As announced on 10th June 2019, AAA has signed conditional share purchase agreements to acquire the entire share capital of a number of companies within the Comarco group of companies that are based in Kenya and engaged in the port and marine logistics business (the **“Proposed Acquisition”**).

Whilst the Proposed Acquisition remains subject to a number of conditions, AAA intends to continue to inform shareholders and investors of developments in the Comarco Group.

The Proposed Acquisition, if completed, would result in current AAA shareholders having a minority interest (expected to be less than 5%) in the Enlarged Group and would constitute a Reverse Takeover (**“RTO”**) under the Listing Rules. AAA and Comarco Group are continuing to work towards the successful completion of the RTO and a Share Registration Document is in the process of being prepared.

AAA is pleased to announce a significant development concerning the Comarco Port and in relation to current trading within Comarco.

Private Port Facility

Comarco Group has obtained the consent of the Kenya Revenue Authority to gazette its Mombasa port area as an entry and export area for customs purposes by the Commissioner of Customs and Border. This will open up considerable business opportunities for the Comarco Group in future.

Historically, three of the companies within Comarco Group were registered as EPZ (Export Processing Zone) companies within the Kenyan EPZA programme (<https://epzakenya.com>), namely: Comarco Properties (EPZ) Limited (CPL), Kenya Marine Contractors (EPZ) Limited (KMC) and Comarco Supply Base (EPZ) Limited (CSB). The principal attractions of the EPZ programme are that all imports are duty free, VAT exempt, and are eligible for a corporate tax holiday of 10 years, thereafter, reducing to 25%.

CPL and KMC converted to EPZ companies in 2003. The principal reasons for doing so were as follows:

- The majority of the work being undertaken by Comarco Group was outside of Kenya;
- Repairs and maintenance to Comarco Group’s vessels and equipment were classed as export services and attracted tax relief through the EPZ programme; and
- The duty free importation of equipment such as cranes, trucks, front end loaders was made considerably easier and facilitated Comarco Group’s operational ability and asset base.

In recent times, it became apparent that keeping CPL within the EPZ programme, in isolation, would be a hindrance to the Group’s strategy as opportunities for the Port would be limited to exports only. In recent consultation with the Kenya Port Authority and the Kenya Revenue Authority, Comarco Group was advised to apply for the gazette of the Port area as an entry and export area for customs purposes together with the operation of a sufferance wharf as this would enable Comarco Group to import cargo through the Port as well as to export cargo. KMC and CSB will remain within the EPZ programme but will operate from a different location.

Comarco Group has obtained the consent of the Kenya Revenue Authority to gazette its Mombasa port area as an entry and export area for customs purposes by the Commissioner of Customs and Border. This means that:

- The Comarco Port has been designated as a Kenyan Entry & Exit Point;
- The Comarco jetty has been designated a sufferance wharf and customs area; and
- The Port has been designated as a customs bonded warehouse.

These permissions enable Comarco Group to operate as an independent port facility, which will allow the Group to consolidate and expand its port operations to a significantly wider user base.

As a consequence of the above, Comarco Group has signed a contract with Samruddha Kenya Limited for the export of 500,000mt of iron ore in bulk over a one year period.

In addition, Comarco Group has finalised a contract with RK Sanghani Limited for the export of 200,000mt of iron ore in bulk over a six month period.

Comarco Group expects that the gazettment will facilitate negotiation and completion of other similar scale long term contracts in the future.

Comarco Group

Comarco Group owns a port and a vessel fleet located in a key strategic position for servicing East African, on and offshore, shipping and on shore demands. Kenya and in particular Mombasa is the key strategic hub for Eastern and Central Africa and the Comarco port is ideally positioned as a full service, deep water, functioning port for developments in the oil and gas sector in Mozambique. Comarco Group strategy is to expand the current port facilities as a gazetted "Private Port" and to retain and further develop the EPZ companies to take advantage of opportunities identified in the region.

Anadarko has recently announced the Final Investment Decision (FID) in the "Area 1" of the Rovuma Basin in Mozambique, at \$20 billion the FID is the largest Oil and Gas sanction ever made in Sub Saharan Africa. Comarco Group is one of the few marine operators in the region with the capacity and experience to take part in such large scale and specialised oil and gas marine projects and as such it is anticipated that Comarco Group will be competitive in the bidding for ongoing and upcoming tenders.

There will be opportunities for significant improvements in the accessibility of financing of Comarco Group once the Proposed Acquisition as detailed in the 10 June announcement is completed.

Over the last year there has been major restructuring of the Comarco Group as part of the partnership with AAA. The existing management team has been bolstered by the arrival of new senior personnel with a renewed focus on developing business opportunities at the Port in Kenya and within the region.

Simon Phillips, Chief Executive of Comarco Group commented:

"This is a game changer for Comarco. Historically we have enjoyed a lot of benefits from the EPZ programme and it has served the group, and Kenya, well. We will continue our good working relationship with the EPZA by keeping KMC and CSB in the programme. The designation of the Comarco Port as a functional private port broadens our capabilities and opens up a raft of new opportunities. We are already seeing these benefits come through with the signing of two significant contracts."

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014 ("MAR"). The Company will continue to update the market as and when appropriate.

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