

30 August 2018

For Immediate Release

Anglo African Agriculture plc

("AAA" or the "Company")

Company enters into Memorandum of Understanding for financing strategic Kenyan logistics port.

The Board of AAA is pleased to announce the signing of a Memorandum of Understanding whereby it is proposed that AAA will provide a 24 month loan to help fund the growth of the privately owned port and marine logistics group, Comarco Group ("**Comarco**"), based in Mombasa, Kenya (<http://comarcogroup.com/>). This is intended to be the first step of an exciting diversification for AAA, which the Directors believe will allow the Company to significantly grow its business.

Comarco presents a high-quality growth proposition and access to a key market player in the port and marine logistics industry of Eastern Africa, at a time when oil servicing and port logistics facilities are key to the expansion and development of large hydrocarbon deposits discovered off the East African coast.

The Comarco port facility is one of the very few privately owned and operated logistic ports on the East African coast. The port totals 16.2 acres including over 40,000 m² of storage space, office space and facilities, crawler cranes and a 24-hour operations centre. The port is a designated Export Processing Zone (EPZ) allowing Comarco to benefit from a variety of tax, VAT and customs import duty incentives.

In return for exclusivity in assisting with Comarco restructuring its historic debt set out below, AAA has agreed to make available a 24 month loan of up to US\$1,000,000 to Comarco at a rate of 12% per annum increasing to 15% after 9 months

The specific use of funds will be mutually agreed between AAA and Comarco but will include the repayment of debt and the provision of funds for general working capital purposes, which will enable the port facility to grow and expand faster than would otherwise be the case.

The loan will be secured by a guarantee from Comarco group companies. Should the loan not be repaid, AAA will also have the right, for no further consideration, to exercise an option to acquire 100% of a wholly owned Comarco subsidiary called Touchwood Investments Ltd ("**Touchwood**").

Touchwood's major asset is a 4.75-acre strip of land at the Comarco port in Mombasa, Kenya, which a recognised global real estate consultant has recently valued at US\$12 million. Amongst Comarco's existing client base of Marubeni, Halliburton and ENI, amongst others, Touchwood has recently signed an agreement with a large international trading and transportation group focused on liquefied petroleum gas ("**LPG**"), whereby an LPG import and distribution facility will be constructed on the Touchwood property.

Once AAA makes the loan, Comarco will commence a restructuring and consolidation of the Comarco group companies and operations. AAA will provide assistance with this and examine further ways to work or invest together with Comarco.

The Board of AAA has already had early stage discussions with potential investors to raise finance to enable the Company to provide the loan to Comarco and has been very encouraged by the response and appetite. When the final conditions precedent to the provision of the loan to Comarco are completed and the Loan Agreement has been signed, the Board will decide what financing options of debt, equity or a combination of the two is in the best interests of current shareholders.

Including the Touchwood property, Comarco has a total 16 acres at its privately held Mombasa port facility, where it carries out its current port and marine logistics business (which the new LPG facility only adds to). Comarco's port is a gateway to East and Southern Africa, assisting with a diverse range of commodities ranging from, amongst others, iron ore to agricultural products, and is well placed to take advantage of the upswing in the region, particularly regarding oil and gas logistics.

All the proposed transactions relating to Comarco and referred to in this release are subject to the completion of due diligence, the completion of legal documentation and the production of such valuations and opinions as the Company shall consider appropriate, in each case satisfactory to the Company in its sole discretion and subject to Board approval.

The Company has recently also announced in its interim results that both its wholly owned subsidiary, Dynamic Intertrade (Pty) Ltd, as well as its 46.8% owned subsidiary, Dynamic Intertrade Agri (Pty) Ltd, have seen improvements in their trading. The Board is pleased to report that this improvement has continued since the half year ended 30 April 2018.

David Lenigas, Chairman, commented;

"It has taken time to find an opportunity that opens up possibilities for AAA to really grow and bring rewards to shareholders. The board felt it was important to seek an opportunity where AAA could add real value and create an investment opportunity of size and substance. I genuinely believe this loan, and the work to be done afterwards with Comarco, will bring exciting future opportunities and returns to the Company. Ports are long term growth assets and this port is of considerable strategic importance to East Africa as well as the major oil and gas companies as they develop their substantial new off-shore discoveries from Kenya all the way down to Mozambique."

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