

## REPORT FROM OPIC MANAGEMENT TO THE BOARD OF DIRECTORS

### SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

<b>Host Countries:</b>	Primarily Nigeria, and up to 25% of the Fund can be invested in Gulf of Guinea countries (i.e., Ghana, Cote d'Ivoire, Gabon, Cameroon, Equatorial Guinea, Togo, Benin, Sao Tome and Principe, and Angola).
<b>Name of Fund:</b>	Capital Alliance Private Equity III Limited (the "Fund" or "CAPE III"), a limited life company organized in the Republic of Mauritius.
<b>Sponsor:</b>	African Capital Alliance Limited ("ACA"), headquartered in Lagos, Nigeria.
<b>Fund Description:</b>	With a target fund capitalization of \$350 million, CAPE III plans to take minority (minimum 20%) to majority stakes in growth stage portfolio companies, and plans to invest within a range of \$20 to \$40 million per company. The Fund will look for high-growth potential investments in well-performing companies, turnaround situations and cross-border expansion opportunities, in all cases with proven management teams. ACA will attempt to structure each investment with a current income component to mitigate the risk associated with distant pay-out from a final exit and to provide downside protection. Sectors of focus include telecommunications, financial services, business services, logistics, electric power and oil & gas.
<b>Target Fund Capitalization:</b>	\$350 million
<b>Proposed OPIC Loan:</b>	OPIC loan of up to \$150 million (assuming \$300 million in equity is raised) in principal plus accrued and accreted interest thereon. The OPIC loan equity ratio would not be more than 1:2.
<b>Term of Fund:</b>	Up to 10 years, with the possibility of two one-year extensions.
<b>Selection Process:</b>	During his speech in Cairo on June 4, 2009, President Obama announced that the United States would "launch a new fund to support technological development in Muslim-majority countries." In delivering on this commitment, OPIC announced in October, 2009, a call for proposals for a Global Technology and Innovation Fund to help catalyze and facilitate private sector investments that promote access to and growth of technology in OPIC-eligible countries throughout Asia, the Middle East, and Africa (the "Call"). The OPIC Evaluation Committee selected the Fund from among eighty-seven respondents to the Call with the assistance of Altius Associates, as gatekeeper.
<b>Developmental Effects:</b>	The Fund will have a significant and positive developmental impact on Nigeria and the West Africa Region. Given the Fund's intent to invest in underdeveloped sectors such as telecoms and healthcare, the Fund will help these important sectors reach their potential. In

	<p>addition, the Fund's substantial investment will have strong capital mobilization and multiplier effects on this underdeveloped region. Finally, the Fund Manager's innovative processes and management techniques will offer knowledge and skills not commonly utilized in industries within the region.</p>
<b>Environment:</b>	<p>The capitalization of a fund is screened as a Category D activity for the purposes of environmental assessment. Although no further assessment is warranted at this stage in the transaction, each downstream investment by the Fund will be screened and subject to the full scope of OPIC's environmental assessment process, including public disclosure within the host country of Environmental Impact Assessments for Category A projects, conditionality, and monitoring, as is warranted by the nature and scope of the downstream investments. The Fund has been advised that all investments are subject to OPIC's Climate Change Policy.</p>
<b>U.S. Economic Impact:</b>	<p>Since this clearance concerns the overall fund, there is no potential for an adverse impact on the U.S. economy at this time, and an industry analysis is not warranted. However, prior to OPIC consent, each future downstream investment will be analyzed (upon receipt of the completed application) to assess each one's impact on the U.S. economy in accordance with OPIC guidelines. This evaluation will include the downstream investment's impact on the specific U.S. industry, employment, and balance of payments, as well as the destination of the downstream investment's production and identification of any trade-related performance requirements imposed by the host country.</p>
<b>Workers Rights:</b>	<p>Each of the Fund's subprojects will be evaluated separately with regard to specifics of operation and compliance with OPIC worker rights and human rights approval criteria. Standard and supplemental worker rights language for each subproject will be included in the subproject's Consent Notice.</p>
<b>Human Rights:</b>	<p>In consultation with the Department of State, the Fund received a Human Rights Clearance on May 3, 2010.</p>

**This information is furnished for information purposes only about projects pending approval from OPIC's Board of Directors and does not constitute an offer to sell or a solicitation to buy any securities of, or other interests in, the Fund or the Sponsor.**