

**THE GOVERNMENT OF SOUTHERN SUDAN
CENTRAL EQUATORIA STATE
MINISTRY OF PHYSICAL INFRASTRUCTURE
DIRECTORATE OF LANDS ADMINISTRATION AND PHYSICAL PLANNING**

REF: MPI/DLAc&PP/CES/38.A.1

date: 1. 9. 2008

The Accountant,
Revenue Authority,
Central Equatoria State
Juba

1. Please collect from the CHAIRMAN, MUKAYA PAYM COOPERATIVE the sum of : SDG 75,00.00 being land charges for 6,000,000,000 square meters of AGRO FORESTRY land NO. 1 BLOCK I at MUKAYA PAYAM – LANYA COUNTY.
Preferential allotment with premium
2. The Accountant of: Juba, Lanya, Morobo, Terekeka, Yei and Kojakaji Counties to collect Rent payable in Advance
3. The Survey to collect Survey Fee;
4. The Registrar of Land to collect Registration Fees;
5. The Revenue Authority to credit the Land Charges to the Bank Account of the Revenue Authority, Ministry of Finance Economic Planning and Manpower.

LAND CHARGES BEAKENDOWN

1. Premium Reserve Fund:SDG 26,250.00
2. Essential Works Charges:SDG 35,750.00
3. Administrative and Planning Fee
Fees:SDG 15,000.00

Total-----SDG75, 000.00

Total in words (ONLY SEVENTY FIVE THOUSAND SUDANESE POUNDS)


CORNELIUS GOJA LADO KULANG
DIRECTOR GENERAL
DIRECTORATE OF LANDS ADMINISTRATION & PHYSICAL PLANNING
CENTRAL EQUATORIA STATE / JUBA



- CC: - Registrar of Land, CES / Juba
CC: - Director Juba / Lanya / Morobo / Tereka / Yei / Kojakaji / CES Counties
CC: - Director of Survey Department, CES / Juba
CC: - Chairman Mukay Payam Cooperative

LEASE AGREEMENT

This Lease Agreement ("Lease") is made this 11th day of March, 2008 by and between

MUKAYA PAYAM COOPERATIVE, an authorized territorial subdivision of Southern Sudan (for itself and its successors, hereinafter, the "Cooperative" or "Lessor"),

and

NILE TRADING & DEVELOPMENT, A DELAWARE CORPORATION, a corporation organized in the State of Delaware, for itself and its successors and assigns (for itself and its successors, hereinafter, the "Company" or "Lessee").

RECITALS

WHEREAS, the Cooperative is a territorial subdivision of Southern Sudan authorized by the Government of Southern Sudan; and


WHEREAS, the Company is a corporation duly incorporated in the State of Delaware, United States of America, with an address at 10694 Pagewood Drive, Dallas, Texas 75230; and

WHEREAS, the Cooperative has the right and power, pursuant to the authority granted it by the Government of Southern Sudan, to lease land within its boundaries (the "Cooperative Territory") and to grant valuable concessions (as further defined below, the "Concessions") in the Cooperative Territory to third parties in respect of the development and operation of certain businesses; and

WHEREAS, the Company wishes to obtain a land lease within the Cooperative Territory from the Cooperative, and the Cooperative wishes to lease land within the Cooperative Territory to the Company.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, the Cooperative and the Company hereby agree as follows:

- The Lease.** (a) The Cooperative hereby agrees to lease to the Company one or more parcels of forested land within the Cooperative Territory with an aggregate area of no less than 600,000 hectares (with further extension to 1,000,000 hectares). The Cooperative shall use its commercially reasonable best efforts to provide the Company with a legal description of the Cooperative Territory and/or its boundaries. Upon receipt of such information, the Company shall use its commercially reasonable best efforts to perform a land survey of the Cooperative Territory and to compare the results of such land survey to maps of such territory prepared by the United Nations and/or archived in the United Kingdom. Upon completion of such land survey and comparison, the Cooperative and the Company shall, in good faith, determine the actual parcel or parcels within the Cooperative Territory to be leased by the Cooperative to the Company (hereinafter, the "Leased Land"), a legal description of which shall be annexed to this Lease and made a part hereof (hereinafter, the "Addendum").

 Yousif Ramadani

(b) The initial term of such lease shall be forty-nine (49) years, beginning from and after the date of execution of the Addendum.

(c) The Cooperative hereby agrees that the Company shall have the right to engage in the following activities on the Leased Land:

- (i) The development, production and/or exploitation of timber/forestry resources, including without limitation, the harvesting of current tree growth, the planting and harvesting of megafolia-paulownia, palm oil trees and other hardwood trees and the development of wood-based industries; and
- (ii) Agriculture, including the cultivation of the jetropha plant and palm oil trees (and the exploitation of any resulting carbon credits).

The Company agrees that the substantially majority of the land within the Leased Land from which trees are harvested shall be subject to a reforestation or agricultural cultivation programme.

The Cooperative acknowledges and agrees that the Company may undertake any other activity permitted by the laws of Southern Sudan on the Leased Land. Without limiting the foregoing, the Cooperative acknowledges that the Company may seek to explore, develop, mine, produce and/or exploit (x) petroleum, natural gas and other hydrocarbon resources, for both the local and export markets, and (y) other minerals, and may also seek to engage in power generation activities on the Leased Land. The Cooperative hereby agrees that it shall not oppose the undertaking of any such activities by the Company on the Leased Land and shall cooperate with the Company in any efforts undertaken by the Company to obtain one or more concessions therefor from the Government of Southern Sudan.

* (d) The Cooperative acknowledges and agrees that the Company shall have the right to sublease any part or all of the Leased Land or sublicense any right to undertake activities on the Leased Land to third parties. Without limiting the foregoing, the Company hereby agrees to use its commercially reasonable best efforts to engage in the development, production and/or exploitation of the timber/forestry resources within the Leased Land and to engage in agricultural cultivation. In addition, the Cooperative acknowledges and agrees that the Company shall have the right to assign this Lease to any affiliated entity (that is, any entity controlled by the Company or whose shareholders are the same as the Company's shareholders), provided that the Company give written notice of such assignment to the Cooperative.

(e) The Cooperative hereby agrees that this Lease will not conflict with any other lease granted by the Cooperative or result in a violation or breach of any other agreement to which the Cooperative is a party.

2. Royalties/Benefits to the Cooperative. (a) Any profits generated by the Company in respect of the Leased Land shall initially, and through 2012, be divided 60% to the Company and 40% to the Cooperative, such profits to be calculated in accordance with generally accepted accounting principles, consistently applied, after all costs, expenses and taxes are paid. From 2013-2017, the profits generated by the Company shall be distributed 58% to the Company and 42% to the Cooperative; from 2018-2022, the profits generated by the Company shall be distributed 56% to the Company and 44% to the Cooperative; from 2023-2027, the profits generated by the Company shall be distributed 54% to the Company and 46% to the Cooperative; from 2028-2032, the profits generated by the Company shall be

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distributed 52% to the Company and 48% to the Cooperative; and from 2033 through the remainder of the term of this Lease, the profits generated by the Company shall be distributed 50% to the Company and 50% to the Cooperative.

(b) In addition, the Company will use its commercially reasonable best efforts to enhance the lifestyles of the communities within or adjacent to the Leased Land in which it conducts its activities. Toward that end, the Company will use its commercially reasonable best efforts to assist in the provision by the Government of Southern Sudan of social and educational services for the benefit of the communities within or adjacent to the Leased Land, with the Company providing (or causing its sublessees and/or sublicensees to provide) training and apprenticeships to local employees in the business activities it undertakes within the Leased Land.

3. Abatements. The Company will respect the laws and customs of the Southern Sudan and will pay all taxes due to central and local governments in Southern Sudan. However, the Cooperative will assist the Company in seeking exemptions from taxes and/or duties on capital investments made in Southern Sudan, on the importation of capital equipment and other tax abatements that the Company may deem necessary or appropriate to permit it to implement its permitted activities.

4. Governing Law; Dispute Resolution. This Lease and the rights and obligations in connection herewith will be governed by and construed in accordance with the domestic substantive laws of Southern Sudan, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction; provided, however, that, in the absence of any applicable substantive law of Southern Sudan, this Lease and the rights and obligations in connection herewith will be governed by and construed in accordance with the domestic substantive laws of England and Wales.

Any and all disputes, differences, controversies or claims arising out of or in connection with this Lease shall be finally settled under the Rules of Conciliation and Arbitration (the "ICC Rules") of the International Chamber of Commerce (the "ICC") and under the auspices of the ICC) by a single arbitrator who shall be experienced in international business transactions and who shall be appointed by agreement of the parties in accordance with the ICC Rules or, in the absence of such agreement, by the ICC in accordance with the ICC Rules. The foregoing arbitration proceedings may be commenced by any party by notice to the other party, and all expenses of such arbitration shall be borne by the respective parties (unless the arbitrator, in his or her award, determines otherwise). The venue for any such arbitration shall be London, England or any other venue mutually agreed to by the parties. The language of the arbitration shall be English. The parties hereby exclude any right of appeal to any court on the merits of the dispute. The provisions of this Section 4 may be enforced in any court having jurisdiction over the award or any of the parties or any of their respective assets, and judgment on the award (including without limitation equitable remedies) granted in any arbitration hereunder may be entered in any such court. In the event of a conflict between the ICC Rules and this Section 4, the provisions of this Section 4 shall govern.

5. Miscellaneous. This Lease constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the subject matter hereof. This Lease may be amended or modified only by a written instrument signed by the parties. This Lease shall inure to the benefit of the parties

For Chief Suleman Kachwa

and their respective successors and assigns. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Lease, or the waiver by any party of any breach of this Lease, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. If any provision of this Lease shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Lease, or the application of such provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.


This Lease may be executed in two or more counterparts, including telecopied and emailed facsimiles, each of which shall be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Lease has been made and executed by the parties on the date first above written.

For and on behalf of

MUKAYA PAYAM COOPERATIVE


By:


Name: SC Opiro
Title: *SC Opiro*
Passport Number: 80969704
Country of Issuance: *parliament chief*

WITNESSED BY:

Sudany
Name: Samuel T Youzuel
Address: Ministry of Housing, Land, & Public Utilities
Government of southern Sudan
Juba - Sudan

By:


Name: James Yocia Remadalle
Title: *Jud. Cross Judge*
Passport Number:
Country of Issuance:

Call: 81

WITNESSED BY:

Laurence Korbarah
Name:
Address:

For and on behalf of

NILE TRADING & DEVELOPMENT, A DELAWARE CORPORATION,
a corporation organized in the State of Delaware

By:

Leonard Thatcher
Name: Leonard Thatcher
Title: Chairman of the Board
Passport Number: 400740322
Country of Issuance: United Kingdom

WITNESSED BY:

P. Osborne
Name: P. Osborne
Address: 101, Buckingham Palace Rd
SW1W 0ST

By:

Maryanne Selag
Name: Maryanne Selag
Title: Vice President
Passport Number: 094559646
Country of Issuance: United Kingdom

WITNESSED BY:

P. Osborne
Name: P. Osborne
Address: Grosvenor Hotel,
101, Buckingham Palace Rd
SW1W 0ST

[Signature]
[Signature]