

TAU CAPITAL PLC

Presentation to Investors

June 2011



Tau Capital Performance through 31 May 2011

	YTD	2010	Since Inception
Tau Capital	-5.0%	10.9%	-28.6%
KASE	-3.0%	-1.4%	-50.5%
MSCI Kazakhstan ¹	8.1%	-14.7%	-13.0%
RENCASIA	-9.1%	17.2%	-36.2%
MSCI World ²	7.3%	12.3%	-4.4%

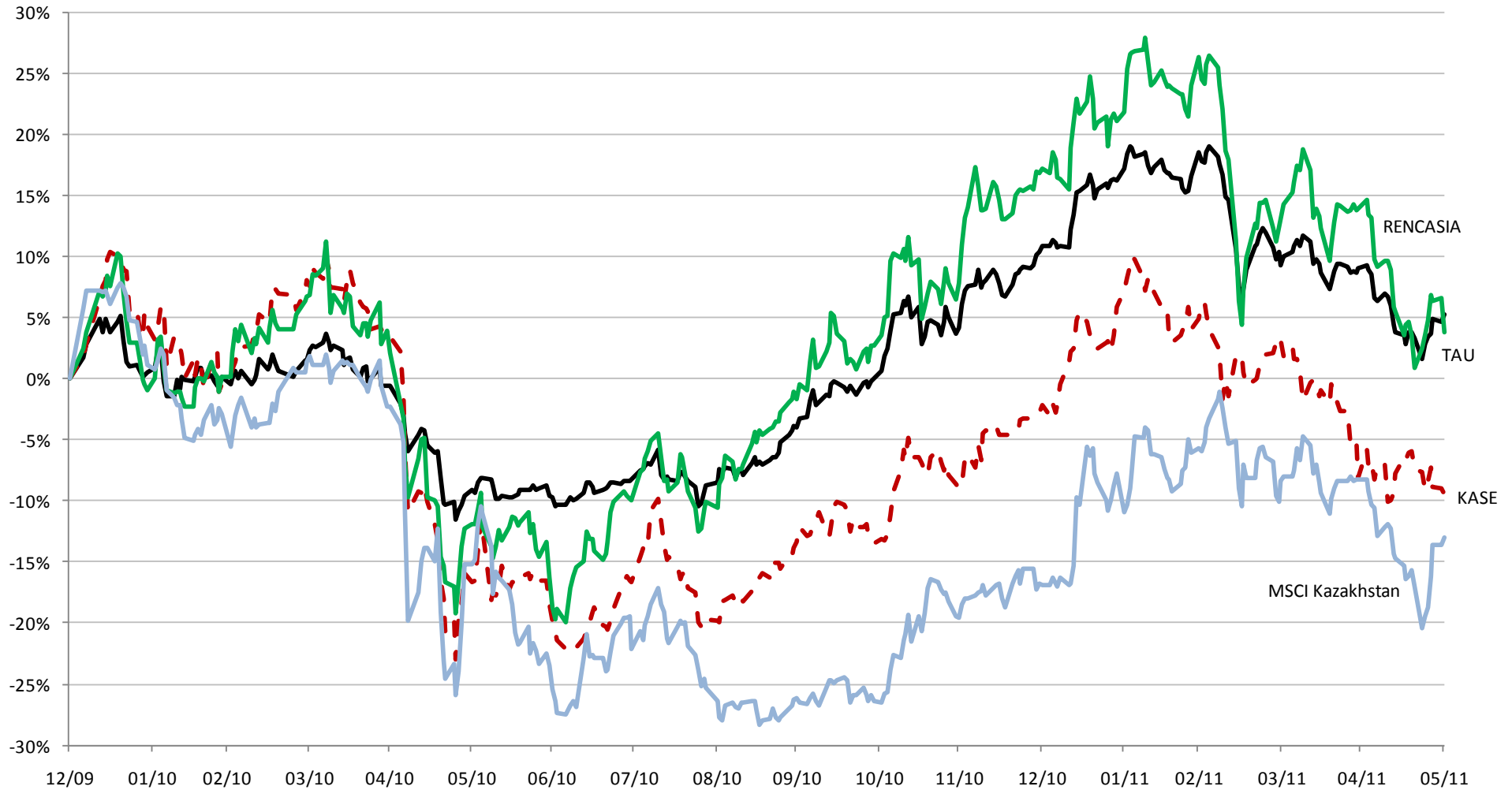
Total USD returns

Tickers: (1) MXKA

(2) GDDUWI

Sources: Bloomberg; Compass Asset Management Company

Tau Capital Performance vs. Benchmarks through 31 May 2011



Kazakh Economy

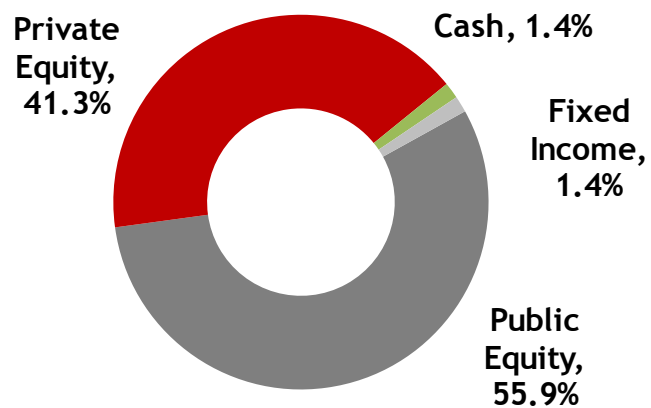
- Q1 2011 Real GDP growth +6.6%; forecast for 2011 raised to 7% from 4-5%
- YoY Industrial Production growth of 4.7% in May 2011; inflation increasing (+8.4% in May), but expected to decline in H2 2011; currency remains stable (145.4 KZT/\$)

Investment Environment

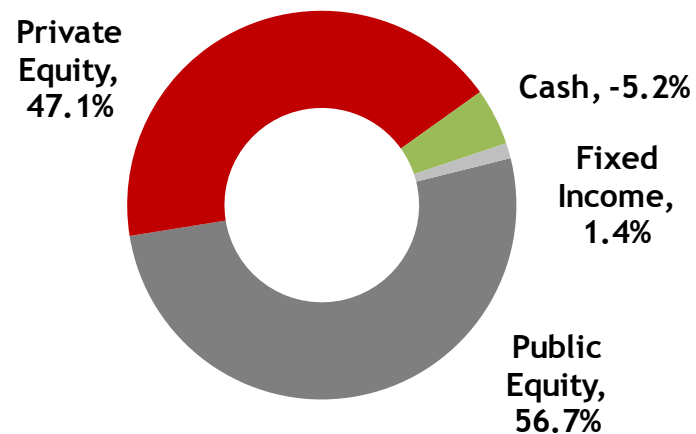
- #1 on list of countries achieving improvement in the World Bank's 2011 Doing Business Survey overtaking 15 countries
- President Nazarbayev re-elected for 5 more years
- No further increases of export duty on oil (reintroduced in 2010 and doubled in Jan 2011) on the Government's current agenda
- ENRC's high profile corporate governance turmoil has negatively affected investors' perception of Kazakhstan's State-related companies

Portfolio Structure

31 Dec 2010



31 May 2011



Source: Compass Asset Management Company

Significant Portfolio Activity

- Increased public equity exposure over the summer of 2010
- Removed downside protection in H2 2010 to participate fully in the rally
- Steadily reduced or exited smaller, illiquid positions
- Added two new private equity investments: Stopharm and Lucent

Significant Portfolio Activity

Private Equity Portfolio

- During H2 2010, PE exposure increased significantly due to three investments:
 - Aug 2010: \$21.5M investment in Stopharm LLP
 - Sep 2010: \$4.5M initial investment in Lucent Petroleum LLP and committed to further \$10.5M
 - Oct 2010: \$1.0M follow-on investment in Alem Communications Holding through DTVI
- During H1 2011
 - Feb 2011: \$6.5M second tranche to Lucent Petroleum LLP

- Structure of Investment
 - 24% equity stake and option for further 16.4%, exercise of which is subject to approval by the Anti-monopoly Commission of Kazakhstan
 - Total consideration \$21.5M
 - Substantial minority rights, Board representation and active involvement
 - Final steps to complete execution of 100 Day Plan to be made by newly appointed CFO

- Financial performance*
 - 4M2011 Revenues increased 14.6% compared to 4M2010, reaching \$76.2M
 - +17.2% over FY2011 budget
 - EBITDA Margin of 10.9% vs. 9.1% budgeted for the year

- Exit strategy
 - Trade sale to another major international distributor
 - Listing on an internationally recognized stock exchange (several emerging markets Pharma distributors currently listed worldwide)

- Structure of investment
 - \$19.9M invested as shareholder loans and equity participation up to regulatory limit with entitlement to 'economic interest' above limit
 - Substantial rights, Board representation and active involvement with partner Midas Telecom
- Operational highlights:
 - H2 2010: Expansion and realization of economies of scale
 - Successful WiMax launch across all major cities in Kazakhstan; Astana ahead of OSCE summit
 - Major network coverage increase, service enhancement and expansion continuing into 2011
 - YTD April 2011: Strong performance continues

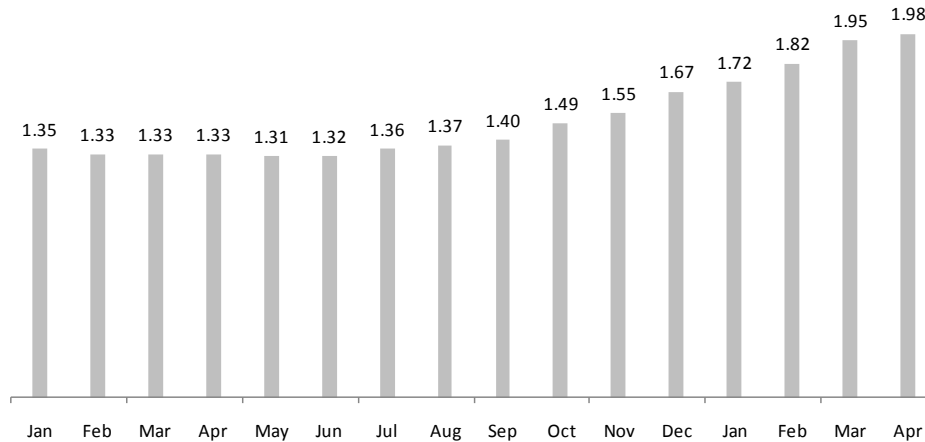


ARPU

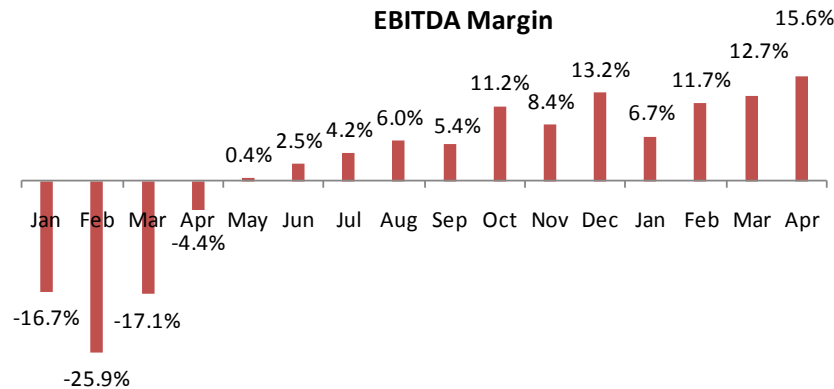
- ❑ Stabilized in summer 2010
- ❑ Upward trend since September 2010
- ❑ +19% difference between April 2011 and Sept. 2010

Financial highlights

Revenues since Jan 2010 (mn)



EBITDA Margin



- ❑ Top line growth continues to improve
- ❑ Current (April) monthly run-rate:
 - Revenues \$1.98M
 - EBITDA \$308,540
- ❑ EBITDA margin now averaging in double-digits due to:
 - Successful restructuring, integration, and optimization of Alem
 - Economies of scale due to subscriber uptake

- Structure of investment
 - Up to \$15M increase of capital to fund drilling program, final equity stake 6.2%
 - Initial \$4.5M bridge loan convertible into equity post approval by Government of Kazakhstan
 - Follow-on commitment of up to \$10.5M as a line of equity: \$6.5M provided in Feb 2011
 - Substantial rights and Board representation post conversion

- Operational and Financial highlights
 - Project is within arranged budget
 - Drilling works are conducted as of Jun 2011
 - Lucent fully funded to accomplish the exploration of its main two resources

- Exit strategy
 - Listing / IPO on AIM or another internationally recognized exchange post-drilling program (planned Dec 2011) pre-agreed with majority shareholder
 - Trade sale to strategic investor also possible

- Structure of investment
 - \$19.5M mezzanine loan
 - 3 year term (maturity Oct 2011)
 - Coupon 18% p.a. non-cash accumulating interest
 - Embedded option allowing conversion of accumulated interest into equity of Waterford at maturity
- Status
 - As of 31st May 2011 principal plus accrued interest amounts to \$29.1M
 - 1Q2011 revenue up 107%, EBITDA increased 59% compared to Q1 2010*
- Exit strategy
 - Coupon convertible into equity of Waterford (or equity of Teniz in case of IPO) allowing either:
 - 5.1% ownership of Teniz and repayment of principal in full, or
 - Cash coupon and principal paid in full (locked IRR at 18% p.a.)

Public Equity Portfolio Structure

Largest Positions - % of NAV

	31-Dec-09		31-Dec-10		31-May-11
Zhaikmunai	9.2%	Uranium One	11.1%	KazMunaiGas	8.4%
Dragon Oil	8.8%	Zhaikmunai	8.4%	Zhaikmunai	7.9%
Uranium One	5.6%	KazMunaiGas*	5.6%	Uranium One	7.5%
Kazakhmys	4.6%	Dragon Oil	5.4%	Kazakhmys	6.1%
Halyk Bank	3.9%	Kazakhmys	4.6%	Ivanhoe Mines	6.1%
ENRC	3.9%	Ivanhoe Mines	4.6%	Dragon Oil	6.0%

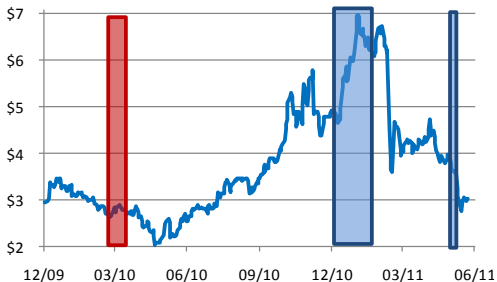
* With CALL options on
a further 1.1% of NAV

- New Positions
 - Sberbank

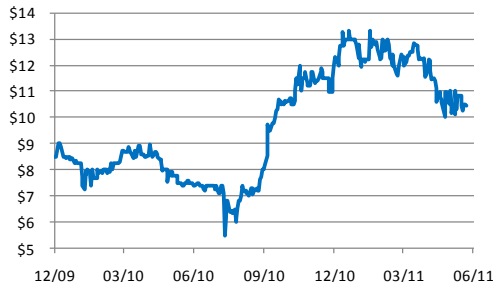
- Positions Traded
 - Bought
 - Ivanhoe Mines
 - KazMunaiGas
 - Kazakhmys
 - Eurasian Natural Resources
 - Sold
 - Centerra Gold
 - Uranium One

Stock Performance of Largest Equity Holdings

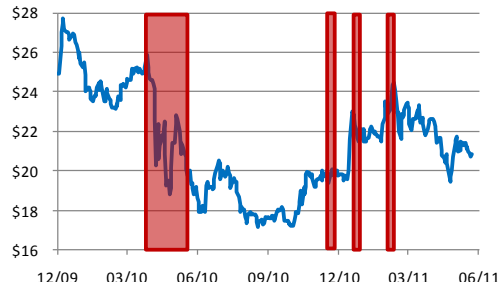
Uranium One US\$/sh



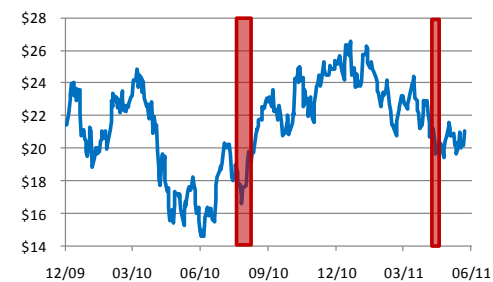
Zhaikmunai US\$/sh



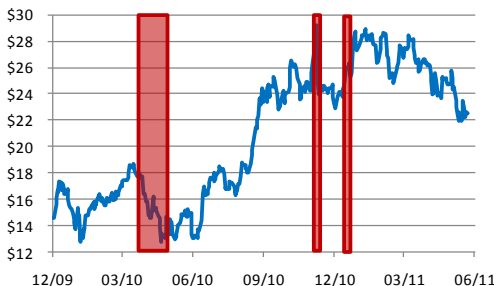
KazMunaiGas US\$/sh



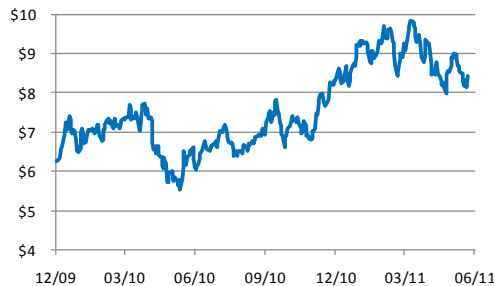
Kazakhmys US\$/sh



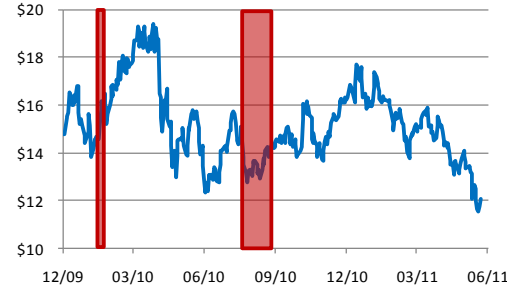
Ivanhoe Mines US\$/sh



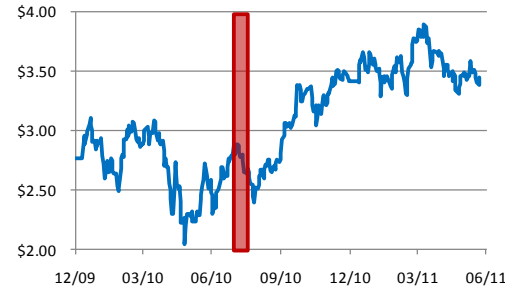
Dragon Oil US\$/sh



ENRC US\$/sh



Sberbank US\$/sh

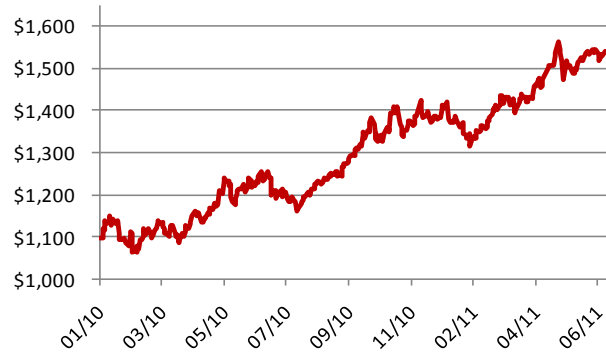


Red blocks indicate purchases

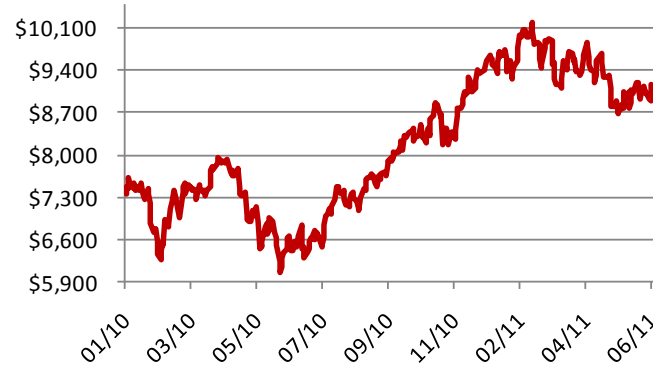
Uranium One 2011 sales

Commodity Prices

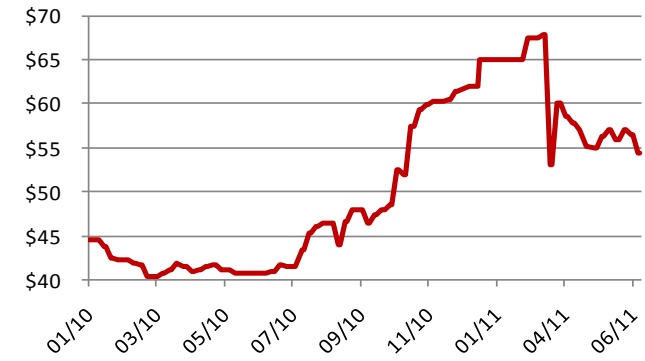
Gold price \$/oz



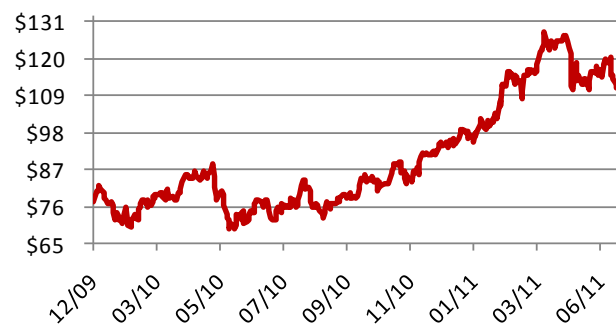
Copper price \$/t



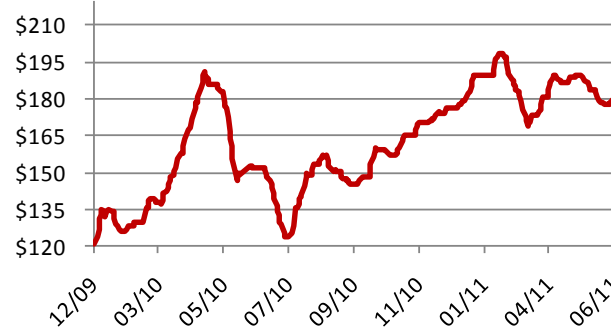
Uranium price \$/lb



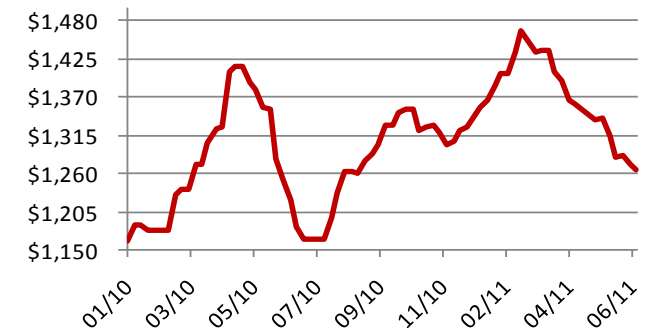
Oil (Brent) \$/bbl



Iron Ore price \$/t



FerroChrome \$/t



Conclusion

- Remain positive on the medium-term outlook, especially in the context of continued strong Chinese economic growth, despite the trend toward monetary policy tightening
- Emerging market disinflation anticipated in H2 2011, but short-term supply issues in China as a result of environment crises (drought; floods) may cause delays
- Well supported Oil and Metals prices remain a critical driver of success
- Short-term caution on economy and market; prepared to add downside protection if and when required
- Substantial Private Equity transactions executed during the last 12 months; focus has turned to active management while keeping an eye on potentially attractive exit opportunities

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