

18 June 2008

Kubera Cross-Border Fund Limited

KUBC to invest up to US \$22 million in Essel Shyam Communication Limited, a leading media services provider

The Kubera Cross-Border Fund Limited (“KUBC”) (LSE: KUBC), an investment company traded on the AIM market of the London Stock Exchange, is pleased to announce that it has entered into a definitive agreement to acquire a significant minority interest in Essel Shyam Communication Limited (“ESCL” or the “Company”) for an investment of up to US\$22 million (including the pro rata investment by affiliates of Kubera Partners, LLC, the Investment Manager of KUBC). The timing of the closing is subject to obtaining regulatory approvals and satisfying other customary closing conditions. The transaction is expected to close by July 2008.

ESCL provides end to end solutions for the media broadcasting and satellite communications industries. As part of its portfolio of services, the Company provides teleporting (both uplinking and downlinking) services, content management, playout and mobile connectivity via DSNG (digital satellite news gathering) vans. In addition, the Company provides project management services for implementing media infrastructure projects (which include setting up of newsrooms, studios and teleports) and setting up VSAT (“Very Small Aperture Terminal”) networks. The company’s customers include large media businesses in India and other emerging markets.

The media industry in India is expected to continue its high growth over the next few years with the launch of several new channels. In addition, satellite based communications and VSAT are expected to grow with increased government spending. ESCL is well positioned to capture these opportunities. It is the only company in India with a comprehensive portfolio of services across satellite based communications and broadcasting, and amongst the few in South Asia to have the capability to execute on media infrastructure projects.

ESCL has had an impressive track record of growth with over 35% top line and bottom line annualized growth rates over the last two years. For the financial year ended March 31, 2008, the Company achieved un-audited revenues of approximately US\$ 24 million and un-audited EBITDA of US\$ 7 million. The company intends to use the funds to expand its teleporting infrastructure to serve its fast growing customer base. The company will also look for meaningful cross border acquisition opportunities.

The initial \$17 million KUBC investment takes the form of a primary investment in compulsorily convertible preferred shares of the Company and a secondary purchase of shares from certain existing shareholders. KUBC will receive two board seats, standard governance rights, and standard economic rights. KUBC ownership of ESCL will be approximately 30% at closing. KUBC will also be issued warrants to invest an additional \$5 million in the Company.

Commenting on the new partnership, Lalit Jain, Director of ESCL, said, "We were looking for a partner that apart from providing capital for growth can work closely with us in building a global business. Kubera’s track record and their ability to add value in a cross-border setting was very attractive to us." Ramanan Raghavendran, Managing Partner at Kubera Partners, LLC said, "We believe that the media outsourcing business will experience tremendous growth over the coming years in India and in global markets. ESCL has a strong team and long standing customer relationships, allowing it to capitalize on growth opportunities in India as well as globally."

Kubera Partners, as the investment manager of KUBC, invests in cross-border companies, primarily in businesses that operate in the US-India corridor. Several of KUBC’s investee companies also benefit from business activities in the fast growing Indian domestic market. Kubera Partners brings a strong track record of investing in or managing such businesses.

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