

NOTICE OF DECLARATION OF DIVIDEND IN SPECIE

1. BACKGROUND TO DECLARATION OF DIVIDEND IN SPECIE

At a Board meeting on the 27th of August 2010 the Directors of Innscor Africa Limited ("IAL") deemed that for its Niloticus Division to capitalise on its achievements to date and for it to continue to advance, that it would be better suited for the Division to function as a stand-alone entity with renewed and specific focus. In pursuit of this objective, the Directors approved the demerger of the assets and liabilities of this Division from IAL and the transfer of these assets and liabilities into a new public company wholly owned by IAL in exchange for 541 593 440 issued shares in the new public company and thereafter, the distribution of the entire issued share capital of the new public company to shareholders of IAL by way of a dividend in specie.

The Directors also agreed to seek a listing of the new company on the Zimbabwe Stock Exchange. IAL shareholders were advised of these intentions in the IAL Chairman's Statement published in the national press on 10th and 11th September 2010, together with the IAL financial results for the financial year ended 30th June 2010. IAL has now transferred all the assets and liabilities of its Niloticus Division into a new public company called Padenga Holdings Limited ("PADENGA") and subject to the fulfilment of certain formalities the Zimbabwe Stock Exchange Listing Committee has approved the listing on the Zimbabwe Stock Exchange, of the entire issued share capital of PADENGA on Monday 29 November 2010. In this respect an abridged Pre-Listing Statement will be published in the national press on Friday 5 November 2010.

2. DECLARATION OF DIVIDEND IN SPECIE

At an extra-ordinary meeting of the Board of IAL on Tuesday 2 November 2010 the Directors unanimously resolved to declare a dividend in specie so as to distribute the entire issued share capital of PADENGA to the shareholders of IAL by way of the award of one (1) ordinary share in PADENGA for every one (1) ordinary share held by each shareholder of IAL registered in the books of IAL by noon on Friday 19 November 2010. The transfer books and register

of members will be closed from Saturday 20 November 2010 until Sunday 21 November 2010, both days inclusive. Share certificates for the new shares in PADENGA will be posted to shareholders on or about Monday 22 November and will be eligible for trading on the Zimbabwe Stock Exchange with effect from Monday 29 November 2010.

3. PAYMENT OF WITHHOLDING TAX

IAL is obliged to deduct ten per cent (10%) withholding tax and remit this to ZIMRA in respect of the PADENGA shares being issued to all individual, trust and non-resident shareholders. For administrative reasons, the Directors of IAL have resolved that IAL will itself pay the withholding tax liability to ZIMRA in respect of individual, trust and non-resident shareholders being issued with nine hundred and ninety nine (999) ordinary shares or less, rather than deduct the withholding tax directly from the shares being issued. In respect of individual, trust and non-resident shareholders who will be issued with one thousand (1,000) ordinary shares or more, IAL shall deduct the withholding tax directly from the amount of shares being issued to such persons and shall remit the withholding tax liability to ZIMRA. In settlement of this withholding tax liability, IAL will withhold ten per cent (10%) of the ordinary shares issued by way of the dividend in specie.

4. ADVICE CONCERNING THE DIVIDEND IN SPECIE

Shareholders should consult their financial advisors, stockbrokers, bankers, legal practitioners or accountants for advice should they be uncertain on any aspects concerning the dividend in specie.

By order of the Board

A.D. LORIMER

COMPANY SECRETARY

2 NOVEMBER 2010