

Zambia Copper Investments Limited
(Registered in Bermuda)
(South African registration number 1970/000023/10)
JSE share code: ZCI ISIN: BMG988431240
Euronext share code: BMG988431240
("ZCI" or "the company")

VOLUNTARY OFFER BY ZCI TO REPURCHASE FROM ALL SHAREHOLDERS ALL OR A PORTION OF THEIR ZCI SHARES, A NEW BUSINESS PLAN FOR THE COMPANY AND THE APPOINTMENT OF ADDITIONAL DIRECTORS

1. As advised in the announcement released on SENS on 8 August 2008, following the completion of the sale by ZCI of its 28.4% share of Konkola Copper Mines Plc ("Konkola") to Vedanta Resources Plc for the amount of US\$213.15 million, in terms of the JSE Listings Requirements, the company has been reclassified as a cash shell with effect from 10 April 2008. ZCI was advised by the JSE on 12 August 2008 that if ZCI fails to enter into an agreement to acquire a viable asset prior to 10 October 2008, the JSE will seek to enforce its Listings Requirements and suspend the ZCI shares from trading for a period of 3 months from 10 October 2008. Such suspension will trigger a simultaneous suspension on Euronext.
2. For the past 6 months, shares in ZCI ("ZCI shares") have been trading at a significant discount to net asset value.
3. In order to offer shareholders in ZCI ("ZCI shareholders") a means of selling their ZCI shares at a fair value, the directors have resolved to make an offer to repurchase all or some of each ZCI shareholder's ZCI shares at a price of 186.48 United States cents per share, being the unaudited net asset value of the company as at 31 August 2008 ("the offer").
4. With the remaining cash resources of the company following the offer, the directors have also resolved to pursue a new business plan for the company. However, the new business plan will only proceed if the offer is accepted in respect of less than 78% of the ZCI shares currently in issue. In terms of the new business plan, the company will seek to make various investments in the mining and minerals industry in certain countries in sub-Saharan Africa, being the Republics of Botswana, Malawi, Namibia, Tanzania and Zambia. At this stage, the ZCI board intends retaining the listings on the JSE and Euronext.
5. All the terms and conditions of the offer, further details of the new business plan and the full rationale for pursuing this course of action is set out in a circular that has today been posted to shareholders ("circular").
6. In order to implement the new business plan, the directors propose the following additional measures:
 - 6.1 the appointment of 3 new directors, being Messrs MM du Toit and E Hamuwele and Professor S Simukanga, whose details are set out in the circular; and

- 6.2 revised remuneration and incentives for the board of directors, which will be disclosed in due course once the business plan has been implemented.
7. If the offer is accepted in respect of 78% or more of the ZCI shares currently in issue, the directors do not intend pursuing the new business plan and the remaining shareholders after the offer will be requested to authorise the voluntary liquidation of the company, the distribution of the remaining assets to those shareholders and the termination of ZCI's listings on the JSE and Euronext.
 8. For the reasons stated above, the directors of ZCI deem it appropriate and in the interests of all shareholders to make the offer for the following reasons:
 - 8.1 the offer is open to all ZCI shareholders irrespective of the size of their shareholdings;
 - 8.2 each ZCI shareholder is able to individually decide whether or not to accept the offer;
 - 8.3 a ZCI shareholder wishing to accept the offer may decide whether to sell some or all of his ZCI shares; and
 - 8.4 the offer enables every ZCI shareholder to sell ZCI shares in an inexpensive manner without incurring transaction costs.
 9. ZCI has the necessary authority to implement the offer in terms of its constitution and the Bermuda Companies Act. However, in order to comply with the provisions of the JSE Listings Requirements, the offer is subject to the condition precedent that the secretary or any director of ZCI confirms in writing that a resolution of ZCI shareholders authorising the offer has been duly passed at the special general meeting of the company convened to be held at Hotel Novotel, 35 rue du Laboratoire, Luxembourg on Wednesday 24 September at 11h30 ("special general meeting"). In terms of the JSE Listings Requirements, this resolution must be passed by a majority of not less than three-fourths of the shareholders of the company voting in person or by proxy and entitled to vote at the special general meeting.
 10. A copy of the notice of the special general meeting is attached to the circular. The board of directors of ZCI recommends that ZCI shareholders vote in favour of all the resolutions at the special general meeting.
 11. For purposes of calculating the net asset value of the company which determined the offer consideration, the directors have prepared an unaudited balance sheet as at 31 August 2008 and an income statement for the period ended 31 August 2008, which is contained in the circular. A letter from the auditors confirming this calculation will be provided to the JSE prior to Monday 22 September 2008.
 12. The offer consideration will be paid on Friday 17 September 2008 in United States Dollars, except that ZCI shareholders on the South African register will be paid in South African Rands. The Rand equivalent of the offer consideration to be paid to such shareholders will be based on the exchange rate

quoted by FirstRand Bank Limited to its retail customers exchanging US Dollars for Rands at the close of business on Friday 10 October 2008. The Rand equivalent will be announced on SENS on Monday 13 October 2008.

13. The offer consideration will be funded out of the cash and liquid assets of the company, comprising bank deposits and investments in an equity mutual fund. ZCI shareholders are not obligated to sell any ZCI shares if they do not wish to do so.
14. The offer is governed by and to be construed in accordance with the laws of Bermuda. The making of the offer to a shareholder may be affected by the laws of the relevant jurisdiction in which the shareholder resides. All shareholders should inform themselves about and observe fully all applicable legal requirements of their applicable jurisdiction. It is the responsibility of any shareholder wishing to accept the offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer, capital gains or other taxes or other requisite payments due to such jurisdiction.
15. Shareholders accepting the offer should seek advice from appropriate professional advisers if they are in any doubt whatsoever about their tax position and in particular to confirm how the applicable tax legislation applies in their specific personal circumstances and the consequences thereof.

15.1 Pro forma financial effects of the offer

In order to comply with the JSE Listings Requirements, a range of the unaudited pro forma financial effects of the offer is set out below. These pro forma financial effects are the responsibility of the directors and have been prepared for illustrative purposes only to provide information about how the offer may impact shareholders and because of their nature may not give a fair reflection of the company's financial position, changes in equity, results of operations or cash-flows after implementation of the offer, or of the company's future earnings. Due to the inherent uncertainty regarding the exact level of acceptance of the offer, the directors have prepared the below effects calculations assuming either 30% acceptance or 70% acceptance of the offer.

15.1.1 Effects assuming 30% acceptance

Before the offer	Adjustments	After the offer
Audited	Unaudited pro forma	Unaudited pro forma
as at		
31/03/2008		

Basic earnings per share (US cents)	22.17	8.84	31.01
Headline earnings per share (US cents)	25.63	8.48	34.11
Net asset value per share (US cents)	176.126	8.62	184.744
Tangible net asset value per share (US cents)	176.126	8.62	184.744
Number of shares in issue	126,197,362	(37,859,209)	88,338,153
Weighted average number of shares in issue	126,197,362	(37,859,209)	88,338,153

Assumptions:

For the purposes of computing the pro forma basic and headline earnings per share, it was assumed that:

- a. the offer was effected on 1 April 2008 (this date was used instead of 1 April 2007 due to the change in accounting presentation by the company during that financial year);
- b. a total of 37,859,209 shares (30% of the current issued share capital) were repurchased for an aggregate consideration of US\$70,600,000;
- c. estimated costs of US\$580,000 relating to the offer were incurred;
- d. the proceeds received by ZCI from the sale of the shareholding in Konkola (US\$213,150,000) were used to fund the offer consideration; and
- e. all US\$ amounts are rounded to the nearest thousand.

For the purposes of computing the pro forma net asset value, it was assumed that:

- a. the offer was effected on 31 March 2008;
- b. a total of 37,859,209 shares (30% of the current issued share capital) were repurchased for an aggregate consideration of US\$70,600,000;
- c. estimated costs of US\$580,000.00 relating to the offer were incurred;
- d. the proceeds from the sale of the shareholding in Konkola (US\$213,150,000) were received on 31 March 2008; and
- e. all US\$ amounts are rounded to the nearest thousand.

15.1.2 Effects assuming 70% acceptance

Before the offer	Adjustments	After the offer
Audited	Unaudited pro forma	Unaudited pro forma
as at		
31/03/2008		

Basic earnings per share (US cents)	22.17	50.20	72.37
Headline earnings per share (US cents)	25.63	53.96	79.58
Net asset value per share (US cents)	176.126	6.30	182.429
Tangible net asset value per share (US cents)	176.126	6.30	182.429
Number of shares in issue	126,197,362	(88,338,153)	37,859,209
Weighted average number of shares in issue	126,197,362	(88,338,153)	37,859,209

Assumptions:

For the purposes of computing the pro forma basic and headline earnings per share, it was assumed that:

- a. the offer was effected on 1 April 2008 (this date was used instead of 1 April 2007 due to the change in accounting presentation by the company during that financial year);
- b. a total of 88,338,153 shares (70% of the current issued share capital) were repurchased for an aggregate consideration of US\$164,733,000;
- c. estimated costs of US\$580,000 relating to the offer were incurred;
- d. the proceeds received by ZCI from the sale of the shareholding in Konkola (US\$213,150,000) were used to fund the offer consideration; and
- e. all US\$ amounts are rounded to the nearest thousand.

For the purposes of computing the pro forma net asset value, it was assumed that:

- a. the offer was effected on 31 March 2008;
- b. a total of 88,338,153 shares (70% of the current issued share capital) were repurchased for an aggregate consideration of US\$164,733,000;
- c. estimated costs of US\$580,000.00 relating to the offer were incurred;
- d. the proceeds from the sale of the shareholding in Konkola (US\$213,150,000) were received on 31 March 2008; and
- e. all US\$ amounts are rounded to the nearest thousand.

The unaudited pro forma balance sheets and income statements which were used to prepare the above range of financial effects are included in Annexure 4 to the circular.

16. Salient dates and times

2008

Conditional offer opens at 09h00 on

Tuesday 2 September

Last day to lodge forms of proxy for the special general meeting by 11h30 on	Monday 22 September
Special general meeting to be held at 11h30 on	Wednesday 24 September
Results of special general meeting released on SENS and published in the press, and offer becomes unconditional on	Thursday 25 September
Last day to trade to participate in the offer is	Friday 3 October
ZCI shares trade ex the offer from	Monday 6 October
Closing date of the offer at 12h00 on	Friday 10 October
Record date for purposes of participating in the offer is	Friday 10 October
Rand equivalent of the offer consideration payable to shareholders on the South African register to be determined at close of business on	Friday 10 October
Results of the offer and Rand amount payable to shareholders on the South African register, released on SENS on	Monday 13 October
Settlement date (offer consideration paid) and shares repurchased in terms of the offer cancelled on	Friday 17 October
Shares repurchased in terms of the offer delisted from the JSE with effect from the commencement of trading (09h00) on	Monday 20 October

Notes

1. All dates and times are South African and Central European (GMT+1) times.
2. These dates and times are subject to change. Any such change will be released on SENS.
3. Share certificates may not be dematerialised or re-materialised and no transfers between registers may take place between Monday 6 October 2008 and Friday 10 October 2008, both days inclusive.

Bermuda

2 September 2008

International legal adviser
Maitland Advisory LLP

Corporate finance advisers
iCapital Mauritius Limited

JSE sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)