

21st August 2006

Announcement embargoed until 7am on Monday 21/08/06

ESV GROUP plc
START OF TRADING ON PLUS (currently known as OFEX)

The Directors of ESV Group plc ("ESV" or "the Company") are pleased to announce that the Company's ordinary shares of 0.023p have commenced trading on PLUS today.

ESV is a logistics and trading company which was founded in March 2006 with the objective of receiving income from grain terminal management and the export of grains from the Ukraine.

The Company's issued share capital comprises 438,571,102 ordinary shares.

THE BUSINESS

ESV has entered into two key agreements:

1) A purchase agreement with Agri-Ukraine Ltd, Cyprus ("Agri-Ukraine") whereby ESV has an option to purchase the whole of the grain and seed throughput business of Agri-Ukraine at an inland infrastructure in the Dnepropetrovsk region of the Ukraine for a period of ten years from 14th June 2006. The value of the grain and seeds handled through the infrastructure of Agri-Ukraine is expected to be in excess of US\$ 4 million per year over that period. The fee for the purchase and resale by ESV is agreed at 10% of the turnover.

The Directors of ESV believe that as a result of ESV's international trading contacts, ESV can achieve higher prices for the grains and seeds than Agri-Ukraine has in the past.

Agri-Ukraine, through its Ukrainian subsidiaries, Agrinvest Ltd and Farmco Ltd, has planted, cultivated and sold crop locally in Ukraine and on the export market since 1996. Agri-Ukraine has been farming approximately 12,000 hectares of leased land in Ukraine for eight years. With time and a careful farm and land management program, the quality of nutrients in the soil has improved, generating better yields year upon year. Agri-Ukraine follows a strict policy of crop rotation on the land, maximising the full benefit for the business. Historically, crops have consisted of sunflower seeds, wheat and maize, with barley, oil seed rape, sugar beet and soybean as rotation crops.

Ukraine has the most fertile soil in Europe (it is referred to as "Black Soil") and the country used to be the breadbasket of Europe. Ukraine has significant economic competitive advantage over other producers, like say in France or Germany as the average salary in the Ukraine is about USD 300 / month. Large quantities of agricultural land are available. One major attraction is that it is possible to rent land with an option to buy as long as the land is cultivated. Rent for agricultural land is currently at USD 45 / hectare compared to GBP 288 / hectare in the UK.

Around 20 companies based in various West European countries (including companies like Cargill and Toepfer) are clients of Agri-Ukraine.

2) A management agreement with Dnipro Cargo Ltd, Cyprus ("Dnipro Cargo") whereby ESV has agreed to take over the management of Dnipro Cargo's port terminal in the port of Kherson on the Black Sea coast in Ukraine for a period of ten years from 14th June 2006. ESV will receive a management fee of 15% of the monthly sales with a minimum payment of US\$3.96 million over 10 years.

The Directors of ESV believe that the advantages of this agreements is that ESV will benefit from a regular income stream and that it has the capacity to increase the income stream by virtue of longer term contracts it can bring to the port terminal. ESV is in a key position to expand the business with the benefit of modernisation and western expertise and techniques.

Dnipro Cargo has for over eight years owned the Kherson port terminal. ESV management is experienced in the marketing of grain and port operations and has agreed to provide services to Dnipro Cargo to manage the Kherson port terminal for a period of ten years. ESV can develop the Kherson port

terminal as it wishes and can expand the terminal activities to include non agricultural produce such as oil and liquid gas.

The actual port facility comprises a modern equipped flat warehouse with a central belt conveyor for sorting the goods. The total capacity of the grain terminal is approximately 20,000MT. An additional 5,000MT capacity is located next door, in a linked adjoining warehouse.

The Black Sea is the perfect logistics area to tranship grains from as far as Kazakhstan. Large cargoes can go to anywhere in the world. Smaller cargoes go to the Mediterranean area, Israel and the Middle East to ports that cannot accept big vessels from USA and Latin America. Freight rates are cheaper when shipping out of Black Sea to these destinations compared to shipping from countries like France or Germany.

The main users of the grain terminal are:

- * Glencore Grain BV - Holland
- * Bunge SA - Switzerland
- * Voest Alpine Intertrading AG - Austria
- * Soufflet Negoce SA - France
- * Nidera Handelscompagnie BV - Holland

STRATEGY AND FUTURE PLANS

ESV was established to build a significant agriculture and logistic business designed to supply feedstock for the biofuel industry.

The above mentioned agreements are intended to provide the basis for the Company's immediate strategy of developing business interests in farming and farming logistics in Ukraine and the transshipment of grain from that country.

The Directors are currently seeking further contracts for port terminal management in order to increase their export trade in grains from the Ukraine. Furthermore ESV is negotiating for direct contracts to supply the biofuel industry in the EU with rape seed and soy oil from the Ukraine.

In the future the Company may make acquisitions or investments through government privatisation programmes, port authority agreements or directly with local companies primarily based in Ukraine. The Directors believe there are opportunities for asset acquisition, corporate investment and privatisations at attractive prices.

The Directors will initially pursue opportunities in the following sectors.

- * Deep sea grain handling port terminals
- * Inland grain drying and storage facilities
- * River transshipment terminals
- * Expanded farming operations

THE BOARD OF DIRECTORS

The Group has a highly experienced team in place with extensive knowledge and relationships across the agri-business markets. The Directors of ESV are:

Masoud Alikhani (Executive Chairman, aged 64)

Masoud is a British national who was born in Iran. He received a BSc in Agriculture from the Hebrew University in Israel in 1966. Before 1979 he was the major Shareholder and Director of Alupan Ltd (now Alborz Aluminium), an Iranian aluminium fabrication company that he co-founded. Following its expropriation by the Iranian government in 1979, he became a self-employed businessman before working in a variety of senior investment roles in Prudential Bache and Shearson Lehman Brothers. Since 1989, he has been Chairman of Swan Overseas Ltd which has been involved in a variety of agricultural businesses, including projects in Ukraine. Mr Alikhani has had a broad experience at board level in public quoted companies. Between 1993 and 1998, he was Chief Executive of Middlesex Holdings plc (now named Global National Energy plc), an international company quoted on the London Stock Exchange which then operated predominantly in Russia and the other CIS countries in steel, non ferrous metals, financial services, energy and agribusiness. He is also a Director of Tecteon plc, a technology company traded on AIM and Dominion Energy plc, an oil and gas company that is

traded on PLUS. In 1992, he was appointed a member of the board of the International Foundation for Privatisation of Russia and, in 1997, he was appointed a member of the Dean's Council, Kennedy School of Government, Harvard University. He is also Executive Chairman of the AIM listed Cape Diamonds plc.

Ronny Maas (Executive Director, aged 50)

Ronny was born into a Belgian barge owning family business. He has extensive experience in shipping and logistics. Between 1979 and 1986, he worked with Furness Shipping and Van Ommeren in various capacities. In 1986, he joined Ghent Transport and Storage as their Operations Manager. He established his own company, Agro-Maas in 1988, which specialises in chartering vessels, custom clearance and distribution. Agro-Maas also has an interest in a grain terminal in Ukraine with a capacity of 25,000 mt. The company has offices in Brugge, Rotterdam, Budapest and Kherson in Ukraine. Mr Maas is a Director of the Belgian Chamber of Inland Barges Charterers - Brussels and is a member of the GAFTA Council (Grain and Feed Trade Association), an international organisation with 875 members in 90 countries with a remit to harmonise the global grain trading business. He was President of GAFTA from January 2005 to January 2006.

Paul Howell (Executive Director, aged 55)

Paul is a former Member of the European Parliament (1979-1994) with specialist knowledge of the expanding European marketplace, the countries of the CIS, Africa and the Middle East. He was a Downing Street Special Advisor to two former British Prime Ministers. Paul has an MA (Oxon) in Agriculture and Economics and from 1995 to 2000 he was a director of Agrifarm International which was involved in agricultural projects in Israel, Gaza, the West Bank and in the Ukraine. During the same period he was Chairman of Riceman Insurance Investments plc, an AIM quoted company involved in insurance in the states of the Former Soviet Union. Paul is also a partner in a family farm in Norfolk.

Said Alikhani (Executive Director, aged 52)

Said has over 20 years of business and project development experience in territories of the FSU and in the Ukraine. He is Managing Director of Swan Overseas Ltd, which specialises in agricultural business. From 1995 to 2000 he was a consultant to Agrifarm International and managed projects in the Ukraine.

John Stevens (Non Executive Director, aged 52)

John, an Oxford graduate, was a director of Morgan Grenfell and Co from 1979 to 1989. He has also worked in senior positions with other investment banks including Banque Indosuez and Bayerische Hypothekeneen Und Wechselbank. He is currently a shareholder in and Senior Adviser to Taube-Hodson-Stonex Partners, an equity oriented fund management company. John was a Member of the European Parliament from 1989 to 1999 where he was responsible for managing the passage of all legislation relating to the creation and introduction of the Euro and the establishment of the European Central Bank. He has always been very active in European affairs, has been published on numerous occasions and is recognised as one of the architects of the Euro. From 1991 to 1996 he represented the European Parliament with regard to relations with the European Bank for Reconstruction and Development, overseeing the establishment and general policy towards the reconstruction of the former Communist Bloc economies, in particular the Czech Republic and Russia.

DIRECTOR INTERESTS

Director	Number of Ordinary Shares	Percentage holding
Masoud Alikhani	34,744,836	7.92%
Said Alikhani	18,212,265	4.15%
Paul Howell	0	0%
Ronny Maas	33,675,663	7.68%
John Stevens	3,098,500	0.71%

DIRECTOR	CURRENT DIRECTORSHIPS:	PREVIOUS DIRECTORSHIPS:
Masoud Alikhani	Tecteon plc Dominion Energy plc	Goldfinger Polishing Ltd

Startup Station Ltd
 Cape Diamonds plc
 Swan Overseas Ltd
 Westbere Properties Ltd
 Agrifarm International Ltd
 ESV Group plc
 ESV Ukraine Ltd
 ESV Biofuels Ltd

Said Alikhani	Swan Overseas Ltd	Swan Logistics Ltd
	Swan Properties Ltd	
	Westbere Properties Ltd	
Paul Howell	R F Howell & Sons (Partnership)	
Ronny Maas	Dnipro Cargo Ltd	
	Agro- Maas UK Ltd	
John Stevens	Capet Ltd	
	Airtrack Railways Ltd	

SHAREHOLDERS WITH OVER 3% OF THE ISSUED SHARE CAPITAL

Shareholder	Number of Ordinary Shares	Percentage holding
Masoud Alikhani	34,744,836	7.92%
Agro-Maas (UK) Ltd (1)	34,610,964	7.89%
Globex Holdings Ltd (2)	34,400,000	7.84%
Labeto NV (3)	34,202,680	7.80%
Kingstown Intertrading Inc. (2)	33,204,029	7.57%
Ronny Maas	24,849,867	5.67%
Meunerie Liegeois SA (4)	28,126,802	6.41%
Irina Mikhailova	20,000,000	4.56%
Said Alikhani	18,212,265	4.15%
Saint Gery SA (5)	17,117,105	3.90%

- 1) Ronny Maas owns 25.5% of Agro-Maas (UK) Ltd
- 2) Gleb Tsentner has a controlling interest in Globex Holdings Ltd as well as Kingstown Intertrading Inc.
- 3) Anton Praet owns 100% of Labeto NV
- 4) Lambert Liegeois owns 100% of Meunerie Liegeois SA
- 4) Marcel and Hilda van Look own 100% of Saint Gery SA

SHARE OPTIONS, WARRANTS AND CONVERTIBLES

Share options of 2,631,427 Ordinary Shares are in place at an exercise price of 1p

RISK FACTORS

The Directors consider the following risks to be the most significant for potential investors having regard to ESV's business strategy and the specialist sector in which it intends to operate. The risks noted below do not necessarily comprise all those potentially faced by the Company.

* The Directors intend to develop ESV as a broadly-based investment business involved in the improvement of port facilities in the Ukraine by means of acquisition and organic growth. The Government of Ukraine is actively seeking to develop its transportation and ports infrastructure and the Directors believe the Government supports the involvement and participation in this development by foreign operators. There is no assurance that future political and economic conditions in the Ukraine will not result in the Government at that time adopting different policies in respect of foreign development and ownership of transportation and ports operations and assets. Any such changes in policy may result in changes in the laws affecting ownership of assets, taxation, currency exchange rates, environmental protection, labour relations, repatriation of income and return of capital which may adversely affect the Company's business.

* Political risk: following the recent political elections in Ukraine and the subsequent allegations of electoral irregularities there may be a higher likelihood of unrest, strikes, and trade and other sanctions within Ukraine than would normally be the case.

* Monopoly regulation: Ukraine has legislation to prevent monopolies from adversely affecting markets. The Company's future expansion will need to be in accordance with the current, as well as any future, monopoly legislation, and any change to the current legislation may impact adversely on the Company's future expansion plans. However, the Directors believe that the Company's proposed expansion plans will not be in breach of the current legislation.

* Specific operating risks: The Directors also believe that there exist the following specific operating risks for the Group:

o Normal agricultural limitations such as excess rain fall, drought, winter kill or climatic change.

o Common Agricultural Policy (CAP): The Ukraine is not part of the Europe Union. It is widely believed that the EU wishes to extend a "helping hand" to the Ukraine by negotiating a bilateral trade agreement favourable to the Ukraine. However it can not be excluded that a new CAP more restrictive on imports from non EU countries could be implemented. It should be noted though that 1) export of biofuel to the EU is not covered by the CAP and 2) the Company can divert more of its trade from the EU to the Middle East.

o Cessation or interruption in supply of grain / raw materials. The Group will be dependent upon the continuing uninterrupted supply of grain / raw materials for its operations. While the Directors expect sufficient supplies to be available, there is no guarantee that this will be the case. Although not actually required, it can not be completely excluded that in the future Government agreement or quotas might be necessary.

* The success of the Company will be dependent upon its current and future executive management team. Although the Company has entered into contractual arrangements to secure the services of the Directors, the retention of these services cannot be guaranteed. The Company's future success will also be dependent on its ability to recruit suitably qualified individuals.

FINANCIAL INFORMATION

ESV intends to publish unaudited interim results for period ending 30/9/2006 by latest 31/12/2006. The first audited accounts for period ending 31/3/2007 will be published by latest 31/8/2007.

The Directors of ESV believe that based on the agreements with Agri-Ukraine and Dnipro Cargo and their respective historical trading activities, ESV's turnover for the period ending 31st March 2007 should be around GBP 5.8m.

REASONS FOR THE INTRODUCTION TO PLUS

The Directors believe that the Company's introduction to PLUS will:

- * Raise the Company's profile amongst its trade partners;
- * Allow the Group to attract and motivate key staff through the grant of share options;
- * Enable it to issue publicly traded shares as consideration for the acquisition of target companies and/or assets; and
- * Facilitate capital fund raising to finance future growth.

CORPORATE ADVISER & CONTACT DETAILS

BR Corporate Finance Ltd is acting as the Corporate Advisor for the Company, and can be contacted at:

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The Directors of ESV Group plc accept responsibility for this announcement.

21 August 2006