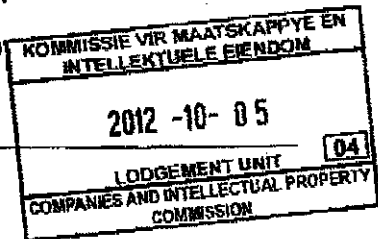


SWORN STATEMENT

in support of a notice beginning business rescue proceedings in respect of

ROMANSBAAI STONE HOUSE (PROPRIETARY) LIMITED

(Registration Number: 2005/037677/07)



I, the undersigned,

DAVID CARL MOSTERT

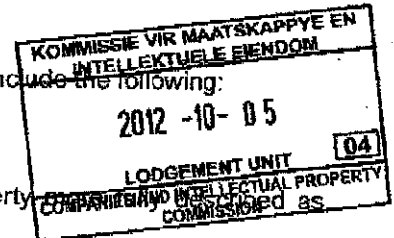
do hereby make oath and say:

1. I am an adult male businessman. I am the sole director of Romansbaai Stone House (Proprietary) Limited, a private profit company with limited liability duly as envisaged in section 8(2)(b) of the Companies Act, No 71 of 2008 (as amended) ("the Act"), with registration number 2005/037677/07 and its registered office at Old Oak Office Park, Cnr Old Oak and Durban Roads, Bellville, Cape Town ("the Company").
2. The contents of this sworn statement are true and correct and, unless stated otherwise, the facts contained herein are within my own personal knowledge and belief.
3. I make this sworn statement in support of the Company's notice to commence business rescue proceedings as contemplated in terms of section 129 (1) of the Act.
4. On 2 October 2012, the board of directors of the Company resolved that the Company voluntarily commence business rescue proceedings as envisaged in terms of the Act.

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That resolution will be filed with the Companies and Intellectual Property Commission together with this sworn statement, in accordance with requirements of the Act.

5. The relevant facts upon which the resolution was founded include the following:

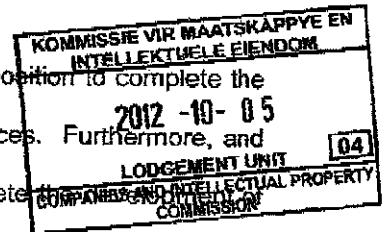


- 5.1. The Company is the registered owner of the property Portion 40 (a portion of Portion 39) of the Farm Klip Fonteyn No. 711, in the Overstrand Municipality, Division Caledon, Western Cape Province ("the Property").
- 5.2. The Property is situated near Gansbaai in the Western Cape within the Romansbaai Beach and Fynbos Estate, an exclusive luxury residential and leisure estate that is being or will be developed.
- 5.3. The Property was acquired by the Company in or around February 2007 for the purposes of establishing not only a private home but an exclusive holiday rental, a unique movie set location as well as the tasting venue for the Lomond Wine Estate, which is nearby the Property. The Property was, as such, to be commercialised by the Company with the view to generating revenue for the benefit of the Company.
- 5.4. To date, the Company has spent approximately R34 million in respect of the acquisition of the Property, infrastructure, construction and development costs.
- 5.5. However, in early 2009, the Company suffered financial hardship and liquidity constraints as a direct result of the Acc-Ross Holdings Limited single stock futures debacle and the subsequent collapse of the Pinnacle Point group of companies. The situation was exacerbated by the general down-turn, especially in the leisure

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and property development industry, caused by the international economic recession.

5.6. As a result of the foregoing, the Company was not in a position to complete the development of the Property from its own financial resources. Furthermore, and notwithstanding the fact that the capital required to complete the development of the Property and the construction of the dwelling is approximately R4 million, a relatively insignificant amount in comparison to the amount already spent by the Company, the Company was not able to find alternative financiers to fund the final stages of the development of the Property.



5.7. As such, the Company was not able to complete and commercialise the Property as anticipated and was therefore not able to generate income required to meet its financial obligations. In particular, the Company was not in a financial position to meet its repayment obligations to Nedbank Limited in terms of a private banking facility in the amount of R16 million granted to the Company by BOE Private Bank, a division of Nedbank Limited in or around July 2007.

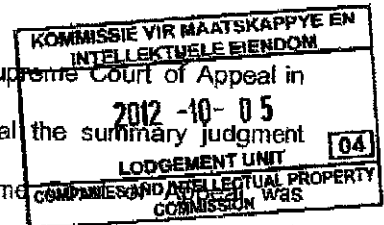
5.8. as a result of the foregoing, Nedbank Limited instituted action against the Company, together with New Port Finance Company (Proprietary) Limited and myself as sureties and co-principal debtors with the Company, out of the Western Cape High Court, Cape Town under case number 8031/2011;

5.9. Summary judgment was granted against the Company on 12 January 2012 in terms of which the Company was ordered to pay Nedbank Limited the total amount of R15 957 790.77 plus interest and costs.

M. 3

5.10. The Company instituted an application for leave to appeal the summary judgment granted against it but that application was dismissed on 7 June 2012.



5.11. The Company then instituted an application to the Supreme Court of Appeal in terms of which it applied for special leave to appeal the summary judgment granted against it. That application to the Supreme Court of Appeal was dismissed on 18 September 2012.



5.12. As a result of a combination of the above factors, the Company is financially distressed as envisaged in terms of section 128(1)(f) of the Act inasmuch as the Company is reasonably unlikely to be able to pay all its debts as they become due and payable within the immediately ensuing six months and/ or the Company is reasonably likely to become insolvent within the immediately ensuing six months.

6. There appears, in my opinion as the director of the Company, to at least be a reasonable prospect of rescuing the Company through business rescue proceedings. Business rescue proceedings will allow the Company to reorganise its affairs. In that regard:

6.1. I have reason to believe that the Company, under the umbrella of business rescue proceedings as envisaged in terms of the Act, will now be in a position to secure financing to complete the development of and then commercialise, the Property as envisaged. As already mentioned, as it stands, the Property is close to completion. It is in fact structurally complete. The final stages of development that must be completed consist of internal finishings and fittings. As soon as the same have been completed, the Property can be commercialised by the Company.


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6.2. Securing the funding and commercialising the Property as stated will allow the Company to commence trading and generate revenue which will in turn allow it to trade out of its current financial situation.

6.3. Once development of the Property has been completed, the Company may also be in a position to sell the Property and, under the umbrella of business rescue proceedings, may do so in the ordinary course. The completion of the development and the sale of that Property in the ordinary course (as opposed to through execution procedures or in a liquidation scenario), will greatly increase the returns that can be achieved by the Company. I believe that the value of the Property in its current state if sold at auction will be a maximum of R10 million. However, if the development of the Property is completed and/ or the Company is able to find a buyer for the Property in the ordinary course, the value of the Property would be substantially increased and could be as much as approximately R40 million.

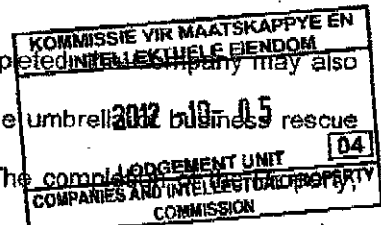
6.4. At least, business rescue proceedings will mean that the Company may be able to implement an arrangement acceptable to its creditors and other stakeholders.

7. The business rescue process will also allow for:

7.1. the temporary supervision of the Company and for the management of its affairs, business and property;

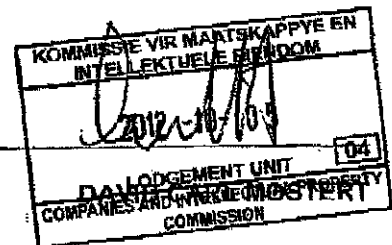
7.2. a temporary moratorium on the rights of claimants against the Company or in respect of property in its possession; and

7.3. the development and implementation, if approved, of a plan to rescue the Company by restructuring its affairs, business, property, debt and other liability



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and equity in a manner that maximizes the likelihood of the Company continuing in existence, result in a better return for the Company's creditors or shareholders than would result from the immediate liquidation of the Company.



I HEREBY CERTIFY that the deponent has acknowledged that he knows and understands the contents of this affidavit, which was signed and sworn before me at **CAPE TOWN** on this the **2nd** day of **OCTOBER 2012**, the regulations contained in Government Notice No R1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.


COMMISSIONER OF OATHS

**WILLEM JACOBUS LE ROUX
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