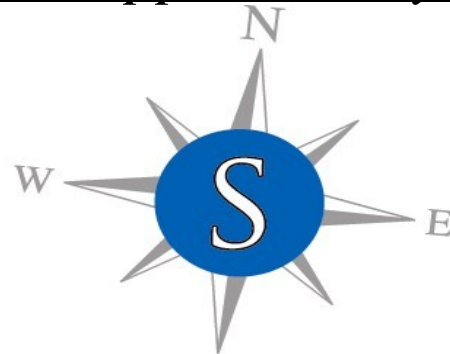




International Trade Club Meeting

9th July 2009

*Winning Export Orders
with an ECGD supported Buyer Finance Option*



SOVEREIGN STAR[®]
TRADE FINANCE LIMITED

A member of the Northstar Group of Companies

Sovereign Star Trade Finance Limited

- *Sovereign Star is an ECGD backed Trade Finance House supporting primarily, but not exclusively, the interest of Small & Medium sized UK Exporters.*
- *Sovereign Star does this by providing medium-term financing to credit worthy Overseas Buyers for the purchase of eligible UK manufactured products and services, specialising in modest sized transactions. Minimum levels of UK content apply.*

What is Sovereign Star's History / Ownership?

- *100% Subsidiary of Northstar Trade Finance Inc. in Canada.*
- *Northstar has a 14 year history with close to 1000 successful export finance transactions.*
- *Northstar's shareholders include four major banks in Canada and the largest Canadian pension fund.*
- *Sovereign Star formed in the UK after negotiations with ECGD to facilitate loans for Small to Medium Export Transactions from the UK.*

Who is the Sovereign Star Team?

- Sovereign Star UK Management Team:
 - *Chris Siegl: Executive Director*
 - *Steven Metcalf: Head of Business Development*
- In-house team:
 - *Experienced project financiers and credit analysts
(12 analysts alone in Northstar Group, Toronto)*
- Multi-lingual staff increase efficiencies:
 - *Numerous French, Spanish, Portuguese Speakers,
plus: Mandarin, Cantonese, German, Russian,
Czech, Polish, Slovak etc.*



Eligible Countries and Clients for supporting sales of *East Lancs Exporter*

- *Sovereign Star's UK export credit facility covers countries backed by ECGD.*
- *Lending decisions are a function of country and buyer risk.*
- *Sovereign Star makes normal credit and balance sheet risk assessments on the buyer. Normally no start up companies.*
- *The Northstar Group has a worldwide loan portfolio with specific experience of lending to private foreign buyers.*



Key Criteria for an Export Credit in support of an *East Lancs Exporter*

- *UK Export of Capital Goods and Technology.*
- *Minimum 20% UK content by value.*
- *Buyer/Borrower with track record.*
- *3 Years Audited Financial Statements.*



Northstar Group's Worldwide Portfolio Includes

<i>Argentina</i>	<i>Columbia</i>	<i>Malaysia</i>	<i>Ukraine</i>
<i>Australia</i>	<i>Ecuador</i>	<i>Mexico</i>	<i>Thailand</i>
<i>Bolivia</i>	<i>Finland</i>	<i>Netherlands</i>	<i>Turkey</i>
<i>Brazil</i>	<i>Guatemala</i>	<i>New Zealand</i>	<i>Canada</i>
<i>Chile</i>	<i>Russia</i>	<i>Peru</i>	<i>United States</i>
<i>China</i>	<i>India</i>	<i>Philippines</i>	<i>Venezuela</i>

- Nigeria approved and a deal under final negotiation



Medium Term Buyer Finance Option available to Clients of *East Lancs Exporter*

- **Amounts:**

Typically from £100,000 to £5 million for up to 85% of Contract Price. Amounts above £5m may be considered.

- **Term:**

2 to 5 Years

- **Repayment:**

Equal Monthly, Quarterly or Semi-Annual Payments

- **Security Structure:**

One or a mix of Promissory Note, Loan Agreement, Charge on Equipment and/or 3rd Party Guarantees



Loan Costs to Client of East Lancs Exporter

- **Interest Rate Margin:** *ca. 4-4.5%p.a.*
- **Admin Fee:** *Typically 1.5%**
- **ECGD Premium:** *Typically between 2 to 6%**
- **Legal Costs:** *Normally Max. £5,000*

* *Special note:*

- *The Admin Fee and ECGD Premium only calculated on a one-off, flat basis on Loan Amount not the Contract Price and not per annum.*
- *85% of ECGD Premium may be included in a financing*

NO COST TO EAST LANCS EXPORTER !!!

Main Advantages for *East Lancs Exporter*

- *Under our programme, Sovereign Star and ECGD assumes all buyer/country credit and political risk, without recourse to East Lancs Exporter.*
- *East Lancs Exporter has the ability to offer a medium term buyer financing option in support of bids and quotations, even for relatively modest sized projects.*
- *East Lancs Exporter able to offer a financing option without the need for LC's or Bank Gtees from their clients - even those in emerging markets.*



Main Advantages for *East Lancs Exporter*

- *Access to ECGD backing that may not be available directly/via house bank or on comparable terms and conditions. The size of transaction may be an issue and Bank Guarantee from your client required.*
- *Sovereign Star's fast track vetting and application process. Upon receipt of your client's credit information we can complete an application for support within 10 days. Realistically can take up to a month to finalise.*
- *It is possible to provide a preliminary expression of interest/discussion paper in early stages of enquiry.*



Main Advantages for *East Lancs Exporter*

- *All negotiations with the customer of an East Lancs Exporter for credit information as well as with ECGD for support would be undertaken by Sovereign Star.*
- *Unlike many other kinds of supplier driven financings, such as forfaiting, all facility documentation with the customer of an East Lancs Exporter is handled by Sovereign Star.*
- *Sovereign Star make direct and prompt payment to an East Lancs Exporter from one of its UK bank lines shortly following presentation of contract conforming docs.*

Major Advantages for *International Clients* of East Lancs Exporters

- *Our financing option provides them with **additional credit facilities** leaving their existing working capital lines free for other purposes*
- *Your client is **not required to put up or meet the significant expense of an LC or Bank Gtee** during the life of the transaction (either prior or post delivery).*
- *We may be able to offer loans with longer repayment tenors than can normally be obtained locally by your customer for machinery imports.*



Major Advantages for *International Clients* of East Lancs Exporters

- *Significant portion of the financing costs can be incorporated in and paid over the life of the Loan.*
- *Highly competitive interest rates.*
- *An ECA backed financing may assist your client obtain international funding in the future for other projects*
- *Local knowledge and prospect in many countries, dealing directly with our Group's representatives.*



When can/How do *East Lancs Exporters* apply for Sovereign Star/ECGD Finance Option?

- *Sovereign Star finance can be applied for either before, during or even after a sale agreement is reached.*
- *If finance is an issue for the Buyer have other potential suppliers already provided offers of extended credit?*

Buyer Application:

- *Buyer Application Form inc., Financials & Projections.*

East Lancs Exporters member Application:

- *Exporter Proposal Form.*



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