

ESV GROUP PLC

("ESV", "The Company" or "The Group")

Trading Update

CHAIRMAN'S STATEMENT

ESV Group Plc, the farming and logistics company announces a trading update for the quarter ended 31 December 2012.

The situation summarised with the interim results on 27 December 2012 remains virtually the same and is repeated below.

Sale of Mozambique Jatropha plantations

The Agreement for the sale of the Group's Jatropha plantation business in Mozambique was first announced in November 2009. Subsequently the Company reported that the final tranche of US\$1.9 million receivable from the sale was contingent upon the issuance of the Jatropha farming rights for the second plantation area by 9 May 2011. The parties who purchased the plantation from the Group did not co-operate in applying for the land rights issuance as they were required to do and had agreed to do.

As previously reported the Group commenced litigation to seek redress from the purchasers through the Mozambique courts. ESV expects to receive shortly appropriate information from the Mozambique land authorities which should enable ESV to submit the matter to the International Chamber of Commerce Court in Paris.

From the final amount receivable, payment of US\$0.25 million is to be made to the former holders of the land.

Grain trading

The Group is not considering resuming grain trading in the current uncertain market conditions.

Ukraine agri-logistics

The latest official Ukraine Grain Association estimate of 2011-2012 grain production is 46.5 million tonnes with exports of 20.9 million tonnes.

The grain markets in Ukraine have stabilised and there has been an increase in grain exports from Ukraine during the latter part of the period under review. Ukrainian farmers are now signing contracts with exporters at favourable prices and will continue to do so for the remaining months of the exporting season although the government has imposed an upper limit for this period of 5.5 million tonnes for wheat.

Following the resumption of exports from Ukraine after 2 December 2011, ESV's total shipments during the 2011/12 season consisted of mainly "niche market" products (e.g. corn gluten feed pellets) shipped in smaller vessels.

Consequently traffic through the Kherson port was a total of 22,000 tonnes in the period from April-September 2012 inclusive.

Outlook for 2012-2013

It is the Board's expectation that market and regulatory conditions will continue to improve during the remainder of the 2012-2013 season and it expects the Company to handle at least 100,000 tonnes of grain exports in the fiscal year ahead.

The Company is continuing its negotiations with strategic partners to further equip and expand the grain handling and storage facilities at Kherson. It has been aided in this regard by the passing of a new law on Seaports in Ukraine by the Ukrainian parliament in May 2012, which is expected to be implemented on 13 June 2013. This expressly permits private enterprises to carry out business activity alongside state-owned ports. There are interim provisions and where, as in the case of Dnipro Cargo, existing arrangements between state and private ports exist they will remain valid.

Cost controls

The Group continues to monitor carefully and where possible reduce costs and commitments in order to operate its businesses within the financial resources available.

Going concern

The Company has created a solid platform in terms of its Ukraine agri-logistics business. In order to maintain its operations and pursue new opportunities, the Company will need to raise finance. Nevertheless, the Directors anticipate that, as historically, the Company's financial needs will be met as they arise.

Future developments

The Directors of ESV are continuing to identify new opportunities, both inside and outside its current Ukraine base, which the Company intends to pursue.

Firstly, the Company is continuing to monitor closely developments in international agricultural sectors, including food security considerations. It intends to leverage and monetise its expertise gained in Ukraine and develop its widespread contacts with African countries in particular.

It has assembled an international team of consultants in agro-economics to take advantage of the rapidly-expanding requirement for dairy, cereal and bio-fuel production.

ZAMBIA

In Zambia, where there is availability of good land and an excellent dependable climate, the Company is actively pursuing the potential for import substitution of a range of high-value crops. It has formed a Zambia Agriculture Group ("ZAG").

The principal crops grown in Zambia in 2010 were sugar cane, maize, cassava and sweet potatoes. ZAG intends to specialise in crops of higher calorific values. During 2013, ZAG plans to commence trials of high-value seeds and crop production,

implement irrigation systems and initiate post-production activities including food processing and cold storage, thereby providing further added-value.

DESERTIFICATION

ESV continues to progress its existing Memorandum of Understanding ("MOU") with a Sichuan, People's Republic of China ("PRC") based developer of a silica-based organic fertiliser. The fertiliser, applicable to soils in desert and near-desert areas, uses layered porous silicate, a nanometre interlayer and high polymerising technology. It can alter and improve the structure of desert land and create conditions for a positive cycle of water, fertiliser and vegetation growth. The material has been used successfully in the PRC for the last 12 years.

Bringing desert areas into agricultural production is a key objective of many emerging countries and of the product. Under the MOU, ESV is projected to have a majority share in a dedicated Joint Venture that is planning to conduct trials in Tunisia, Jordan, UAE, Israel, Zambia, Mozambique and South Africa with a view to marketing the product internationally.

M A Alikhani

Chairman

6 February 2013

The Directors of ESV accept responsibility for this announcement.

Notes to editors:

ESV is a broadly based investment business currently involved in agribusinesses including farming and logistics in Ukraine.

The Company holds a purchase and sale agreement with a 12,000 hectare farming business in the Poltava region of Ukraine and it has a management agreement with Dnipro Cargo Ltd for port management operations at the Kherson Sea Port, one of the principal transshipment centres on the Black Sea. Here it operates cargo and port facilities, principally for the export of grains.

ESV has been quoted on PLUS since 21 August 2006 (symbol ESVO).

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