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FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 7.

ABRIDGED PARTICULARS OF THE PROSPECTUS



RC: 672

WEST AFRICA Plc

Offer for Subscription

Of

178,162,966

Ordinary Shares of 50 Kobo each

at

₦13.00 per share

Payable in full on Application

APPLICATION LIST OPENS: Wednesday, 12 December 2007

APPLICATION LIST CLOSES: Monday, 31 December 2007

ISSUING HOUSES:



VETIVA

CAPITAL MANAGEMENT LIMITED
RC.485600



FBN Capital

FBN CAPITAL LIMITED

RC: 446599

A copy of this Abridged Prospectus and the documents specified herein has been delivered to the Securities and Exchange Commission ("the Commission") for clearance and registration.

This Abridged Prospectus is being issued in compliance with the provisions of the Investments and Securities Act Cap 124 Laws of the Federation of Nigeria 2004, the Rules and Regulations of the Commission and contains particulars in compliance with the requirements of the Commission, for the purpose of giving information to the public with regard to the Offer for Subscription of 178,162,966 ordinary shares of 50 Kobo each of Costain (West Africa) Plc by Vetiva Capital Management Limited and FBN Capital Limited. An application has been made to the Council of The Nigerian Stock Exchange for the admission to its Daily Official List of 178,162,966 ordinary shares of 50 Kobo each now being offered for subscription.

The Directors of Costain (West Africa) Plc individually and collectively accept full responsibility for the accuracy of the information contained in this Abridged Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts the omission of which would make any statement herein misleading or untrue.

This Prospectus is dated Tuesday, 04 December 2007

SUMMARY OF THE OFFER

SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 31 MARCH 2007

		₦'000
AUTHORISED:	200,000,000 Ordinary Shares of 50 Kobo*	<u>100,000.00</u>
ISSUED AND FULLY PAID:	159,920,000 Ordinary Shares of 50 Kobo each	79,960.00
RESERVES:		
	Revaluation reserve	1,291,132.00
	Share Premium	44,189.00
	General reserve	(2,703,705.00)
SHAREHOLDERS' FUNDS:		<u>(1,288,424.00)</u>

INDEBTEDNESS: As at 31st March 2007, the Company had no outstanding bank loans, acceptances and overdrafts other than in the ordinary course of business. The Company also had no outstanding debentures, mortgages, charges or other similar indebtedness other than in the ordinary course of business. However, the Company has a debt of ₦1,669,689,014.20 owed to Shoreline Energy International Limited which it intends to convert to equity concurrently with the offer. In addition, as at 30th September 2007, the Company has contingent liabilities in the ordinary course of business amounting to ₦163,549,779.00 from cases pending against the Company.

*On August 9 2007 the authorised Share Capital was increased from ₦100 million to ₦750 million by the creation of 1,300,000,000 ordinary shares of 50 Kobo each and this was subsequently registered with the Corporate Affairs Commission (CAC) on 28 August, 2007.

This summary draws attention to information contained elsewhere in the Full Prospectus; it does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including the financial statements and related notes elsewhere in the Full Prospectus.

- ISSUER:** Costain (West Africa) Plc ("Costain" or "the Company")
- ISSUING HOUSES:** Vetiva Capital Management Limited ("Vetiva"); and FBN Capital Limited ("FBN Capital")
- SHARE CAPITAL:**

Authorised: ₦750,000,000.00 comprising 1,500,000,000 Ordinary Shares of 50 Kobo each

Issued and fully paid: ₦79,960,000.00 comprising 159,920,000 Ordinary Shares of 50 Kobo each

Now being offered: 178,162,966 Ordinary Shares of 50 Kobo each (Offer for Subscription)
519,740,000 Ordinary Shares of 50 Kobo each (Offer by Way of Rights)
163,809,305 Ordinary Shares of 50 Kobo each (Debt to Equity Conversion)
- PURPOSE:** The Offer is an important step for Costain, towards scaling up the operational capabilities of its construction business and diversifying its revenue base through the establishment of strategic business units with distinct competencies along the value chain, thereby, capturing cost advantage. This will transform Costain into a first class construction company with a robust and diverse revenue base.

Upon conclusion of the Offer, Costain intends acquiring some strategic businesses with distinct competencies in sub sectors of the construction industry. This will transform the Company into one of the frontline construction companies in the country with multiple competencies in power generation, oil & gas and real estate.
- USE OF PROCEEDS:** The net offer proceeds of the total offer (rights and public offer inclusive) estimated at ₦7,687,621,161.03 after deducting the total cost of the Offer estimated at ₦345,637,396.97 (representing 4.3% of the offer) will be applied as follows:

	₦'000	%	Estimated completion period
Investment in Furniture and Joinery Division:	250,000,000.00	3.25	6 months
Investment in plant, transport & equipment:	2,017,200,000.00	26.24	12 months
Business Optimisation:			
Strategic Business Acquisitions	3,500,000,000.00	45.53	18 months
Working Capital:			
Liquidity	<u>1,920,421,161.03</u>	<u>24.98</u>	Continuous
	<u>7,687,621,161.03</u>	<u>100</u>	

- METHOD OF OFFER:** Offer for Subscription
- UNITS OF SALE:** Minimum of 1,000 Ordinary Shares and multiples of 100 thereafter
- OFFER PRICE:** ₦13.00 per share
- MARKET CAPITALISATION AT OFFER PRICE (PRE-OFFER):** ₦2,078,960,000.00
- MARKET CAPITALISATION AT OFFER PRICE (POST-OFFER):** ₦13,281,219,517.00 (Includes Rights Issue and Conversion)
- PAYMENT:** In full on application

SUMMARY OF THE OFFER

12. PREFERENTIAL ALLOTMENT:

A maximum of 71,265,186 shares, representing Forty Percent (40%) of the Offer will be preferentially allotted to identified institutional investors from the 142,530,373 ordinary shares underwritten by the joint-underwriters as follows:

Name	Number of Units	% of Offer
Richard Costain Limited	28,506,075	16%
Empire Court Estate Limited	10,689,778	6%
Shoreline Energy International Limited	10,689,778	6%
Industrial & Mechanical Services Limited	10,689,778	6%
Koda Trading Limited	10,689,778	6%
Total	71,265,186	40%

13. ADDITIONAL INFORMATION:

The Company is simultaneously offering by way of rights 519,740,000 ordinary shares of 50 Kobo each at ₦11.00 per share to shareholders whose names appeared in the register of members as at Thursday, 18 October, 2007

14. DISCLOSURES

At the Company's 59th Annual General Meeting, the shareholders authorised the directors to effect the conversion to equity of the existing debt owed to Shoreline Energy International Limited (the core investor in the company) amounting to ₦1,669,698,014.20 as at 31st March 2007 plus accrued interest thereon, at the proposed rights issue price. Consequently, the board of directors have approved the conversion of a total debt of ₦1,801,902,349.97 to equity at the rights issue price of ₦11.00. The difference represents the accrued interest up to 31 December 2007 when the total offer is expected to have been concluded.

15. OPENING DATE:

Wednesday, 12 December 2007

16. CLOSING DATE:

Monday, 31 December 2007

17. UNDERWRITING:

₦1,852,894,846.43 representing 80% of this offer will be underwritten on a firm basis, in accordance with SEC's requirements as follows:

Underwriter	₦
VETIVA CAPITAL MANAGEMENT LIMITED	926,447,423.20
FBN CAPITAL LIMITED	926,447,423.20
	1,852,894,846.40

18. STATUS:

The new shares to be issued shall rank *pari passu* in all respects with the issued ordinary shares of the Company and will qualify for any dividend or bonus declared for the year ending 31 March 2008.

19. QUOTATION:

The 159,920,000 Ordinary Shares in the Company's issued share capital are quoted on the daily official list of The Nigerian Stock Exchange ("NSE"). An application has been made to the Council of The Nigerian Stock Exchange for the admission to its Daily Official List of the 178,162,966 Ordinary Shares now being offered for subscription.

20. FINANCIAL SUMMARY:

(Extracted from the Reporting Accountant's Report)

	₦'000				
	←----- Year Ended 31 March ----->				
	2007	2006	2005	2004	2003
Gross Income	3,016,397	1,111,761	2,216,355	1,261,909	1,501,992
Profit Before Taxation	147,597	(1,488,639)	(280,753)	(468,754)	(42,306)
Exceptional Item	-	-	-	-	-
Taxation	(6,300)	(-)	(7,109)	(256)	(299)
Profit After Taxation	141,297	(1,488,639)	(281,347)	(469,010)	(42,605)
Dividend	-	-	-	-	-
Paid-up Share Capital	79,960	79,960	79,960	79,960	79,960
Total Assets	2,552,094	2,158,726	2,237,404	1,804,597	1,594,425
Net Assets	(1,288,424)	(1,429,721)	(143,518)	11,397	201,919
Earnings Per Share adjusted (Kobo)	88	(931)	(176)	(293)	(27)
Dividend Per Share – adjusted (Kobo)	-	-	-	-	-

SUMMARY OF THE OFFER

21. FORECAST OFFER STATISTICS:

(Extracted from the Reporting Accountants' Memorandum on the Profit Forecast)

Year Ending 31 March	2008	2009	2010
Forecast earnings per share (Kobo)(Fully Diluted)	50	169	315
Forecast earnings per share (Kobo)(Weighted)	136	169	315
Forecast earnings yield at offer price (%)	10.4%	13.0%	24.2%
Forecast dividend per share (Kobo)	-	65	150
Forecast dividend yield at offer price (%)	-	5.00	11.54
Forecast Price/ Earnings Ratio at Offer Price (Fully Diluted)	26	7.69	4.13
Forecast Price/ Earnings Ratio at Offer Price (Weighted)	9.55	7.69	4.13

Note

The Calculations of the earnings per share (fully diluted) are based on the 1,021,632,271 Ordinary shares of 50 Kobo each as at 31 March 2008, 2009 and 2010. Earnings per share (weighted) are based on the 159,920,000 weighted ordinary shares of 50 Kobo each in 2008 and 1,021,632,271 Ordinary shares of 50 Kobo each being post offer shares expected to be in issue) as at 31 March 2009 and 2010. Dividends per share are based on 1,021,632,271 Ordinary shares of 50 Kobo each in 2008, 2009 and 2010.

22. CLAIMS AND LITIGATIONS:

As at 30 September 2007, based on information supplied by Costain West Africa Plc ("Costain"), the solicitors to the offer conducted due diligence in respect of pending or threatened litigation, against Costain. Please find below a brief summary of litigation matters pending or threatened against the Company arising in the ordinary course of business. The Solicitors to the Company are not aware of any further claims or litigation save as set out therein.

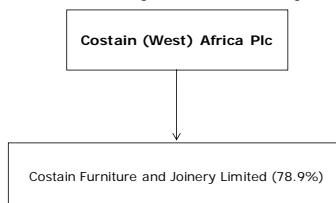
The Company is currently involved in 9 suits.

- There are 8 suits filed against Costain with a total monetary value of claims of ₦163,549,779.00 (One hundred and sixty three million five hundred and forty nine thousand seven hundred and seventy nine Naira only).
- Costain has filed a Counter-Claim in two of the suits mentioned above with a value of ₦14,800,000.00 (Fourteen million and eight hundred thousand Naira only).
- There is one suit filed by Costain (as Plaintiff) in which judgement has been delivered in favour of Costain in the sum of ₦13,112,030.00 (Thirteen Million One Hundred and Twelve Thousand and Thirty Naira). Interest is accruing at the rate of 6% until the judgment is fully paid.
- Accordingly the total monetary value of claims filed by Costain [items (ii) and (iii) above] is ₦27,912,030 (Twenty seven million nine hundred and twelve thousand and thirty Naira)

In the Solicitor's to the Offers opinion, the claims against Costain are unlikely to succeed as the Company has good defences and the contingent liability arising therefrom should not exceed ₦8,000,000.00 (Eight million Naira). Save for the claims mentioned above the solicitors to the offer are not aware of any other pending and/or threatened claims or litigation against the Company which may be material to the Issue.

23. COMPANY STRUCTURE:

Costain has only one subsidiary as illustrated below:



24. SHARE CERTIFICATE:

Share certificate in respect of the shares allotted will be sent by registered post not later than 15 working days from the date of allotment. Any investor who does not want to receive a physical share certificate should state his/her stockbroker and his/her CSCS account number in the space provided on the Application Form.

25. OVER SUBSCRIPTION

In the event of oversubscription shares in the amount not exceeding 25% in excess of the issue, in line with SEC rules and regulations, subject to the approval of the board of Costain (West Africa) Plc and subsequent approval of the Securities and Exchange Commission will be capitalised up to the extent of the authorised and unissued share capital of the company. Proceeds of the supplementary allotment will be utilised in the same proportion as stated in this Abridged prospectus and a revised profit forecast and supplementary information shall be filed with the Securities and Exchange Commission.

DIRECTORS AND OTHER PARTIES TO THE OFFER

DIRECTORS

Alhaji (Dr.) Mohammed Hassan Koguna (Chairman)

174 Funso Williams Avenue
Ebute-Metta
Lagos State

Mr. Orikolade Karim (Deputy Chairman)

174 Funso Williams Avenue
Ebute-Metta
Lagos State

Mr. Phil Wharton (British) (Managing Director)

174 Funso Williams Avenue
Ebute-Metta
Lagos State

Mr. Mark Fredrick Bullen (British) (Executive)

174 Funso Williams Avenue
Ebute-Metta
Lagos State

Mr. Harm Albert Ploeger (Dutch) (Executive)

174 Funso Williams Avenue
Ebute-Metta
Lagos State

Mr. Ayodeji Karim (Executive)

174 Funso Williams Avenue
Ebute-Metta
Lagos State

COMPANY SECRETARY

Mrs. Christabel-Immanuela Tabiowo

174 Funso Williams Avenue
Ebute-Metta
Lagos State

REGISTERED OFFICE

174 Funso Williams Avenue
Ebute-Metta
Lagos State

ISSUING HOUSES

Vetiva Capital Management Limited

Plot 266B Kofo Abayomi Street
Victoria Island
Lagos State

FBN Capital Limited

16 Keffi Street
South-West Ikoyi
Lagos State

AUDITORS

Akintola Williams Deloitte
(Chartered Accountants)
235 Ikorodu Road
Lagos

STOCKBROKERS

Denham Management Limited

New Africa House
15 Marina
Marina
Lagos State

Calyx Securities Limited

Stock Exchange House (17th Floor)
2/4 Customs Street
Marina
Lagos State

FIS Securities Limited

2 Towry Street
Off Catholic Mission
Marina
Lagos State

REPORTING ACCOUNTANTS

Horwath Dafinone (Chartered Accountants)

Ceddi Towers
16 Wharf Road
Apapa
Lagos State

SOLICITOR TO THE COMPANY

Adepetun, Caxton-Martins, Agbor and Segun

St Nicholas House (9th Floor)
Catholic Mission Street
Marina
Lagos State

SOLICITORS TO THE OFFER

Akin Delano Legal Practitioners

21 Military Street
Onikan
Lagos State

REGISTRARS TO THE OFFER

First Registrars Nigeria Limited

Plot 2 Abebe Village
Iganmu
Lagos State

RECEIVING BANK

First Bank of Nigeria Plc

Samuel Asabia House
35 Marina
Lagos State

Skye Bank Plc

3 Akin Adesola Street
Victoria Island
Lagos State

COSTAIN (WEST AFRICA) PLC

Costain (West Africa) Plc ("Costain" or "the Company") is one of Nigeria's strongest construction brands as the brand symbolises strength, integrity, experience and expertise. The focus on customer requirements, commitment to quality and the need to adapt to a changing world has been essential ingredients for our rejuvenation.

Since its establishment in the 1940's, Costain (West Africa) Plc ("Costain" or "the Company") has evolved, but one constant theme remains – customer satisfaction. Costain's reputation has been built on meeting all customers' needs which does not apply solely to mega projects. Every Costain customer receives the special commitment to skill, innovation and service. The Company's formulated strategy will drive the business forward ensuring that, in the decades to come, Costain remains a strong construction company. The focus on customer requirements, commitment to quality and the need to adapt to a changing world has been essential ingredients for our rejuvenation.

HISTORY AND BUSINESS OF THE COMPANY

Costain was incorporated in 1948 as a private company in Nigeria to take over various works then being undertaken in Nigeria by the building department of John Holt and Company (Liverpool) Limited. Costain's establishment in Nigeria was spearheaded by Richard Costain Limited (Now known as Costain Group Plc (UK)), which had established a world-class reputation in building and civil engineering, open-cast mining, dredging and other construction related activities.

Leveraging on the experience and strength of the Costain Group Plc (UK) ("Costain UK") activities world-wide, Costain (West Africa) Plc has over the last 59 years executed a wide range of building and civil engineering projects throughout Nigeria for the Federal Government, State Governments and private organizations. The considerable experience of its staff and its easy access to specialist personnel seconded to it from Costain UK has also enabled the Company consistently deliver excellent construction services to its clients and rapidly transform itself into one of the frontline construction companies in Nigeria.

The Company went public on the 13th of March, 1974 and its shares were subsequently quoted on The NSE. Consequently, Costain was the first construction company to be quoted on The NSE. In addition, Costain received a Merit Award in the Services Sector from The Nigerian Stock Exchange for the years 1988/89 and 1989/1990.

MISSION & VISION

Costain's vision, mission, objectives and strategy are driven by the necessity to create a unique construction company with multiple competencies that delivers superior value to all stakeholders. This goal is aptly captured in the Company's values as boldly stated in its **Mission, Vision, Objective** and **Strategy** statements as follows respectively:

"TO BE THE LEADER IN THE DELIVERY OF SUSTAINABLE ENGINEERING AND CONSTRUCTION SOLUTIONS THAT MEET OUR CUSTOMERS NEEDS".

"TO BE SEEN AS AN AUTOMATIC CHOICE FOR PROJECTS REQUIRING INNOVATION, INITIATIVE, TEAMWORK AND MANAGERIAL SKILLS".

"TO DEVELOP A SUSTAINABLE BUSINESS THROUGH GROWTH WHICH DELIVERS PROFITABILITY TO OUR SHAREHOLDERS, VALUE TO OUR CUSTOMERS AND A REWARDING CAREER FOR OUR STAFF".

"TO HAVE SKILLED TEAMS COMMITTED TO A COMMON MANAGEMENT SYSTEM USING TOOLS AND GUIDES TO PROVIDE A CONSISTENT APPROACH TO BEST PRACTICE AND BEST VALUE".

To this end, Costain is committed to deploying highly efficient personnel, technology and processes to enhance innovation and service quality.

The above description of our value proposition demonstrates our articulated approach towards sustaining Costain among the top construction firms. It is also important to note that the macro-economic reforms will provide the impetus to grow revenues while our increased involvement along the value chain will increase profitability margins.

SERVICES

1. Construction and Civil Engineering

Costain over the years has played a key role in building many landmark infrastructural projects such as roads, bridges, dams, railways and airports. The company has been consistent in demonstrating seamless execution and timely delivery of projects which has given the company its edge over competitors. Some notable infrastructure projects executed by Costain include the 21 year old Erinle Dam of Ede headworks and water treatment plant in Oyo State.

2. Building

Costain is dedicated to designing and constructing durable and functional buildings with exquisite taste within the delivery times specified by its clients. Costain also offers feasibility studies, turnkey and fast track solutions and maintenance of buildings at client's request. Some notable building projects executed by Costain include the construction of Necom House Lagos, for many years, the tallest building in Africa, and the Rivers State secretariat building.

3. Furniture and Joinery

In order to meet the growing demand for high quality furniture by its clients, Costain decided to carve out a division to specialise in the production of furniture and joinery. It was also an opportunity for Costain to capture additional revenue as most of the company's projects required some form of wood work.

COSTAIN (WEST AFRICA) PLC

Since the establishment of the Furniture and Joinery Division, it has continued to produce and deliver state of the art furniture for a variety of public buildings, residential complexes and offices. Recently Costain produced furniture for the Shell trustees' housing estate in Maitama, Abuja, a world class building project consisting of 52 housing units of various designs, an administrative building and a multi storey servants quarters complex. It includes facilities for leisure (e.g. swimming pool, tennis court, club house and squash court).

STRATEGIC PARTNERS

Costain has a technical services agreement with Costain Group Plc, a major UK listed company with worldwide activities in engineering and construction, particularly known for its skills in maritime works. Founded in 1865, Costain Group has over the years earned a reputation for undertaking some ambitious and technically demanding projects. This is exemplified by its participation in projects such as the channel tunnel (underground train that links UK and France), Hong Kong's new airport at Chek lap Kok, Hong Kong and the Thames Barrier in London, U.K.

PREMISES

Costain (West Africa) Plc has its head office at 174 Funso Williams Avenue (Formerly Western Avenue) Ebute-Metta, Lagos. In addition, the Company operates from one other office in Abuja. Details of the Company's premises are below:

State	Address	Nature of Holding	Date of Expiry
Lagos	174 Funso Williams Avenue, Formerly Western Avenue Ebute-Metta Lagos	Leasehold	Year 2047
Abuja	Costain Life Camp, Area Office Gwarinpa District Garki, Abuja	Leasehold	Year 2102

PURPOSE OF THE OFFER

The Offer is an important step towards Costain, scaling up the operational capabilities of its construction business and diversifying its revenue base through the establishment of strategic business units with distinct competencies along the value chain, thereby, capturing cost advantage. This will transform Costain into a first class construction company with a robust and diverse revenue base.

Upon conclusion of the Offer, Costain intends acquiring some strategic businesses with distinct competencies in sub sectors of the construction industries. This will transform the Company into one of the frontline construction companies in the country with multiple competencies in power generation, oil & gas and real estate.

The net offer proceeds of the total offer (rights and public offer inclusive) estimated at ₦7,687,621,161.03 after deducting the total cost of the Offer estimated at ₦345,637,396.97 (representing 4.3% of the offer) will be applied as follows:

	₦'000	%	Estimated completion period
Investment in Furniture and Joinery Division:	250,000,000.00	3.25	6 months
Investment in plant, transport & equipment:	2,017,200,000.00	26.24	12 months
Business Optimisation:			
Strategic Business Acquisitions*	3,500,000,000.00	45.53	18 months
Working Capital:			
Liquidity	<u>1,920,421,161.03</u>	<u>24.98</u>	Continuous
	<u>7,687,621,161.03</u>	<u>100</u>	

*The company intends to acquire some strategic businesses with distinct competencies in sub-sectors of the construction industry.

RISK AND MITIGATING FACTORS

It is important to note that like any other investment, investment in the shares of Costain would expose an investor to certain risks. However, the company's business strategy, growth strategy as well as strategic acquisition strategy have been carefully analysed to cushion the effects of the risk and subsequently protect investors. The risks associated with any investment can be divided into the following types: (a) Country risks (b) Political risk (c) Currency risks (d) Sectoral/Industry and (e) Company/Specific risks.

(A) Country Risks

Downturn in the national, regional and local economic climates

A large proportion of Costain's income is earned within the Nigerian Shores. Hence a downturn in the Nigerian economy or a change in the overall national economy may have an impact on the demand for the company's services. This effect may be more severe in the area of real estate development services.

Mitigating Factor: Costain already operates a furniture and joinery division and is in the process of expanding and further diversifying its revenue base into other areas such as oil and gas, real estate and infrastructure finance, such that the overall effect of an economic movement or regulation in any one of these business areas will be minimised due to revenue from other business areas.

(B) Political Risk

Change of Government Policy

Certain of the company's activities are dependent on the current Governments' policies with regard to improving public infrastructure, buildings and services. The Nigerian Government or other Governments of countries in which the company may operate, now or in the future, may decide to change their priorities or programmes, including reducing present or future investment levels in infrastructure, public sector buildings, housing projects or other areas in which the company would expect to compete for work. Any reduction in such government investment and funding would be likely to adversely affect the company's future revenues and profitability in the relevant sectors.

Mitigating Factor: These factors are beyond the control of the company and cannot, therefore be mitigated

(C) Currency Risks

Foreign Exchange Risks

There exists the risk of foreign investors being exposed to the Naira depreciating against major foreign currencies and thereby reducing their real returns from income and capital distributions due to them.

Mitigating Factor: The expected return on an investment in Costain may compensate for any negative currency movements. In addition, the exchange rate of Naira to major currencies has been stable over the last 3-5 years and is expected to remain stable in the medium to long term based on the improving macro-economic fundamentals of Nigeria and the overall monetary policies of the Central Bank of Nigeria.

(D) Sectoral/Industry Risks

Revenues and operating performance may fluctuate with business cycles in the industry

Traditionally, the financial performance of the construction companies has tended to fluctuate in cyclical patterns characterised by periods of significant competition in pricing and the economy's strength.

Mitigating Factor: The construction industry is expected to grow over the next decades due to the macro-economic policies of the FGN; the key driver being the projected GDP growth. It is envisaged that the Nigerian economy will continue to grow over the next five years.

(E) Specific/Company Risks

Due to the nature of our business and the size of the huge financial obligations required to execute our projects, Costain is exposed to the risks arising from insufficient working capital to complete projects.

Mitigating Factor: This capital raising exercise will ensure that the company is fully equipped and has sufficient funds with a highly skilled and competent workforce to enable it deliver excellent construction services and complete projects on time, within budget and to the required quality and standard.

RESEARCH AND DEVELOPMENT

The company has devoted enormous resources to training, researching and continuous development of its manpower and processes this is to ensure that the company provides unrivalled service delivery given the increased competition in the Nigerian Construction Industry.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Costain (West Africa) Plc has imbibed the highest standards of corporate governance and best practices. The Company's business and operations are conducted in an open and transparent manner in line with international best practices and in accordance with the provisions of the relevant laws. The Company is in compliance with SEC's code of corporate governance requirements. Please find below the company's level of compliance with the code:

- In line with the Company's vision to maintain the highest standards and to ensure the independence of the Internal Audit function, the Board approved a charter on the Company's Internal Audit. This Charter isolates and insulates the Internal Audit Department from the control or influence of the Executive Management and also frees staff within the internal audit units from operational and management responsibilities that could impair their ability to make independent reviews of all aspects of the Company's operations thereby making the department independent. Under the Charter, the Internal Auditors report directly to the Board
- There is a balance of power and authority so that no individual or coalition of individuals has unfettered powers of decision making
- In Compliance with Section 359 of the Companies and Allied Matter Act (1990), the Company has a standing Shareholders' Audit Committee to protect the interest of the Company's shareholders
- In accordance with the provisions of Section 359 of the Companies and Allied Matters Act 1990, one third of the Directors of the Company retire annually. The Directors to retire every year shall be those who have been longest in office since their last election.
- The responsibilities of the Chairman are clearly separated from that of the head of management (i.e. MD/CEO) such that no one individual/related party has unfettered powers of decision making by occupying the two positions at the same time.

The Board of Directors consists of six members; a non-Executive Chairman, a non-Executive Deputy Chairman, Managing Director and three Executive Directors. Re-election/election of Board members is ratified by the shareholders at the Annual General Meeting upon the recommendation of the Board of Directors.

The oversight functions of the Board are performed through its various committees namely: The Board Committee on Human Resources, Board Audit Committee and Board Risk Management Committee.

COSTAIN (WEST AFRICA) PLC

The Board Committees meet once every quarter and report to the full Board on a quarterly basis. These committees are constituted as follows:

Board Committee on Human Resources: The Committee reviews the Company's human resources policy and is tasked with the management of the Company's staff welfare. The Committee meets quarterly.

Board Audit Committee: This Committee is responsible for ensuring compliance with the Company's accounting and reporting policies: legal and ethical practices; reviewing the scope and planning of audit requirements; making recommendations to the Board on appointment, removal and remuneration of the external auditors; regularly reviewing the effectiveness of the Company's system of accounting and internal control. This committee comprises of 2 (two) members of the board (One executive and One Non-Executive Board member)

Executive Board: The Executive Board sees to the day-to-day running of the Company and takes decisions on the running of the business. They see to it that the Board fulfils its responsibilities relating to the establishment of policies, standards and guidelines for risk and safety management, and compliance with legal and regulatory requirements in the Company

Shareholders Audit Committee: In compliance with section 359 of the Companies and Allied Matters Act, 1990, the Company has a standing Shareholders' Audit Committee constituted by two shareholders of the company.

Board Committee on Projects: The Committee meets monthly to review the Project Manager's Reports (PMR) on site operations, in order to review all on-going projects of the Company. The primary goal of the Committee is to achieve compliance with budgetary matters for all site operations and to identify risks and opportunities.

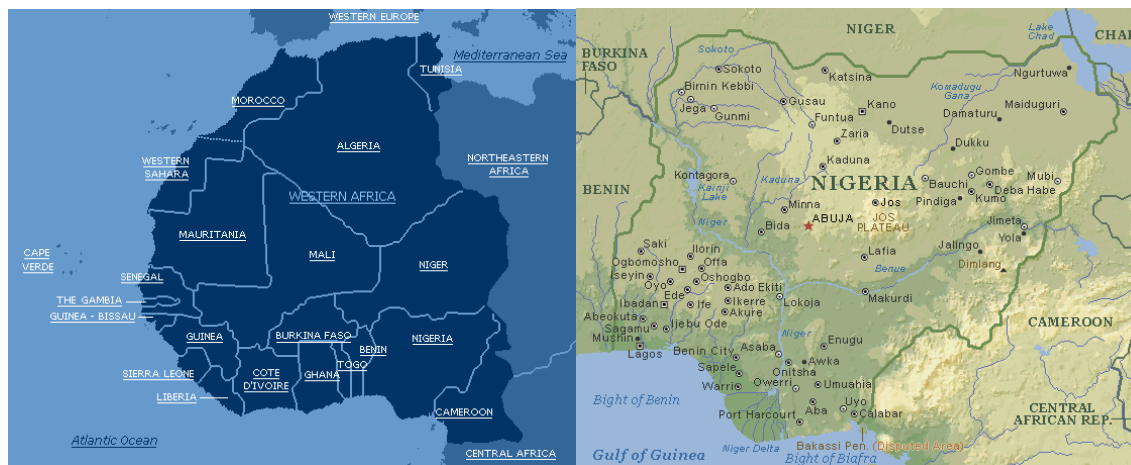
Directors Remuneration Committee: The Company intends to set up a Directors Remuneration Committee at its next Annual General Meeting.

UNCLAIMED DIVIDENDS

As at 31 August 2007, the value of unclaimed dividends stood at ₦2,900,324.73 (Two Million, Nine Hundred Thousand, Three Hundred and Twenty Four Naira and Seventy Three Kobo Only). The number of shareholders with unclaimed dividends stood at 17,970 (Seventeen Thousand Nine Hundred and Seventy). The Company has not paid dividends over the past 5 years, however in the event that dividends are declared the Company has adopted a policy of circulating an unclaimed dividend notification along with the company accounts during its Annual General Meeting ("AGM") in compliance with S382(1) of CAMA.

OVERVIEW OF THE NIGERIAN ECONOMY

The Federal Republic of Nigeria is located in West Africa and shares common borders with Niger Republic (north), Chad (northeast), Cameroon (east), Republic of Benin (west), while its southern region is bounded by the Atlantic Ocean. With a landmass of 923,768 sq. km (356,669 sq. miles) and an estimated population of over 130 million, Nigeria is Africa's most populous country. Nigeria offers the largest domestic market in sub-Saharan Africa and is the 9th most populated country in the world as well as home to one in four Africans. The country is divided into 36 states and a Federal Capital Territory. Abuja, the Federal Capital Territory, is the national capital and seat of government, while Lagos, the largest city and the national capital until 1991, remains the economic and commercial nerve centre of the country. Other major cities include Port Harcourt and Kano. The economy remains largely driven by the oil and gas industry, which accounts for over 85% of export revenue and 20% of GDP.



Source: Encarta Encyclopaedia

Figure 1: Key Demographic Information

Estimated population, (millions)	135
Estimated population growth rate (%)	2.38
Age structure (as a % of population):	
- 0 to 14 years	42.2
- 15-64 years	54.7
- 65 years and over	3.1

Source: CIA World Fact book 2007

Nigeria has the 11th largest oil reserves in the world, estimated at close to 35 billion barrels. With its large reserves of human and natural resources, Nigeria has the potential to build a highly prosperous economy, reduce poverty significantly, and provide the health, education, and infrastructure services its population needs.

Nigeria also has an estimated 5 trillion standard cubic meter of proven natural gas reserves, the tenth largest in the world and about 30% of Africa's gas reserves, primarily being associated gas from onshore fields and the Niger Delta. Due, mainly, to the lack of gas utilisation infrastructure, about 75% of associated gas is flared and 12% re-injected to enhance oil recovery. However, the National Gas Policy has set a zero-flare target by 2008 and provides incentives for the production and use of gas.

Nigeria has now developed a number of projects that increase the utilisation of gas and reduce gas flaring. The most promising of these is NLNG, a joint venture company between the Nigerian Government, Shell Gas B.V., TotalfinaElf and Agip. NLNG processes associated gas and gas from dedicated gas fields.

KEY ECONOMIC INDICATORS

A summary of recent macro-economic indicators for Nigeria is shown below. The informal economy in Nigeria is considered to be of a significant size. The size of the informal economy which is not exactly known is estimated to be up to three times the size of the reported GDP. Therefore, official GDP measures may not account for the true size of the economy. It is generally acknowledged in the construction industry that there is a positive correlation between GDP per capita and high activity level of construction activities. Therefore a "higher" GDP per capita is likely to result in a higher level of construction activities within the Nigerian economy. The table below illustrates the improving economic environment in recent years.

	2004	2005	2006
GDP (₦, billions at current market prices)	11,673	14,894	18,222
Inflation Rate (% , Average)	15	17.9	8.2
Current account balance (₦, billions)	2,615	4,165	3,480
Total external reserves (US\$ billions)	16	28	42
Average exchange DAS rate (₦/\$)	133.5	132.1	128.7

Sources: Central Bank of Nigeria Annual Report & Statement of Accounts 2006

THE NIGERIAN CONSTRUCTION INDUSTRY

The country has witnessed substantial economic and political reform activities since the restoration of democratic rule in 1999 due to FGN led reforms. The FGN has embarked on a series of reforms over the past 6 years to spur economic growth. Examples include banking sector recapitalization, privatization & liberalization, promotion of agriculture and anti-corruption campaigns. Key elements of the Nigerian Government's reform programme realised were the following:

1. Sovereign rating of Nigeria

Nigeria received a BB-sovereign rating from S&P and Fitch and a Baa3 rating from Moody's, thus indicating a stable outlook for Nigeria. This rating is similar to Indonesia and Turkey and compares favourably with other Sub-Saharan countries as indicated below:

	Fitch	S&P
Benin	B	B
Gabon	BB-	Not rated
Ghana	B+	B+
Lesotho	BB-	Not rated
Malawi	B-	Not rated
Mali	B-	B
Mozambique	B	B
Nigeria	BB-	BB-
South Africa	BBB+	BBB+
Uganda	B	Not rated

Source: Fitch and S & P

2. Conclusion of the banking sector re-capitalisation exercise

Recapitalisation and consolidation implemented in 2005 required banks to raise their minimum capital from ₦2 Billion to ₦25 Billion. This resulted in a dramatic reduction in the number of banks, and the emergence of 25 players from the original 89. The players are currently 24 due to the merger of Stanbic Bank Nigeria Limited and IBTC Chartered Bank Plc.

The objectives of the recapitalisation and consolidation were:

- Improve operational efficiency
- Active intermediation role
- Increase lending to the real sector
- Encourage competitive products and services
- Promote ethical banking habits

3. Take off of the pension reform programme

The Pension Reform Act of 2004 provides for a mandatory life insurance policy for all employees for a minimum of three times the total emolument of the employee. It also provides for the use of the retirement savings to purchase annuities for life from insurance companies. The industry size is large considering the demographic statistics of Nigeria which has a population of over 130 million people of which 48.99 million (2006 est.) people are in the labour force. According to the National Pension Commission, the pension scheme since 2005 has generated assets in excess of ₦615 billion. The key success factors for the pension industry which is at its infant stage include the following; (1) a large branch network and (2) Strong brand name recognised as a symbol of trust, integrity, experience and expertise.

4. Consummation of the Paris Club debt deal

In 2005, Nigeria successfully negotiated a debt relief which significantly reduced its external debt burden to about ₦6 billion in 2006. This is expected to free up cash flow for further investments in infrastructure.

5. Strengthening Currency

Over the last five years, the Naira has appreciated considerably against the dollar this has been driven largely by the macro-economic reforms of the FGN which include the sale of government's holdings in public enterprises and utilities, and the surge of interest in the oil and gas sector, telecommunications and other utilities, the inflow of foreign exchange into the economy and the sizeable external reserves (over US\$40 billion in 2007) have buoyed investors' confidence in the economy.

6. Privatisation Programme

The reform programme continued in 2006 with the privatisation of key public enterprises, further development of the capital markets, substantial investment in infrastructure, especially power, and increased activity within the solid mineral and mining sectors of the economy. These reforms have a far reaching effect on the Nigerian economy going forward.

THE NIGERIAN CONSTRUCTION INDUSTRY

OVERVIEW

The construction industry in Nigeria is highly fragmented although there are a few companies that have regional or national presence. Out of the large number of construction companies only four are listed on The Nigerian Stock Exchange, with combined annual revenue of about ₦44 billion in 2006. However, the industry also consists of smaller players who compete effectively for smaller projects and as subcontractors. The industry is capital intensive and participants tend to compete by capturing costs, correctly estimating costs and integrating along their value chain.

The construction industry continues to be one of the enablers for growth and development within the Nigerian economy, as sound infrastructure is critical for maintaining and enhancing economic growth, competitiveness and quality of life. Typically the availability of infrastructure influences location of business, and the availability of an educated work force.

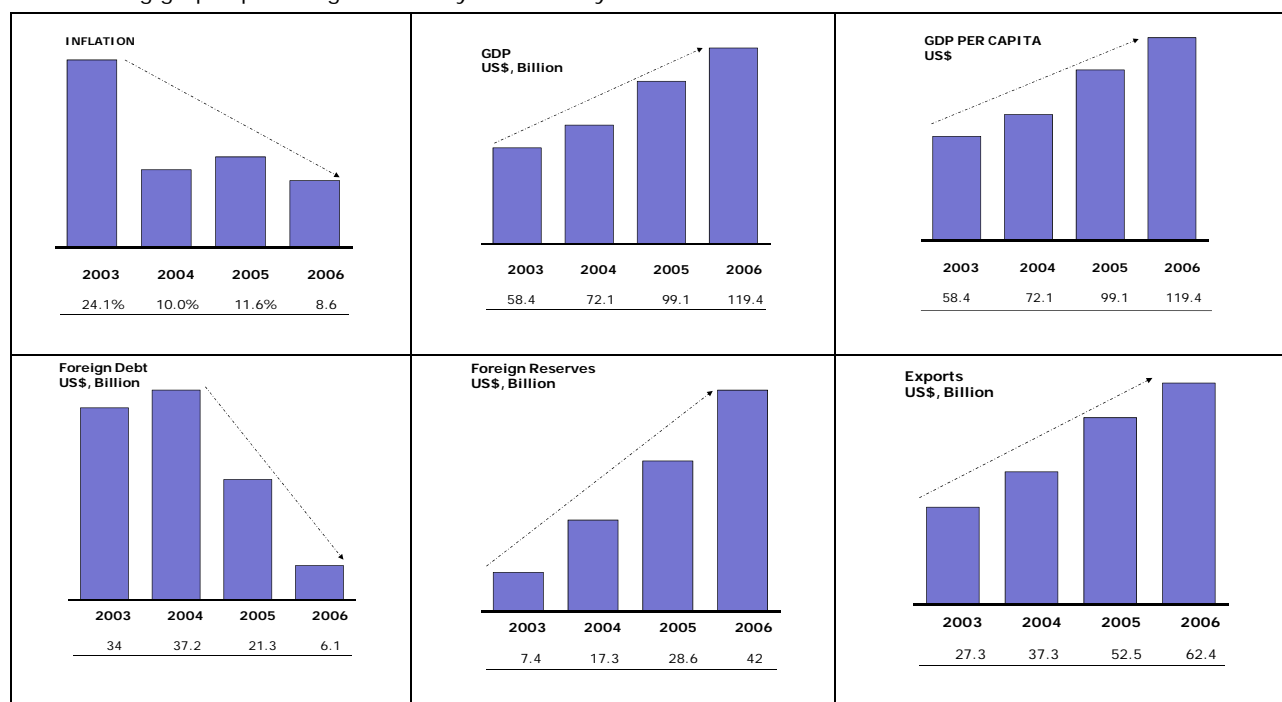
In Nigeria, the construction business is typically split between public which is primarily infrastructure and private which is primarily real estate. The demands for both segments are driven primarily by growing population, growing GDP, low interest rates, government policy/budgetary allocation.

CHALLENGES AND OPPORTUNITIES OF THE CONSTRUCTION INDUSTRY

Over the last decade the poor payment schedule and inflationary trends had resulted in the inability of construction companies to estimate costs, thereby, reducing profit margins. In addition, the entrance of a few new players with operational capacity and requisite expertise into the industry has intensified competition.

However, the opportunities are numerous as construction business is highly dependent on the overall economic growth pattern which has been very positive in Nigeria over the past years.

The following graphs providing a summary of some key economic indicators:



Source: UBS Research

The most important of these economic indices is the reduction of foreign debt which has improved significantly the ability of the FGN to invest in infrastructure while the stable macro-economic environment has made it possible to estimate costs of projects. Consequently, the result has been a surge to invest heavily toward upgrading and building new infrastructure projects.

Though Nigeria's GDP per capita remains low it has increased significantly from US\$500 in 2003 to about US\$808 in 2006. In addition, in 2006 GDP growth was estimated to be about 5.7% and interest rates and inflation have been falling over the past years. This has created a vibrant middle class with the pent up demand for quality real estate. Consequently, real estate construction continues to grow.

Another area of opportunity for construction companies is the growth in Public-Private Partnerships ("PPP") and Private Finance Initiatives ("PFI") due to the funding challenges being experienced by Federal and State Governments. It is becoming apparent to the FGN and State governments that public projects such as housing, bridges and roads can be brought to fruition faster and with greater cost efficiency through the use of PPPs or PFIs. This is becoming very popular in states which have a significant economically empowered population.

THE NIGERIAN CONSTRUCTION INDUSTRY

FUTURE OUTLOOK

The gradual upswing in economic activity and the attendant policy drive is expected to lead to the following phenomena:

Element	Reason
Public Construction	The robust pace of economic activity resulting from the economic restructuring such as reduction in external debt and the policy drive by the FGN and State Government to dedicate resources towards significantly improving infrastructure such as road network, water dams, power projects e.t.c. Based on the 2007 budget about ₦2 trillion is expected to be expended on the transport (i.e. roadwork's, water projects, power projects).
Private Construction	The demand for quality real estate projects will continue to outstrip supply especially in key cities due to the rural-urban migration and the concentration of commercial activities by companies and other institutions in these cities. This trend should continue as a strong economy will create jobs.
PPP and PFI	Due to the growth of this segment, construction companies are beginning to identify a specific opportunity/challenge such as traffic congestion, analyse it, conduct a survey and present a proposal to the FGN, state government or agency.

CONCLUSION

The construction industry has many participants; however, a few companies dominate the industry with numerous fringe players. The construction industry remains a high growth sector in terms of revenue; however, participants will be challenged towards capturing cost advantages as well as having the requisite skill and operational capacity to execute the envisaged projects. In addition, construction companies that provide solutions regarding the concept and financing for infrastructure projects are likely to have significant opportunities in the market.

BUSINESS STRATEGY

The key success factors for the construction industry which is at a growth stage include the following; (1) Availability of plant and equipment, (2) Strong brand name recognised as a symbol of trust, integrity, experience and expertise, (3) Being able to estimate costs appropriately and (4) Capturing costs along the value chain. Consequently, the Costain's business strategy encompasses its long term strategy and tactical plans towards strengthening these attributes, thereby maximizing return on investment for shareholders.

It is important to note that Costain a civil engineering, infrastructure solution and building contracting company, is well placed and geared up to meet the trends in the Nigerian market. With Costain's wealth of experience and knowledge, the Company is in an ideal position to seek out creative solutions to complicated problems especially in the areas of harbours, airports, roads, bridges, rail roads, dams, water treatment works, and buildings (i.e. office blocks, high rise structures, housing, warehouses). The Company provides complete solutions, including design, engineering, build, maintenance, electric power, etc.

Strategies to achieve these objectives are:

- **Diversify Revenue Base.** Costain intends to diversify its revenue base by increasing its participation along the value chain. To this end, the Company is planning to invest significantly in its furniture & joinery business and foundation business, as well as further investments in alternative construction methods. In addition, strategic acquisitions of a number of companies will be executed in order to gain market share rapidly.
- **Cost Advantage.** It is expected that by increasing its involvement along the value chain, Costain can reduce costs significantly. This strategy is in addition to ensuring that the Company does not just compete on cost but provides unique solutions and ideas for executing projects.
- **Risk Management.** The construction industry is one with high risk levels. Consequently, Costain emphasises having sound project management skills, management of the supply chain, good corporate governance and robust internal control skills to mitigate the existing risks in projects.
- **International Outlook.** Costain has commenced steps towards identifying markets outside Nigeria especially in Sub-Saharan Africa. A number of high value opportunities in a number of countries have already been earmarked for further study. Costain intends to push on with this strategy.
- **Knowledge Base.** With almost 60 years of successfully executing civil engineering and construction projects in Nigeria, Costain has developed a wealth of knowledge and skills that will be used to position the Company at the forefront of PPP/PFI.

Costain will continue to realign its strategy in order to be the leader of its industry with the drive to create the future.

STATUTORY AND GENERAL INFORMATION

INCORPORATION AND SHARE CAPITAL HISTORY

Costain (West Africa) Plc ("Costain" or "the Company") was incorporated in 1948 as a private company in Nigeria. The Company's authorised share capital is currently ₦750,000,000.00 divided into 1,500,000,000 ordinary shares of 50 Kobo each of which ₦79,960,000.00 divided into 159,920,000 ordinary shares of 50 Kobo each are fully paid up. The changes in the share capital of the Company since incorporation are summarised below:

Year	Authorised (₦)		Issued & Fully Paid-up (₦)		Consideration
	Increase	Cumulative	Increase	Cumulative	Cash/Bonus
1948	150,000	150,000	73,600	73,600	Cash
1949	250,000	400,000	-	73,600	-
1952	200,000	600,000	-	73,600	-
1959	400,000	1,000,000	265,650	339,250	Bonus Issue
1974	300,000	1,300,000	425,750	765,000	Cash
1977	1,300,000	2,600,000	1,225,000	1,990,000	Bonus Issue
1978	-	2,600,000	460,000	2,450,000	Cash
1980	1,075,000	3,675,000	1,225,000	3,675,000	Bonus Issue
1982	1,873,500	5,512,500	-	3,675,000	-
1983	-	5,512,500	1,873,500	5,512,500	Bonus Issue
1992	24,487,500	30,000,000	14,000,000	19,512,500	Cash
1994	70,000,000	100,000,000	-	19,512,500	-
1995	-	100,000,000	9,756,250	29,268,750	Bonus
1995	-	100,000,000	50,691,250	79,960,000	Cash
2005	650,000,000	750,000,000	-	76,960,000	-
2007	-	750,000,000	-	79,960,000	-

SHAREHOLDING STRUCTURE

As at 30th June 2007, the 159,920,000 ordinary shares of 50 Kobo each in the issued ordinary share capital of the Company were beneficially held as follows:

Shareholder	No. Of Ordinary Shares Held	%
Shoreline Energy International Limited	63,884,705	39.95
Other Nigerian Individuals and Institutions	96,035,295	60.05
TOTAL	159,920,000	100.00

Except as stated above, no shareholder holds more than 5% of the Issued Share Capital of the Company as at 30th June, 2007.

DEBT TO EQUITY SWAP

At the Company's 59th Annual General Meeting, the shareholders authorised the directors to effect the conversion to equity of the existing debt owed to Shoreline Energy International Limited amounting to ₦1,669,698,014.20 as at 31st March 2007 plus accrued interest thereon, at the proposed rights issue price. The debt was originally owed to Costain UK which had provided capital to Costain to sustain its operations; however, due to the acquisition of the interests of Costain UK by Shoreline Energy International Limited, the debt was transferred to Shoreline Energy International Limited. The amount of debt currently owed to Shoreline Energy International Limited shall be ₦1,801,902,349.97 (including accrued interest up to 31 December 2007) resulting in the issue of 163,809,305 ordinary shares of 50 Kobo each ranking pari passu in all respects with the existing shares of the Company.

Consequently, upon conversion and conclusion of the total offer the shareholding position will be held as follows:

Shareholder	No. Of Ordinary Shares Held	%
Shoreline Energy International Limited	435,319,301	42.61*
Other Nigerian Individuals and Institutions	585,886,339	57.39
TOTAL	1,021,632,271	100.00

* It is assumed that Shoreline Energy International Limited will fully take up its rights from the rights issue and not participate in the public offer.

STATUTORY AND GENERAL INFORMATION

DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of Costain in the Issued Share Capital of the Company as recorded in the Register of Members as at 14th of September 2007 and as notified by them for the purpose of Section 275 (1) of the Companies & Allied Matters Act Cap C20 LFN 2004 are as follows:

Directors	Direct Shareholding	Indirect Shareholding	Total Shareholding
Alhaji (Dr.) Mohammed Hassan Koguna	1,122,633	-	1,122,633
Mr. Orikolade Karim*	Nil	63,884,705	63,884,705
Mr. Phil Wharton	Nil	Nil	Nil
Mr. Mark Fredrick Bullen	Nil	Nil	Nil
Mr. Harm Albert Ploeger	Nil	Nil	Nil
Mr. Ayodeji Karim	Nil	Nil	Nil

*Mr. Orikolade Karim represents Shoreline Energy International Limited

INDEBTEDNESS

As at 31st March 2007, the Company had no outstanding bank loans, acceptances and overdrafts other than in the ordinary course of business. The Company also had no outstanding debentures, mortgages, charges or other similar indebtedness other than in the ordinary course of business. However, the Company has a debt of ₦1,669,689,014.20 owed to Shoreline Energy International Limited which it intends to convert to equity concurrently with the offer. In addition, as at 30th September 2007, the Company has contingent liabilities in the ordinary course of business amounting to ₦163,549,779.00 from cases pending against the Company.

SUBSIDIARIES AND ASSOCIATED COMPANIES

As at 31, August 2007, the Company had the following subsidiaries and associated companies:

	Shareholding
Subsidiaries:	
Costain Furniture and Joinery Limited	78.9%

Costain Furniture and Joinery Limited was established in August 2007 to legally separate the furniture and joinery department of Costain (West Africa) Plc, into a separate legal entity in order to create clearer reporting and internal control mechanisms.

The business of the current furniture and joinery department of Costain (West Africa) plc is the production of joinery for construction contracts undertaken by Costain (West Africa) Plc as the main contractor. Also, the department produces furniture and undertakes joinery work for private and corporate clients upon request.

In the future taking advantage of the existing import regulations, the furniture and joinery business will start the production of Medium Density Fibre Board ("MDF") based standard furniture for retail sales. At the same time, the company will operate as a sub-contractor on contracts executed by Costain (West Africa) Plc as the furniture and joinery department of the company had always done. The MDF based production calls for investment in different type's of machinery which expenditure forms part of the use of proceeds stated on page 7 of this abridged prospectus

CLAIMS AND LITIGATION

As at 30th September 2007, based on information supplied by Costain West Africa Plc ("Costain") we have conducted due diligence in respect of pending or threatened litigation, against Costain. Please find below a schedule of litigation matters pending or threatened against the company arising in the ordinary course of business. We are not aware of any further claims or litigation save as set out therein. The Company is currently involved in 9 suits.

- i) There are 8 suits filed against Costain with a total monetary value of claims of ₦163,549,779.00 (One hundred and sixty three million five hundred and forty nine thousand seven hundred and seventy nine Naira only) million.
- ii) Costain has filed a Counter-Claim in two of the suits mentioned above with a value of ₦14,800,000.00 (Fourteen million and eight hundred thousand Naira only).
- iii) There is one suit filed by Costain (as Plaintiff) in which judgement has been delivered in favour of Costain in the sum of ₦13,112,030.00 (Thirteen Million One Hundred and Twelve Thousand and Thirty Naira). Interest is accruing at the rate of 6% until the judgment is fully paid.

Accordingly the total monetary value of claims filed by Costain [items (ii) and (iii) above] is ₦27,912,030.00 (Twenty seven million nine hundred and twelve thousand and thirty Naira)

In our opinion, the claims against Costain are unlikely to succeed as the Company has good defences and the contingent liability arising therefrom should not exceed ₦8,000,000.00 (Eight million Naira). Save for the claims mentioned above, the solicitors to the offer are not aware of any other pending and/or threatened claims or litigation against the Company which may be material to the Issue.

STATUTORY AND GENERAL INFORMATION

The preliminary opinion of Messrs Akin Delano Legal Practitioners, Solicitors to the Issue, is that the pending claims are not likely to have any material effect on the Company as a going concern or the securities to be issued pursuant to the Offer.

COSTS AND EXPENSES

The total cost and expenses of the Offer including fees payable to the SEC, The NSE, professional parties, filing fees, legal fees, brokerage commission, printing, advertising and other expenses are estimated at ₦345,637,396.97 presenting approximately 4.3% of the offer.

DECLARATIONS

Except as otherwise disclosed in the Full Prospectus:

- (a) No share of Costain is under option or agreed conditionally or unconditionally to be put under option;
- (b) No commissions, discounts, brokerages or other special terms have been granted by Costain to any person in connection with the offer or sale of any share of the Company;
- (c) Save as discussed herein, the Directors of Costain have not been informed of any holding representing 10% or more of the issued share capital of the Company;
- (d) There are no founders', management or deferred shares or any options outstanding in Costain;
- (e) There are no material service agreements between Costain or any of its Directors and employees other than in the ordinary course of business;
- (f) There are no long term service agreements between Costain and any of its Directors and employees except Pension Agreements;
- (g) No Director of the Company has had any interest, direct or indirect, in any property purchased or proposed to be purchased by the Company in the five years prior to the date of this Abridged Prospectus; and
- (h) No Director or key management staff of the Company is or has been involved in any of the following (whether in or outside Nigeria):
 1. A petition under any bankruptcy or insolvency laws filed (and not struck out) against him/her or any partnership in which he/she is or was a partner or any company of which he/she is or was a Director or key personnel;
 2. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; and
 3. The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him/her from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business or activity.

MATERIAL CONTRACTS

The following agreements have been entered into and are considered material to this Offer:

1. A Vending Agreement dated Thursday, 06 December 2007 by which Vetiva Capital Management Limited and FBN Capital Limited have agreed to offer for subscription, 178,162,966 Ordinary Shares of 50 Kobo each in Costain (West Africa) Plc and offer by way of rights 519,740,000 Ordinary Shares of 50 Kobo each in Costain (West Africa) Plc to existing shareholders;
2. An Underwriting Agreement dated Thursday, 06 December 2007 by which Vetiva Capital Management Limited and FBN Capital Limited have agreed to underwrite the Company's offer for subscription of 178,162,966 Ordinary Shares of 50 Kobo each in Costain (West Africa) Plc;
3. An agreement with Costain Group Plc (UK) for the provision of engineering services and knowledge to Costain and/or its customers as and when needed and against a fee for the services supplied; and
4. A loan agreement with Costain Group Plc (UK) for the sum of £4,632,000.00 which served as working capital required by the company to fund its operations².

Other than as stated above, the Company has not entered into any material contract except in the ordinary course of business.

RELATED PARTY TRANSACTIONS

As at the date of this Abridged Prospectus, there were no related party transactions.

OFF BALANCE SHEET ITEMS

As at the date of this Abridged Prospectus, the Company had no off balance sheet items.

MERGERS AND TAKEOVER

Upon the conclusion of the offer, Costain has intentions to embark on a strategic acquisition exercise to acquire equity stakes in several companies with distinct competences and shared common values. This will ensure that the company will be one of the frontline construction companies in the country with multiple competencies in key sectors of the construction industry.

² In 2007, Shoreline Energy International acquired the shares of Costain Group Plc in the company inclusive of the loan and the accrued interest thereon. This loan including the accrued interest until December 31 2007 will now be converted to equity at the rights issue price.

STATUTORY AND GENERAL INFORMATION

RELATIONSHIP BETWEEN THE ISSUER AND THE ISSUING HOUSES/OTHER ADVISERS

As at the date of this Prospectus, there was no shareholding relationship between Costain and its Advisers except in the ordinary course of business.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the offices of Vetiva Capital Management Limited, Plot 266B Kofo Abayomi Street, Victoria Island, Lagos, and at the offices of FBN Capital Limited, 16 Keffi Street, Ikoyi S.W., Lagos during normal business hours on any weekday (except public holidays), from Wednesday, 12 December 2007 until Monday, 31 December 2007.

- (a) Certificate of Incorporation of the Company;
- (b) Memorandum and Articles of Association of the Company;
- (c) The Prospectus issued in respect of the Offer;
- (d) Shareholders' Resolution authorising the Offer;
- (e) Board Resolution recommending the Offer;
- (f) The audited financial statements of the Company for each of the five years ended 31 March 2007;
- (g) The Report of Horwath Dafinone, Reporting Accountants, on the audited financial statements of the Company for each of the five years ended 31 March 2007;
- (h) The Memorandum of Reporting Accountants, on the Profit Forecast of the Company for the three years ending 31 March 2008, 2009 and 2010;
- (i) The list of claims and litigations referred to above;
- (j) The material contracts referred to above;
- (k) The letter of approval from the SEC;
- (l) The letter from The NSE approving the Listing; and
- (m) The written consents referred to above.

CONSENTS

The following have given and not withdrawn their written consents to the issue of this Abridged Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

Directors of the Company	Alhaji (Dr.) Mohammed Hassan Koguna (Chairman) Mr. Orikolade Karim (Deputy Chairman) Mr. Phil Wharton (Managing Director) Mr. Mark Fredrick Bullen (Executive Director) Mr Harm Ploeger (Executive Director) Mr. Ayodeji Karim (Executive Director)
Company Secretary	Mrs. Christabel-Immanuela Tabiowo
Issuing Houses/Underwriters	Vetiva Capital Management Limited FBN Capital Limited
Auditors	Akintola Williams Deloitte
Stockbrokers to the Offer	Denham Management Limited Calyx Securities Limited FIS Securities Limited
Reporting Accountants	Horwath Dafinone (Chartered Accountants)
Solicitors to the Company	Adepetun Caxton-Martins, Agbor and Segun
Solicitors to the Offer	Akin Delano Legal Practitioners
Registrars to the Offer	First Registrars Nigeria Limited
Receiving Banks	First Bank of Nigeria Plc Skye Bank Plc

PROCEDURE FOR APPLICATION AND ALLOTMENT

1. APPLICATION

- 1.1 The general investing public is hereby invited to apply for the shares through any of the Receiving Agents listed on Page 56.
- 1.2 Applications for the shares must be made in accordance with the instructions set out at the back of the application form. Care must be taken to follow these instructions, as applications which do not comply will be rejected.
- 1.3 The Application List for the shares will be open from Wednesday, 12 December 2007 to Monday, 31 December 2007. Applications must be for a minimum of 1,000 shares and in multiples of 100 thereafter. The number of shares for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided.
- 1.4 A single applicant should sign the declaration and write his/her full names, address, daytime telephone number and occupation in item "1" on the application form. Item "2" should be used by joint applicants. A corporate applicant should affix its seal in item "3" in the box and state its Incorporation (RC) Number or in the case of a corporate foreign subscriber its appropriate identification number in the jurisdiction in which it was constituted.
- 1.5 Each application should be forwarded together with the cheque or bank draft for the full amount of the purchase price to any of the Receiving Agents listed on Page 20. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**COSTAIN (WEST AFRICA) OFFER**" with the name, address and daytime telephone number of the applicant written on the back. All transfer charges to Lagos, if any, must be paid by the applicant and no application will be accepted unless this has been done. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected and returned through the registered post.

2. ALLOTMENT

Vetiva Capital Management Limited, FBN Capital and the Directors of the Company reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The allotment proposal will be subject to the clearance of the Securities & Exchange Commission.

3. APPLICATION MONIES

All application monies will be retained in separate interest yielding bank accounts by the Receiving Banks pending allotment. If any application is not accepted, or is accepted for fewer shares than the number applied for, a crossed cheque for the full amount or the balance of the amount paid (as the case may be) with the accrued interest will be returned by registered post within 5 working days of allotment. A share certificate will be sent by registered post not later than 15 working days from the date of allotment.

RECEIVING AGENTS

Application Forms may be obtained free of charge from any of the following Receiving Agents registered as market operators by the SEC, to whom brokerage will be paid at the rate of ₦0.75 per ₦100.00 worth of shares allotted in respect of applications bearing their official stamps.

The Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgement of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing Houses, cannot give rise to a liability on the part of the Issuing Houses under any circumstances.





BANKS

Access Bank Plc Afribank Nigeria Plc Diamond Bank Plc ECO Bank Nigeria Plc Equitorial Trust Bank Limited Fidelity Bank Plc First Bank of Nigeria Plc First City Monument Bank Plc First Inland Bank Plc Guaranty Trust Bank Plc Intercontinental Bank Plc IBTC Chartered Bank Plc Nigerian International Bank Ltd.	Oceanic Bank International Plc Platinum Habib Bank Plc Skye Bank Plc Standard Chartered Bank Plc Sterling Bank Plc Spring Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Unity Bank Plc Wema Bank Plc Zenith Bank Plc
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STOCKBROKERS AND OTHERS

Adamawa Securities Ltd Adonai Stockbrokers Ltd AIL Securities Ltd Alnrange Securities Ltd Allbond Investments Ltd Alltrade Securities Ltd Alliance Capital Management Ltd AMYN Investments Ltd Anchoria Investment & Securities Ltd APT Securities & Fund Ltd Bacad Finance & Investment Co Ltd Bestworth Assets & Trust Ltd BFCL Assets & Investment Ltd BGL Securities Ltd BGL Limited BIC Securities Ltd BSD Securities Ltd Capital Assets Ltd Capital Trust Brokers Ltd Capital Express Securities Ltd Century Securities Ltd Calyx Securities Ltd Cash Craft Asset Management Ltd. Capital Bancorp Ltd Cashville Investments & Securities Ltd. Centre-Point Investment Ltd City Investment Management Ltd City Securities Ltd City-Code Trust & Investments Ltd Consolidated Investment Ltd Cooper Flemming Stockbrokers Ltd Core Trust & Investment Ltd Crane Securities Ltd Crossworld Securities Ltd Clearview Investment Co Ltd Counters Trust Securities Ltd CSL Stockbrokers Ltd Dakal. Securities Ltd DBL Securities Ltd De-canon Investments Ltd De-Lords Securities Ltd Denham Management Ltd Dependable Securities Ltd Dominion Trust Ltd Dynamic Portfolios Ltd Empire Securities Ltd Euro Comm Securities Ltd Express Portfolio Services Ltd Falcon Securities Ltd FBN Capital Limited F & C Securities Ltd Fidelity Union Securities Ltd Fidelity Finance Ltd Financial Derivatives Ltd Financial Equities Ltd Financial Trust Co Ltd	Finmal Finance Company Ltd First Equity Securities Ltd First Stockbrokers Ltd Folu Securities Ltd Foresight Securities & Investment Ltd Forte Asset Management Ltd Forthright Securities & Investments Ltd Fountain Securities Ltd FSDH Securities Ltd Future View Securities Ltd Genesis Securities Ltd. Gidauniya Investment & Securities Ltd Global Capital Market Ltd Golden Securities Ltd Great Africa Trust Ltd Greenwich Trust Ltd GTI Capital Ltd Heritage Investment & Securities Ltd Horizon Stockbrokers Ltd IBTC Asset Management Ltd IBN Securities Ltd ICON Stockbroker Ltd IMB Morgan Plc Indemnity Finance Ltd Independent Securities Ltd Integrated Trust & Investments Ltd Intercontinental Securities Ltd International Capital Securities Ltd International Standard Securities Ltd Intercontinental Capital Markets Ltd Interstate Securities Ltd Investors & Trust Co Ltd Jamkol Investments Ltd Jenkins Investment Ltd Kinley Securities Ltd Kundila Finance Services Ltd Lakeworth Investments & Securities Ltd LB Securities Ltd Lead Securities & Investment Ltd Lighthouse Asset Management Ltd Lion Stockbrokers Ltd Lynac Securities Ltd Magnartis Fin & Inv Ltd Mainland Trust Ltd Maninvest Securities Ltd Marina Securities Ltd MBC Securities Ltd Mega Equities Ltd Mercov Securities Ltd M & F Investment Ltd Molten Trust Ltd Mutual Alliance Investment & Securities Ltd Midas Stockbrokers Ltd Midlands Investment & Trust Co. Ltd Mission Securities Ltd Morgan Trust & Asset Management Ltd Mountain Investment & Securities Ltd	Newdevco Finance Securities Ltd Niche Securities Ltd Nigerian Stockbrokers Ltd Networth Securities & Finance Ltd Nova Finance & Securities Ltd Options Securities Ltd OMF Securities & Finance Ltd Partnership Investment Co. Ltd Peninsula Assets Management and Investment Company Limited Pine Fields Investment Services Ltd PIPC Securities Ltd Peak Securities Ltd Perfection Securities & Investment Ltd PIPC Securities Ltd Platinum Capital Ltd Premium Securities Ltd Professional Stockbroker Ltd Profund Securities Ltd Prominent Securities Ltd PSL Limited P.S.I. Securities Ltd Rainbow Securities & Investment Co. Ltd Riverside Trust Limited Reward Investments & Services Ltd Royal Crest Finance Ltd Sanbros Trust & Securities Ltd Securities Solutions Ltd Securities Swaps Ltd Shallom Investment & Securities Ltd Sigma Securities Ltd Silver Financial Services Ltd SMADAC Securities Ltd Solid-Rock Securities & Investment Ltd Springboard and Investments Trust Ltd Stanbic Equities Nigeria Ltd Summa Guaranty & Trust Co. Ltd Summit Finance Company Ltd Support Services Ltd Tiddo Universal Securities & Finance Ltd Tomil Trusts Ltd Topmost Finance & Investment s Ltd TRW Stockbrokers Ltd Transglobe Investment & Finance Co Ltd Trade Link Finance & Securities Ltd Tropics Securities Ltd Trust and Financial Services Ltd Trusthouse Investment Ltd Trust Yields Securities Ltd UBA Securities Ltd UNEX Securities & Investment Ltd Union Stockbrokers Ltd Valmon Securities Ltd ValueLine Securities & Investment Ltd Vativa Capital Management Limited Vision Trust & Investments Ltd WSTC Financial Services Ltd Yobe Investment Co. Ltd Zenith Securities Ltd Zuma Securities Ltd
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APPLICATION FORM

Application List Opens Wednesday, 12 December 2007	APPLICATION FORM  WEST AFRICA Plc Offer for Subscription of 178,162,966 Ordinary Shares of 50 Kobo each at ₦13.00 per share Payable in Full on Application Joint Issuing Houses:  	Application List Closes Monday, 31 December 2007	
<small>Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.</small>			
DECLARATION <input type="checkbox"/> We are/are 18 years of age or over. <input type="checkbox"/> We authorize you to send a share certificate and/or cheque for any amount overpaid by registered post to the address given below and to procure registration in my/our name as the holder(s) of such number of shares or such smaller number, as allowed. <input type="checkbox"/> We attach the amount payable in full on application for the number of shares in Costain (West Africa) Plc at ₦13.00 per share. <input type="checkbox"/> We agree to accept the same or any smaller number of shares in respect of which allotment may be made upon the terms of the Prospectus and subject to the Memorandum and Articles of Association of Costain (West Africa) Plc. <input type="checkbox"/> We declare that we have read a copy of the Prospectus for the Offer dated Tuesday, 04 December 2007 issued by the Joint Issuing Houses on behalf of Costain (West Africa) Plc.			
GUIDE TO APPLICATION Number of units applied for 1,000 minimum Subsequent multiples of 100	Amount payable ₦13,000.00 ₦ 1,300.00	Date (DD/MM/YYYY) / / 2007	CONTROL NO: (Registrar's use only) _____
Number of Units Applied for: _____		Value of units applied for / Amount Paid ₦ _____	
PLEASE COMPLETE IN BLOCK LETTERS			
1. INDIVIDUAL / CORPORATE APPLICANT Title: <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> Others _____ Surname / Company's Name _____ Other Names (for individual applicant only) _____ Full Postal Address _____ City _____ State _____ Land Phone Number _____ Mobile (GSM) Phone Number _____ Email Address _____ Next of Kin _____ CSCS NO (if you want shares allotted credited to your CSCS A/C) _____ Name of your Stockbroker _____			
2. JOINT APPLICANT Title : <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss Surname _____ Other Names _____ Name of Bank/Branch _____ Account Number _____			
Signature or Thumbprint 	Signature or Thumbprint Stamp of Receiving Agent	Company Seal & Incorporation Number (Corporate Applicant) _____ 8036411946	

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

1. Applications should be made only on the Application Form or photostat or scanned copies of the Application Form.
2. Applications must not be for less than the minimum number of shares stated on the Application Form. Applications for more than the minimum number of shares must be in the multiples stated on the Application Form. The number of ordinary shares for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any of the Receiving Agents listed on Page 20. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "**COSTAIN (WEST AFRICA) OFFER**" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and transfer charges must be prepaid by the applicant. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
4. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
5. Joint applicants must all sign the Application Form.
6. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act Cap C20 LFN 2004 should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
7. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorised official.
8. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
9. An application by an illiterate should bear his right thumb print on the Application Form and be witnessed by an official of the Bank or stockbroker at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression.
10. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

