

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an independent financial adviser. This document contains resolutions to be voted on in an Extraordinary General Meeting of the Company to be held at Private Suite 1, The May Fair Hotel, Stratton Street, London W1J 8LT at 3.00 p.m. on Thursday 30 July 2009.

If you sell or have sold or otherwise transferred all of your ordinary shares in the Company you should pass this document, together with the accompanying Form of Proxy, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

LONZIM PLC

(incorporated and registered in Isle of Man under number 001773V)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of LonZim plc, to be held at Private Suite 1, The May Fair Hotel, Stratton Street, London W1J 8LT at 3.00 p.m. on Thursday 30 July 2009, is set out at the end of this document. Whether or not you intend to be present at the Extraordinary General Meeting, you should complete and return the enclosed Form of Proxy in accordance with the instructions printed on it to the offices of the Company's registrars, Capita Registrars (Isle of Man) Limited, 3rd Floor Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD, so as to arrive as soon as possible, but in any event not later than 3.00 p.m. on Tuesday 28 July 2009. The completion and depositing of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting should you wish to do so.

Your attention is drawn to the letter from the Chairman of the Company that is set out on pages 2 to 6 of this document which sets out the background to the proposals set out above, details of the resolutions to be proposed at the Extraordinary General Meeting and the Board's recommendation for you to vote against the resolutions to be proposed at the Extraordinary General Meeting.

LONZIM PLC

(incorporated and registered in Isle of Man under number 001773V)

EXTRAORDINARY GENERAL MEETING

Directors:

David Lenigas (*Chairman*)
Geoffrey White (*Director & Chief Executive Officer*)
Jean Ellis (*Finance Director*)
Emma Priestley (*Executive Director*)
Paul Heber (*Non Executive Director*)
Paul Turner (*Non Executive Director*)

Registered Office:

c/o Dickinson Cruickshank Fiduciaries Limited
33-37 Athol Street
Douglas
Isle of Man
IM1 1LB

8 July 2009

To the Shareholders and, for information only, to the Option Holder

Dear Shareholder,

INTRODUCTION

The Company announced on 22 April 2009 that it had been served by Pershing Nominees Limited on behalf of AMB Capital (Ireland) Limited (“AMB”), a company that had recently acquired 20.75 per cent. of the Company’s issued share capital, a requisition to convene an extraordinary general meeting of its shareholders (“**Requisition**”). The Requisition was formally received by the Company on 27 April 2009 and the Board was informed by AMB that the Requisition was supported by Damille Partners IV (“**Damille**”), which had acquired a beneficial interest of 6.46 per cent. of the Company’s issued share capital. The AMB requisition calls for a change to the investing policy from one of investment to one of disposal, and further calls for the removal of the four executive directors of the Company and the appointment of four AMB nominated executive directors.

On 24 June 2009 Damille notified the Company that it had sold its position and had gone below the notifiable 3 per cent. threshold. The Board has subsequently been informed that two of the proposed AMB directors, namely Rhys Cathan Davies and Brett Miller have withdrawn their nominations to become Directors. However, Pershing Nominees Limited on behalf of AMB has not formally requested the removal of the resolutions appointing them and so these are still contained in the notice of the extraordinary general meeting.

The extraordinary general meeting (“**EGM**”) of the Company will take place at Private Suite 1, The May Fair Hotel, Stratton Street, London W1J 8LT at 3.00 p.m. on Thursday 30 July 2009 and you will find a notice convening the meeting at the end of this document. This letter provides you with some background to the Requisition and an explanation as to why Paul Heber and Paul Turner (being independent non executive directors) recommend that you vote against the resolutions to be put to the EGM.

THE REQUISITION

The resolutions proposed by the Requisition are:

- to remove all of the current executive directors of the Company and appoint four new directors nominated by AMB.
- to replace the Company’s current policy of investing in Zimbabwe with a policy to manage the sale of the Company’s investment portfolio and return the proceeds to shareholders by 31 December 2010.

The Board regards the AMB proposed investment policy to close the business of the Company to be a divestment policy which is commercially unsound. It would attract significant political and commercial risk and is not in the best interests of shareholders.

As set out in the letter to shareholders dated 24 April 2009, if the Resolutions are passed, shareholders will be passing control of the Company to AMB and the business of the Company will be wound down.

Very recently, and after the announcement of the receipt of the Requisition, at the annual general meeting of the Company held on Thursday 30 April 2009 (“AGM”), resolutions to re-elect the current Board of the Company and to re-affirm, clarify and approve the Company’s investment strategy were proposed to and passed by the shareholders of the Company. As the AMB proposed Resolutions are resolutions that the shareholders have already recently considered and determined, the Company believes that AMB is being deliberately vexatious in forcing the Company to incur unnecessary expense and is causing disruption to the proper running of the Company. The Board believes that the EGM is without purpose and is not in the best interests of the Company.

REASONS TO VOTE AGAINST THE REQUISITION

The Board summarises the reasons to vote against the Resolutions as follows:

1. Since listing, the Company has successfully deployed 84 per cent. of funds it raised in building a strong portfolio of real assets for the Company. The Company is the only “pure-play” investment vehicle for the Zimbabwe recovery listed on the London Stock Exchange. To date, investments by category include:

| | |
|-----------------------------|-----|
| Tourism | 38% |
| Commercial Property | 8% |
| IT/Telecoms/Printing | 24% |
| Aviation | 16% |
| Agriculture services | 3% |
| Pharmaceutical distribution | 7% |
2. Cash reserves in the Company as at 7 July were £3.4 million which is the equivalent to 9.3p per share. Market price as at 7 July was 37.5p.
3. The Company was established to develop a portfolio of businesses identified in sectors with the capacity for rapid growth when the Zimbabwean economy recovers. The Board believes that the Company’s portfolio of businesses is well balanced and positioned to provide significant shareholder value over time.
4. Lonrho Plc is one of the strongest commercial brand names in Africa. A highly experienced Lonrho Plc management team run the Company’s business under a five year management contract.
5. Zimbabwe is showing real signs of economic recovery and has started to attract international support. Economic rebuilding has begun.
6. To close the Company abandons Zimbabwe and its people at the worst possible time.
7. The difference between the Company’s mandate to support and grow businesses in Zimbabwe and AMB’s proposed mandate to exit and sell businesses generates very different political and commercial risks for shareholders. Zimbabwean laws and regulations and the requirement for Reserve Bank approvals for the repatriation of disposal proceeds and any potential withholding taxes bring significant shareholder risks.
8. The AMB proposed policy of divestment is badly timed and will not provide best value to shareholders. The market is illiquid and buyers are limited in the current Zimbabwean landscape. It is unlikely that selling assets in this environment will realize true value for assets.
9. It is disingenuous of AMB to apply to alter the management structure of the Company. The structure between the Company and Lonrho Plc and the terms regulating that structure were clearly defined in detail in the Admission Document.

ALL SHAREHOLDERS ARE NOT IN THE SAME POSITION

AMB bought its equity in the Company at an average price of 16p per share. This is significantly below the current market price and the price at which the vast majority of other shareholders purchased shares in the Company. If the Resolutions are passed and AMB is permitted to seek to sell the assets and return capital to the shareholder, AMB will make a profit on its investment if it can deliver an exit price over 16p per share. The majority of the other shareholders will not.

If shareholders support AMB and permit them to take over running the Company, AMB's motivation and profit incentive would be very different from that of the other shareholders.

THE COMPANY'S INVESTING POLICY

The Company's investing policy was approved at the AGM held on 30 April 2009 and is available on the Company's website: www.lonzim.co.uk.

The Company's investment objective is to provide shareholders with long term capital appreciation through the investment of its capital primarily in Zimbabwe and the region of Mozambique known as the Beira corridor which links Zimbabwe to the coast.

THE COMPANY REMAINS ON TARGET

It is the Board's opinion that the Company remains a sound investment company, it is making good use of shareholders funds and it is implementing the investment policy that was set in the Company's AIM admission document dated December 2007 and which was re-affirmed, clarified and approved at the AGM on 30 April 2009.

The shareholders' mandate was to invest in commercial opportunities in Zimbabwe and the Beira corridor of Mozambique in an open and transparent manner, and to build a portfolio of undervalued assets that will be able to recover strongly as and when the Zimbabwe economy improves. The Board believes that it has implemented this mandate in a professional manner. The Company has acquired a range of businesses in strategic sectors that have the potential to grow substantially in a recovery.

The Company has become a significant conglomerate in Zimbabwe, has built a portfolio of sound, well managed companies that are well positioned to benefit from the improving political and economic environment in Zimbabwe, is maintaining their market position, is retaining and attracting a large number of key staff and is capable of providing the working capital and investment to grow each of the companies as the economy revives.

All investments made by the Company undergo a strict evaluation and due diligence process, and whenever appropriate independent valuations are utilised to verify transactions. Ernst & Young Zimbabwe closely advise the Company.

Recent announcements by the Company demonstrate the Board's ability to make sound transactions in Zimbabwe and position LonZim to be a significant Zimbabwean focused conglomerate.

The acquisition (following negotiations and due diligence that lasted almost a year) of the iconic Leopard Rock hotel in Zimbabwe with its world class championship golf course and large private game park is a significant additional step in the Company's delivery of its mandate. One of the best hotels in Africa, attracting the likes of Princess Diana as a guest, it is a perfect example of a recovery opportunity that will bring significant value to shareholders over time. Lonrho Hotels has been appointed by the Company to manage the US\$1.7 million refurbishment program of Leopard Rock which is expected to take 12 months to complete and will bring the existing facilities back to an international five star standard.

The Company announced in May 2009 that it has developed a wholesale distribution company to supply pharmaceuticals into the Zimbabwean market to meet the demand from NGO's, clinics, hospitals and pharmacies.

LonZim recently agreed to launch the Lonrho Plc regional airline, Fly540, in Harare. This will meet a growing demand for quality regional aviation services from Zimbabwe and position Fly540 Zimbabwe as an international standard, safe and reliable Zimbabwean regional airline that can grow as the economy recovers.

The Company has a significant pipeline of investment opportunities that are currently undergoing due diligence. These include potential further investments in commercial property; hotel opportunities; distribution facilities; agricultural infrastructure and cold store developments.

- In a recovering Zimbabwe economic market, the opportunities for growth in shareholder value are significant.
- It is the Board's opinion that the funds invested to date have built a strong portfolio of businesses that are well positioned to benefit from the recovery of the Zimbabwean economy.
- To sell these businesses by the end of 2010, before the benefits of economic recovery have had a chance to add value, will undermine the upside for which the Company's portfolio was created.

ZIMBABWEAN ECONOMY

Although the current environment in Zimbabwe remains of concern it is clear that significant progress is being made. The recent provision of funding for economic development by the Australian government and pledges from SADC (Southern African Development Community) for financial support indicate that the global community is cognisant of the need for financial support to assist in rebuilding the Zimbabwean economy. The recent agreement by China to provide a \$950 million credit line to Zimbabwe is evidence that economic normalization continues and the coalition is building credibility. It is believed that this momentum will increase.

- The economy has now formally become US dollar based. This has brought significant stability to the business environment and sets the stage for normal business practices to be reintroduced and for commerce to be able to move forward on an understandable basis.
- The Government of national unity was formed on 5 February 2009, and the coalition, although sometimes fractious, is a positive step forward and has created a platform capable of change and development.
- The Zimbabwe stock exchange resumed trading on 25 February 2009.
- US Dollarisation has curbed the recent rampant hyperinflation and January inflation was reported as 2.3 per cent. with deflation of 3.4 per cent. in February. This introduces new significant economic challenges for the economy during a period of realignment and adjustment to the new environment.

FIVE YEAR MANAGEMENT CONTRACT WITH LONRHO PLC

Under a five year management contract (which has approximately three and a half years left to run) Lonrho Plc manages the operations of the Company, and the Lonrho Plc business development team reviews all proposed investments.

As explained in the Company's AIM admission document, the Board considers that the relationship between Lonrho Plc and the Company is critical to the investment policy and the success of the Company.

Lonrho holds a 24.53 per cent. equity stake in the Company, 20 per cent. of which is 'locked in' for another three and a half years, and undertakes not to compete with the Company in Zimbabwe. In the event of Lonrho Plc losing Board control the lock in clause falls away and should AMB seek to terminate the management contract then six months following the date of termination Lonrho Plc would become free to compete in Zimbabwe.

EXTRAORDINARY GENERAL MEETING AND ACTION TO BE TAKEN

Set out at the end of this document is a notice convening the EGM of the Company to be held at Private Suite 1, The May Fair Hotel, Stratton Street, London W1J 8LT at 3.00 p.m. on Thursday 30 July 2009, to consider the Resolutions.

Shareholders are requested to complete and sign the enclosed Form of Proxy for use at the EGM and return it to Capita Registrars (Isle of Man) Limited, 3rd Floor Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD so as to arrive as soon as possible, and in any event, not later than 3.00 p.m. on Tuesday 28 July 2009.

The return of the Form of Proxy will not, however, prevent you from attending the EGM and voting, in person, should you wish to do so.

RECOMMENDATION

Paul Heber and Paul Turner being the Independent non-executive directors consider that each of the Resolutions is not in the best interest of the Company and they unanimously recommend to the shareholders of the Company that they vote **AGAINST** all of the Resolutions that are proposed pursuant to the Requisition.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D. Lenigas', is positioned above the printed name and title of the Chairman.

DAVID LENIGAS

Chairman

LONZIM PLC

(Registered in the Isle of Man No. 001773V)

EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of LonZim Plc will be held at Private Suite 1, The May Fair Hotel, Stratton Street, London W1J 8LT at 3.00 p.m. on Thursday 30 July 2009 for the following purposes:

Special Business:

1. THAT the investment objective of the Company be amended to be “The investment objective of the Company is to manage the sale of the Company’s investment portfolio and to maximize the return of invested capital to shareholders during the period ending on 31 December 2010”.
2. THAT David Anthony Lenigas be and is hereby removed from the office of director of the Company with immediate effect.
3. THAT Geoffrey Trevor White be and is hereby removed from the office of director of the Company with immediate effect.
4. THAT Emma Kinder Prestley be and is hereby removed from the office of director of the Company with immediate effect.
5. THAT Jean McKay Ellis be and is hereby removed from the office of director of the Company with immediate effect.
6. THAT Rhys Cathan Davies be and is hereby appointed a director of the Company with immediate effect.
7. THAT Brett Miller be and is hereby appointed a director of the Company with immediate effect.
8. THAT Christopher Michael Vosloo be and is hereby appointed a director of the Company with immediate effect.
9. THAT Andrew Innes Sprague be and is hereby appointed a director of the Company with immediate effect.

By order of the Board
D. Lenigas

8 July 2009

Registered office:

C/o Dickinson Cruickshank Fiduciaries Limited
33-37 Athol Street
Douglas
Isle of Man
IM1 1LB

Registered No. 001773V

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxy or proxies to attend and vote in his place. A proxy need not be a member of the company but is entitled to exercise all or any of the member's rights to attend and to speak and vote at a meeting of the company.
2. A member may appoint more than one proxy in relation to the Extraordinary General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. To appoint more than one proxy you may photocopy the form of proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope, or alternatively, faxed together to the Company's registrars on +44 (0)1624 641 561 marked for the attention of Natalie Farley. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid.
3. To be valid, a completed form of proxy, together with a power of attorney or other authority, if any, under which it is signed (or a notarially certified copy thereof), must be deposited at the offices of the Company's registrars, Capita Registrars (Isle of Man) Limited, 3rd Floor Exchange House, 54-62 Athol Street, Douglas, Isle of Man IM1 1JD, or alternatively faxed to the Company's registrars on +44 (0)1624 641 561 marked for the attention of Natalie Farley, not less than 48 hours before the time set for the meeting or adjourned meeting (as the case may be).
4. Completion and return of a form of proxy will not prevent a shareholder from subsequently attending and voting in person at the Extraordinary General Meeting.
5. In the case of joint holders of shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the company in respect of the relevant joint holding.
6. Where a corporate shareholder appoints a representative to attend a meeting, a certified copy of the resolution of the shareholder appointing such representative should be deposited at the registered office of the Company, not less than 48 hours before the time set for the meeting or adjourned meeting (as the case may be).
7. Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006, the Company specifies that only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 28 July 2009, or in the event that the meeting is adjourned, in the Register of Members as at 6.00 p.m. on the day that is two days prior to any adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries on the Register of Members after 6.00 p.m. on 28 July 2009 or, in the event that the meeting is adjourned, 6.00 p.m. on the day that is two days prior to the day of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. As at 7 July 2009 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 36,450,000 ordinary shares of 0.01p each. Each ordinary share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the company as at 7 July 2009 was 36,450,000.