STRATOS GLOBAL LIMITED

Report and Financial Statements

31 December 2008

Registered No. 04041428

Registered No. 04041428

DIRECTORS
Maury Shenk
Ian Canning
Richard Harris (appointed 1 April, 2008)

SECRETARY
Richard Harris

AUDITORS
Ernst & Young LLP
Registered auditors
Barony House
Stoneyfield Business Park
Stoneyfield
Inverness IV2 7PA

BANKERS
HSBC Bank plc
9 Wellesley Road
Croydon
Surrey CR9 2AA

SOLICITORS
Steptoe & Johnson
99 Gresham Street
London EC2V 7NG

REGISTERED OFFICE
99 Gresham Street
London EC2V 7NG

The directors present their report and financial statements for the year ended 31 December 2008.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to US$5,407,544 (2007 - US$5,964,565). The directors do not recommend the payment of an ordinary dividend for the year which leaves an accumulated deficit on the profit and loss account of US$51,030,568 (2007 – US$45,623,024).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the business are to provide fixed satellite remote communications solutions using broadband network technologies.
The directors are satisfied with the results for the year.

BUSINESS REVIEW

The group's key financial and other performance indicators during the year were as follows:

	2008 US$	2007 US$	Change %
Turnover	12,964,733	15,477,915	-16.2%
Operating profit/(loss) before exceptionals	171,649	(572,764)	130.0%
Loss after tax	(5,407,544)	(5,964,565)	9.3%
Shareholders' funds	(40,030,553)	(34,623,009)	-15.6%
Average number of employees	26	19	36.8%

Turnover decreased by 16.2%, due in large part, to the decline of Broadband customer contracts in 2008. Operating profit before exceptionals increased significantly by 130.0% as a result of favourable settlements reached during the year with respect to disputed costs. This, offset by the increase of 36.8% in the average number of employees in the group resulted in an improvement in the loss after tax of 9.3%.

PRINCIPAL RISKS AND UNCERTAINTIES

- Health, safety and environment

The highest standards of health, safety, and environmental, stewardship is of the essence. Accordingly the provision of best practice training is a top priority and every precaution is taken otherwise to minimize risk. No major incidents were recorded during the period under review.

- Competitive risks

The group operates in a highly competitive environment but is not exposed to over reliance on a small number of customers nor to a particular business sector. It also seeks to encourage customer loyalty by providing the highest practicable standard of service.

- Credit risks

In order to minimize risk of loss through customers defaulting, a robust credit management process is in place.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

- Liquidity and cash flow risk

The company has entered into a composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. There is a treasury function in place within the company which monitors cash flows in order to ensure maximum flexibility for the group to meet its trading needs.

CREDITOR PAYMENT POLICY

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its supplier, provided that all trading terms and conditions have been complied with.

At 31 December 2008, the company had an average of 13 days (31 December 2007 - 145 days) purchases outstanding in trade creditors.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Maury Shenk
Ian Canning
Richard Harris (appointed 1 April 2008)

There are no directors' interests requiring disclosure under the Companies Act 1985.

FUTURE DEVELOPMENTS

The directors aim to maintain the current business level for the foreseeable future.

PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution to appoint Deloitte as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 13 AUGUST 2009 and signed on its behalf.

Richard Harris
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' report to the members of Stratos Global Limited

We have audited the company's financial statements for the year ended 31 December 2008, which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.
This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' report to the members of Stratos Global Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the director's report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Inverness

18/8/2009

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2008

	Notes	2008 US$	2007 US$
TURNOVER	3	12,964,733	15,477,915
Cost of sales		(9,451,461)	(12,705,057)
GROSS PROFIT		3,513,272	2,772,858
Operating expenses - normal		(3,341,623)	(3,345,622)
- exceptional	8	(31,731)	(37,590)
OPERATING PROFIT/(LOSS)	4	139,918	(610,354)
Interest payable	7	(5,547,462)	(5,354,211)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,407,544)	(5,964,565)
Tax on loss on ordinary activities	9	-	-
LOSS FOR THE FINANCIAL YEAR	18	(5,407,544)	(5,964,565)

All amounts relate to continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than as shown in the profit and loss account above.

BALANCE SHEET
at 31 December 2008

	Notes	2008 US$	2007 US$
FIXED ASSETS			
Intangible assets	10	9,181,464	10,029,658
Tangible assets	11	5,293,305	5,106,895
		14,474,769	15,136,553
CURRENT ASSETS			
Stocks	12	804,293	1,432,159
Debtors	13	49,285,116	25,520,950
Cash at bank and in hand		122,340	1,180,419
		50,211,749	28,133,528
CREDITORS: amounts falling due within one year	14,15	(104,717,071)	(77,881,819)
NET CURRENT LIABILITIES		(54,505,322)	(49,748,291)
TOTAL ASSETS LESS CURRENT LIABILITIES		(40,030,553)	(34,611,738)
Provision for liabilities and charges	16	-	(11,271)
NET LIABILITIES		(40,030,553)	(34,623,009)
CAPITAL AND RESERVES			
Called up share capital	17	188	188
Share premium	18	10,999,827	10,999,827
Profit and loss account	18	(51,030,568)	(45,623,024)
EQUITY SHAREHOLDERS' DEFICIT	18	(40,030,553)	(34,623,009)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 AUGUST **2009**.

Richard Harris
Director

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

1. FUNDAMENTAL ACCOUNTING CONCEPT

The financial statements have been prepared on a going concern basis, the validity of which is dependent on the continuation of adequate financial support from the ultimate parent undertaking. The ultimate parent has provided an undertaking that it will continue to provide adequate financial support to the company in order that it can meet its liabilities as and when they fall due and has also guaranteed the payment and recoverability of all inter-company balances within the group. The directors have no reason to believe that this financial support will not continue in the future, and therefore consider it appropriate to adopt a going concern basis.

However, should the ultimate parent undertaking fail to provide such support, the going concern basis used in preparing the group's financial statements would be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might accrue and to reclassify fixed assets as current assets.

2. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the UK and comply with the requirements of the Companies Act 1985.

Cash flow statement

The company has taken advantage of the exemption under FRS 1 not to produce a cash flow statement as its ultimate parent undertaking produces publicly available consolidated financial statements.

Stocks

Stocks consist of telecommunications equipment held for resale and is carried at the lower of average cost and net realizable value.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses.
Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset over its expected useful life, as follows:

Earth station equipment	-	10% per annum straight-line
Computer hardware and software	-	30% per annum reducing balance
Other equipment	-	20% per annum reducing balance

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Patents and licences

Patents and licences reflect the cost of acquiring the right to transmit radio signals in a given licensed area and software licences. These have been amortised on a straight line basis over the shorter of the duration of the licence term or 10 years.

The carrying values of patents and licences are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

2. ACCOUNTING POLICIES (continued)

Development costs

Development costs are charged as an expense in the period in which they are incurred, unless they meet specified criteria related to commercial feasibility. Where these criteria are met, the costs are deferred and amortised on a straight line basis over the shorter of the product's estimated life cycle and three years. Amortisation will commence when the product becomes commercially available for use.

The carrying values of development costs are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill

Goodwill represents the excess of the cost of investments in the former Inmarsat and VSAT businesses of British Telecommunications plc over the fair value of the net identifiable assets acquired and is amortised on a straight-line basis over its estimated useful life of 20 years.

The carrying value of goodwill is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Currency of accounting and foreign currencies

The functional and reporting currency is the US dollar as the majority of operational transactions are denominated in US dollars.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The foreign currency translation rate used was sterling to dollar rate of 1.4590.

Pensions

The company has defined contribution pension plans covering substantially all of its employees whereby the company matches a portion of employee contributions to the plan.

The company does not provide defined benefit pension arrangements for its employees nor does it provide other post-retirement benefits.

The cost of compensated absences and other post-employment benefits, such as health care, dental and similar employee benefit plans, are expensed as employee services are rendered.

2. **ACCOUNTING POLICIES** (continued)

Capital Instruments
Shares are included in shareholders' funds. Other instruments are classified as debt finance if they contain an obligation to transfer economic benefits.

Provisions for liabilities
A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

3. **TURNOVER**
Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's continuing principal activity. Turnover is derived primarily from the company's European market.

4. **OPERATING PROFIT/(LOSS)**
This is stated after charging/(crediting):

	2008	*2007*
	US$	*US$*
Auditors' remuneration – audit fees	71,219	78,384
Operating lease rentals- land and buildings	433,680	569,074
Depreciation of tangible fixed assets	1,189,324	1,386,936
Amortisation of intangible fixed assets	104,460	149,232
Amortisation of goodwill	743,734	743,734
Gain on foreign exchange transactions	(170,269)	(100,076)

5. **DIRECTORS' REMUNERATION**
During the year, the directors received no remuneration from the company (2007 - US$912).

6. **STAFF COSTS**

	2008	*2007*
	US$	*US$*
Wages, salaries and other remuneration	2,301,325	2,230,914
Social security costs	272,858	236,085
Pension costs	71,921	71,929
	2,626,104	2,538,928

The average monthly number of employees during the year was as follows:

	2008	*2007*
	No.	*No.*
Sales, marketing and administration	26	19

7. INTEREST PAYABLE

	2008	*2007*
	US$	*US$.*
On loan notes (note 15)	5,546,766	5,354,211

8. EXCEPTIONAL ITEMS

As a result of restructuring in 2006, there were further workforce reductions during the year.

	2008	2007
	US$	US$
Gain on disposal of tangible fixed assets	(302)	-
Severance and other termination costs	32,033	37,590
	31,731	37,590

9. TAXATION

(a) The company has incurred a loss for the year and accordingly no tax charge arises (2007 - US$Nil). The movement in deferred tax has not been recognized in the year.

(b) The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2008	*2007*
	US$	*US$*
Loss on ordinary activities before tax	(5,407,544)	(5,964,565)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	(1,541,149)	(1,789,369)
Effects of:		
Expenses not deductible for tax purposes	-	6,218
Depreciation in advance of capital allowances	350,866	656,752
Tax losses (Utilisation of group relief losses) for nil payment	1,190,283	1,126,399
	-	-

(c) Factors that may affect future tax charges

Deferred tax assets of US$8,533,419 (2007 – US$8,965,169) in respect of timing differences between accounting and tax depreciation, have not been recognised as they do not meet the recognition criteria for deferred tax assets set out in FRS 19.

10. INTANGIBLE FIXED ASSETS

	Patents / licences *US$*	*Goodwill* *US$*	*Total* *US$*
Cost:			
At 1 January 2008	3,283,060	14,909,393	18,192,453
At 31 December, 2008	3,283,060	14,909,393	18,192,453
Amortisation:			
At 1 January 2008	2,917,441	5,245,354	8,162,795
Provided during the year	104,460	743,734	848,194
At 31 December 2008	3,021,901	5,989,088	9,010,989
Net book amount:			
At 31 December 2008	261,159	8,920,305	9,181,464
At 1 January 2008	365,619	9,664,039	10,029,658

On 31 December 2000, the Company acquired a portion of the Inmarsat and VSAT businesses of British Telecommunications plc, a leading provider of remote communications solutions to customers around the world, for cash consideration of US$50,173,170, including acquisition costs. The original goodwill associated with this acquisition was US$15,569,000 but was adjusted down in 2002 by US$659,607 for certain liabilities that did not represent future obligations to pay. Goodwill of US$14,909,393 is amortised over a 20 year period.

11. TANGIBLE FIXED ASSETS

	Earth station equipment *US$*	*Computer hardware and software* *US$*	*Other equipment* *US$*	*Total* *US$*
Cost:				
At 1 January 2008	4,626,828	677,561	9,926,893	15,231,282
Additions	36,141	520,826	818,912	1,375,879
Disposals/adjustments	-	793	(5,687)	(4,894)
At 31 December 2008	4,662,969	1,199,180	10,740,118	16,602,267
Depreciation:				
At 1 January 2008	4,155,550	340,232	5,628,605	10,124,387
Provided during the year	119,193	161,891	908,240	1,189,324
Disposals/adjustments	-	290	(5,039)	(4,749)
At 31 December 2008	4,274,743	502,413	6,531,806	11,308,962
Net book amount:				
At 31 December 2008	388,226	696,767	4,208,312	5,293,305
Net book amount:				
At 1 January 2008	471,278	337,329	4,298,288	5,106,895

12. STOCKS

	2008 US$	2007 US$
Finished goods held for resale	804,293	1,432,159

13. DEBTORS

	2008 US$	2007 US$
Trade debtors	2,308,438	3,628,540
Other debtors	1,295,266	976,172
Amounts due from group undertakings	44,881,403	20,250,571
Prepayments	648,226	248,361
Other taxes	151,783	417,306
	49,285,116	25,520,950

14. CREDITORS: amounts falling due within one year

	2008 US$	2007 US$
Notes payable (note 15)	26,307,500	26,307,500
Trade creditors	284,360	4,541,182
Other taxes and social security	83,065	104,658
Other creditors	837,050	1,457,507
Accruals	1,975,047	4,882,028
Amounts due to Group Undertakings	75,230,049	40,588,944
	104,717,071	77,881,819

15. NOTES PAYABLE

	2008 US$	2007 US$.
Loan notes payable (note 14)	26,307,500	26,307,500

Notes payable of US$26,307,500 represents an interest bearing, unsecured, demand promissory note with no set terms of repayment from the immediate parent undertaking. Interest is calculated and payable monthly at an internal cost of funds rate (note 7).

16. PROVISION FOR LIABILITIES AND CHARGES

	2008 *US$*	*2007* *US$*
Balance at 1 January 2008	11,271	1,637,074
Reduction in provision (charged against provision)	(11,271)	(1,625,803)
At 31 December 2008	-	11,271

The company's lease agreement for the Goonhilly Land Earth Station required the company to restore the site to its condition prior to the installation of the facilities. All remaining costs were incurred in 2008 as part of the site restoration.

17. SHARE CAPITAL

	2008 *No.*	*Authorised* *2008* *GBP£*	*2007* *No.*	*Authorised* *2007* *GBP£*
Ordinary shares of £0.01 each	10,000	100	10,000	100

	2008 *No.*	*Allotted, called up and fully paid* *2008* *US$*	*2007* *No.*	*Allotted, called up and fully paid* *2007* *US$*
Ordinary shares of £0.01 each	10,000	188	10,000	188

18. RECONCILIATION OF SHAREHOLDERS' DEFICIT AND MOVEMENTS ON RESERVES

	Share Capital *US$*	*Share Premium* *US$*	*Profit and loss account* *US$*	*Total* *US$*
At 31 December 2007	188	10,999,827	(45,623,024)	(34,623,009)
Loss for the year	-	-	(5,407,544)	(5,407,544)
At 31 December 2008	188	10,999,827	(51,030,568)	(40,030,553)

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the Stratos Global Corporation group as it is a wholly owned subsidiary included in consolidated financial statements which are publicly available.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Stratos Global Holdings Limited. Copies of its financial statements can be obtained from Companies House, Cardiff.
The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Stratos Global Corporation.
Copies of these financial statements can be obtained from: Corporate Head Office, 6550 Rock Spring Drive, Suite 650, Bethesda, MD 20817, USA.
On December 11, 2007, the Corporation completed an Arrangement Agreement (the "Arrangement Agreement") and was acquired by CIP Canada, a wholly-owned subsidiary of Communications Investments Partners Limited ("CIP"), a professional investment company with a focus on satellite services.
Under the terms of the Arrangement Agreement, CIP Canada acquired beneficial ownership of 100 percent of the Corporation's common shares through a plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). The transaction was indirectly financed by Inmarsat Finance III Limited ("Inmarsat III"), a wholly-owned subsidiary of Inmarsat plc. CIP granted Inmarsat III an option (the "Call Option") to acquire the entire issued share capital of CIP Canada. The Call Option was only exercisable after April 14, 2009, when certain of Inmarsat's distribution agreements expire, and terminates on December 31, 2010. Following the acquisition of the Corporation by CIP Canada, and until such time as a decision was made to exercise the Call Option, Inmarsat plc had no control over the financial and operating policies and decisions of the Corporation, which has continued its current operations and business as usual since the acquisition. The Corporation's shares acquired under the Arrangement are registered in the name of, and under the control and direction of, an independent third party trustee pending the exercise of the Call Option.
On April 15, 2009, Inmarsat III exercised the call option and acquired the entire issued share capital of CIP Canada.
Although Inmarsat plc did not hold an equity interest in, nor have any control over the financial and operating policies of CIP Canada, before the exercise of the Call Option, it was required to consolidate the financial results of CIP Canada, which include the financial results of the Corporation, as it was deemed to bear the risks and economic benefits of CIP Canada by virtue of the combination of the loan facility to CIP and the Call Option.
Up until April 15, 2009 the directors considered the ultimate parent undertaking and controlling party to be Stratos Global Corporation, a company incorporated in Canada.

From April 15, 2009 the directors now consider Inmarsat plc, a company based in the United Kingdom to be the ultimate parent undertaking and controlling party.

21. CONTINGENT LIABILITIES

(a) The company has entered into a composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the balance sheet date, funds deposited by the company into the system and potentially at risk to cover liabilities elsewhere in the group amounted to US$122,340 (2007 – US$1,180,419).

(b) The company has provided a guarantee in support of its ultimate parent, Stratos Global Corporation and its subsidiaries (the "Borrowers") in respect of borrowings made under the terms of an agreement dated February 13, 2006 (the "Credit Agreement"). The company has entered into a guarantee agreement with the Royal Bank of Canada as Agent for the lenders under the Credit Agreement in which the company guarantees payment of all amounts due under the Credit Agreement. As at December 31, 2008 the Borrowers had outstanding a $211.5 million non-revolving Term B credit facility and an undrawn $25 million revolving facility provided by a syndicate of financial institutions.

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to US$71,921 (2007 – US$71,929). Contributions totalling US$Nil (2007 – US$nil) were payable to the fund at the balance sheet date.

23. OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land/Building US$	*Other US$*	*Total US$*
Operating leases which expire:			
Within 1 year	-	2,030,511	2,030,511
In 1-5 years	-	2,600,400	2,600,400
In over 5 years	204,601	-	204,601
At 31 December 2008	204.601	4,630,911	4,835,512