

Regulatory Announcement

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Company	Shariah Capital, Inc
TIDM	SCAP
Headline	Admission to AIM
Released	08:07 13-Dec-06
Number	7796N

RNS Number:7796N
Shariah Capital, Inc
13 December 2006

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Shariah Capital, Inc.

First day of Dealings on AIM

Shariah Capital, Inc. ("Shariah Capital" or "the Company") is pleased to announce the commencement of trading in its common shares on AIM (ticker SCAP).

Shariah Capital is a US based and incorporated company that originates, structures and facilitates the sale of financial products compliant with the principles of Islamic religious law, known as Shariah, and provides Shariah compliant supervisory and related services. Its targeted clients are predominantly financial institutions and investment management firms, initially US based, that are building product platforms targeted at Islamic institutional and high net worth investors based in the Middle East, Asia and the Far East.

Shariah Capital is committed to becoming a leader in modern Islamic Finance by developing and marketing competitive Shariah compliant alternatives to conventional Western financial products and services.

Shariah Capital was founded by Chairman and Chief Executive Officer, Eric Meyer, who will hold 84.1% of the common shares on Admission. Mr Meyer, commenting on the Admission, said:

"This is a significant step for Shariah Capital and a culmination of our efforts to list our shares publicly. We are pleased that, with our admission to AIM, international investors can become shareholders in a firm dedicated to engineering Shariah compliant products that utilise best-of-breed Western investment managers and range from hedge funds and real estate to private equity opportunities and Sukuks."

Investec Investment Banking and Securities is acting as Nominated Adviser and Broker to the Company.

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Background to the Company

The Company's strategy is to focus on providing Shariah compliant solutions for high margin, specialised financial products and services that appeal to a growing market.

Products

The Company intends to develop Shariah compliant equivalent products for conventional bonds (known as "Sukuk"), other derivative instruments, private equity strategies, liquidity management instruments, principal protection vehicles, exchange traded funds, real estate investment trusts and global real estate funds. As an example of the Company's current product offering, the management of Shariah Capital has, in collaboration with prominent Shariah scholars, developed Shariah compliant risk management tools which replicate the economics of conventional short sales, options trading and leverage.

The Company's strategy involves assembling teams of knowledgeable and experienced Islamic jurists to co-ordinate the development of the Company's individual Shariah products followed by product certification and ongoing Shariah supervision.

Services

In addition, Shariah Capital will seek opportunities, usually with joint venture partners, to assist companies or investment vehicles to comply with Shariah law, particularly in industries where underlying businesses are already largely Shariah compliant: healthcare, technology, energy, telecommunications, consumer and basic industries such as construction, manufacturing and mining.

Shariah Capital aims to selectively provide Shariah supervisory services to companies and organisations which are likely to convert to more extensive, longer-term relationships. The Company will typically work with and/or be retained by institutional clients and their legal counsel to supervise the Shariah compliance process, including management of Shariah compliance risk, and to advise on the development of specific product solutions.

Shariah Approval Process

For a financial product or service to be Shariah compliant, prior approval must be sought from a suitably qualified Islamic scholar or cleric or, if appropriate, a panel of scholars and/or clerics established for this purpose. These scholars and clerics opine on whether a financial product or service complies with Shariah law or whether implementation of any material changes to the nature of a financial product or service affects its Shariah-compliant status. The Company expects to form separate Shariah Supervisory Boards for each of its projects to help ensure that Shariah scholars are assigned to the Shariah Capital projects that are best suited to their individual areas of expertise.

The Directors believe that the rise in demand for Shariah compliant products has resulted in a shortage of Shariah scholars who are able to advise and opine on Shariah compliance. The Directors believe that this shortage will benefit the Company as it has hired a leading Shariah scholar, Shaykh Yusuf Talal DeLorenzo as its full-time Chief Shariah Officer and as a Director. Shaykh Yusuf has over 30 years experience as a Shariah scholar and has key relationships with many other Shariah scholars around the world. Through Shaykh Yusuf, Shariah Capital intends to secure additional capacity with Shariah scholars as well as formulate a process for commissioning Shariah scholars to projects best suited to their particular capabilities.

The Company's products and services will be guided by appropriate internationally-recognised standards for Shariah supervision such as those set by the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board.

For further information please visit the company's website, www.shariahcap.com

Words and expressions where defined in this announcement shall have the same meaning as in the Admission Document published by the Company on 8 December 2006.

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