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radiojamaica .com

It's like whistling while you work

Board of Directors:
J.A. Lester Spaulding, C.D., JP
(Chairman/Managing Director)
Hector Dietrich (Deputy Chairman)
Carl Domville, BSc, (Hons), FCCA
Dorothy LaCroix
Karl L. Lewin, BSc, MBA
Holford Plummer
Patricia Robinson, OD, JP
Milton J. Samuda, LLB

A Member of the RJR Communications Group

Radio Jamaica Limited

August 15, 2006

Mrs. Marlene Street
General Manager
Jamaica Stock Exchange
Nethersole Place
Kingston

FAXED

Date: 15.08.06

4:20 pm

Dear Mrs. Street:

1. Radio Jamaica Limited ("RJR") with the approval of its Board of Directors at 1:00 p.m. today, signed an Agreement with the shareholders of the Independent Programme Providers (IPPs), Reggae Entertainment Television Limited (RETV) and the Jamaica National News Network (JNN), the details of which are outlined herein.

2. If the Agreement is completed RJR will, directly or indirectly through a 100%-owned nominee company, acquire 65% of the issued share capital of RETV and 100% of the issued share capital of JNN. As consideration for inducing Kimani Robinson and Balram Vaswani, the principals of RETV and JNN respectively, to enter into Service Agreements to serve as Chief Executive Officer of RETV and JNN respectively, RJR will transfer to each of them ten per cent (10%) of its shares in JNN so that RJR's net holdings in JNN would be 80%. (See paragraph 5 below.)

3. Completion of the Agreement is subject to a number of conditions including satisfactory due diligence and the shareholders of RJR in general meeting passing resolutions to increase its capital and to authorise the issue of RJR shares to the shareholders of RE and JNN as part of the consideration for which appropriate notice will be given to the shareholders of RJR.

Consideration

4. The consideration for the purchase of the RE shares and the JNN shares is US\$1,750,000 of which US\$1,000,000.00 will be satisfied on completion by payment of US\$522,727.00 in cash and the balance of US\$477,273.00 to be satisfied by the issue of 7,000,000 shares in RJR. The balance of US\$750,000.00 is due only upon achievement over a 3-year period of certain "earn-out" profit targets and formal amendment by the Government to the relevant Regulations to allow advertisement on cable TV.

Mrs. Marlene Street
General Manager
Jamaica Stock Exchange

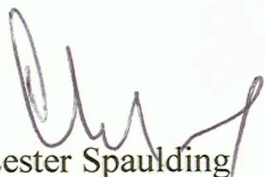
2.

August 15, 2006

5. If the Agreement is completed, Mr. Kimani Robinson will be retained as Chief Executive Officers of RE and Mr. Balram Vaswani as Chief Executive Officers of JNN. The current shareholders of RE will be entitled to appoint three (3) directors to the board of that company including Kimani Robinson, Balram Vaswani and Paul Scott. The current shareholders of JNN will also be entitled to appoint three (3) directors to the board of that company including Kimani Robinson and Balram Vaswani. RJR will have the right to appoint five (5) directors to the board of each company.

6. This Announcement is not an assurance or guarantee that the proposed acquisition will be completed as it is subject, as stated above, to conditions precedent including those stated in paragraph 3 above.

Yours truly,
RADIO JAMAICA LIMITED



J.A. Lester Spaulding
Chairman/Managing Director