

14th March 2017

To all Investors,

The original Trustees of the scheme, Hilliers went into liquidation over two years ago and since then we have been in prolonged negotiation with the Office of State Revenue of Western Australia (OSR).

The OSR wished to charge transfer tax on the successor Trustee which would have been in the region of 1 million dollars. However, early this year, the OSR acceded to our legal representatives and deemed there was no tax to pay and accordingly we have commenced to place the name of the replacement Trustee on all the farm titles.

In other words, affirming our ownership on your behalf. This seemingly simple legality has consumed many months, energy and has held the reconstruction up.

At the same time we have been subject to an in depth review by the Australian Tax Office (ATO) whereby they seek to prove the Fund subject to tax on the process of selling the farms to individual investors. Again, the resultant tax would be crippling. We strongly reject this and our lawyers are more than confident of our position.

This, however, is another time consuming obstacle to negotiate. Notwithstanding, we are going ahead with the final phase of changing the structure into a unit trust fund to be placed on the Irish Stock Exchange and expect to be up and running by mid year.

The Board would like to address two matters which are disturbing:

Firstly and this is somewhat an insoluble problem for us; it appears that several investors do not receive our updates (unfortunately and elliptically they may not receive this one). This is, as far as we can determine, because some SIPPs do not pass the updates on. The SIPPs in many cases are the investors of record so they are the initial recipients of these posts. We trust the SIPPs, on receiving this update, will be aware that it should in all good faith be passed onto their clients.

Secondly, we have tried to explain the valuations we ascribed last year to your Investment. It is necessary to realize that of the funds you subscribed there were, in the opinion of the present administration, substantial front end fees or commissions paid and only a part constituting "capital" went into the purchase of your interest. When the present administration took over after the crisis in Cyprus, we took over the administration of those "capital" assets, not the initial contributions.

The farms themselves have maintained or increased their value since 2013. These farms are unencumbered, in that no debt has been secured against them. Their infrastructure has been maintained and their farming has been carried out either by tenants or via sharecropping. We continually receive emails complaining about how investors cannot sell their interests or indeed about how much they have lost.

Often these are couched in abusive and threatening terms. But again we have to point out that as far as the interest (as explained above) is concerned, it has not diminished nor has it disappeared.

We have the utmost sympathy for investors' complaints but we did not participate in the original marketing or advice and we took over the administration of the "core" investment, the farms.

Individual media posts describing the fund as fraudulent miss this second point. They do and have done the present fund harm in that it taints the chances of turning the new fund into a viable, listed fund which hopefully will go some way to releasing much needed capital or even recouping some of the front end fees and becoming a solid conservative investment.

Please do take legal advice and do so before rushing into print with slanderous or abusive outbursts. We are happy to cooperate. The Board

The Board of GAS Global Agricultural Services