



June 26th 2015

Dear investor,

We are pleased to provide a further update regarding the progress of The Project and the current negotiations, which are still on going with major funding and Joint Venture partners.

Background

The beginning of this year 2015 has been very positive. The successful performance of the restructuring process allows us to be satisfied with the decisions taken, with the value of our assets exceeding liabilities by more than 300%.

The current scenario is totally different to that of May 2014 when we sent an update to our investors communicating the difficult position of the Company as a result of certain unforeseen changes within the UK financial services sector beyond our control, that undermined and put into jeopardy all of our efforts over previous years.

This unfortunate situation forced us to seriously consider the possibility of entering into voluntary liquidation, which would have meant the loss of all of the hard work undertaken on The Project over the years and, even worse, should have resulted in being unable to meet the financial expectations of our investors. With all the faith and support afforded by our investors, however, plus the injection of vital cash from alternative sources, we were able to avoid such drastic action and continue on our original path knowing that it would not be straightforward.

The initial decision concerning the deployment of our depleted resources was quite tricky: on the one hand there was the desire to cover the contractual obligations to a small proportion of our investors, and on the other, the need to maintain the operation of our technical division to ensure that the progress of The Project could continue to its ultimate conclusion, which would enable us to meet our financial objectives to the mutual benefit to everyone over the long term, rather than just satisfy the immediate needs of a minority of our investors.

The first option, in practice, would have satisfied the obligations owed to a few but to the detriment of the majority because, ultimately, the Company should have been forced into liquidation at point where its net asset value would not have been profitable.

Despite the protests of a small but vociferous number of investors, who, having been made fully aware of our precarious position, were still only interested in satisfying their own needs, we did not consider that it was either morally or ethically correct to be forced into a situation that risked our prudent approach.

The vast majority of investors have understood the circumstances that we were facing and provided us with their unconditional support to make tough decisions that ensured our long term objectives could be achieved. To all of these faithful investors, we should like to express our eternal gratitude.

For those few who continue to be impatient, we should point out that any additional obstacles may not only delay matters but could negatively impact on our progress and in so doing possibly causing irreparable damage to all parties, including paradoxically themselves.

Just as we cannot force a tree to bear fruit ahead of time, similarly, this Project will only bear the desired results to the benefit of all parties provided it is allowed to progress at its natural pace for which we are striving daily to achieve. We will continue, therefore, to defend the interests of the majority of our investors, if necessary, against the demands of those individuals whose actions should otherwise risk the successful outcome of The Project.

Previous Objectives

In our letter of May 2014, we mentioned our determination to meet our economic goals, and in so doing being able to meet all the contractual obligations to our investors, thanks to a well-defined strategy.

Since then we have taken all of the measures required to rebalance our position, achieving the necessary stability to materialize the four fundamental objectives set out below:

1) To Increase the Value of the Assets we own:

Through the completion of an internal corporate restructuring process the land value contained within The Project could be significantly enhanced.

2) To Convert the Value of the Assets into Equity Shares:

This is the process, which is in its final stages right now with Deloitte, whereby the full capital value of the assets could be incorporated within the share value of the newly created Property Development Company.

3) Trading shares with Joint Venture Partners:

With the required planning permissions finally established, the Company was seeking collaboration with third parties to execute the implementation of these plans and to commence the final construction phase. A substantial part of the costs associated in entering the construction phase could be met by selling an equivalent proportion of the shares in the Property Development Company to our joint venture associates.

4) To Settle the Financial Obligations to Our Investors:

Liquidity required to match our current financial liabilities to our investors could be achieved by trading a further portion of shares.

Current Objectives

During the past few weeks we have continued consolidating these objectives, finalizing several on-going works and meetings relevant to the process of corporate restructuring that we considered important mentioning within this update.

In this regard, the very important Inter-Administrative Consultation Document was submitted by the Town Hall of Almansa to the Regional Government of Castilla La Mancha, and on June 18th we signed the agreement with Deloitte for the completion of the final stages involved with the establishment of the Property Development Company which will enable the approved value of The Project to be capitalised.

With the backing of the majority of our investors through the difficult times encountered in early 2014, the net asset value of our assets has increased hugely to the point where as it stands today it exceeds our liabilities by more than 300%.

This figure has been derived from a vital supporting document presented to our financial advisers, Deloitte, as the direct result of an initial detailed and extensive assessment undertaken by an official Valuations Company as part of the process required to establish the Property Development Company within The Project mentioned in our previous updates.

Owing the enormous difference between the assets we own and our existing liabilities, the current net asset value guarantees sufficient financial solvency to adequately meet all our obligations in the short-term.

In short, over the past few months we have been able to meet the majority of the objectives we set out a year ago. In most cases we have been ahead of our scheduled estimations, in others there has been a slight delay, although the final balance is highly positive with excellent prospects anticipated over the coming months

Timescales for Repaying Investors

Notwithstanding these excellent prospects, at this moment in time, we cannot provide an exact date for exit, which is largely controlled by the actions of third parties, but we are very confident that the first part of a multi-stage process to return funds to our investors should commence within the next few weeks. In this sense we are pleased to inform you that:

- 1) **After further meetings with Deloitte and the Valuation team, the completion of the Property Development Company of the Project is expected within the next 6 weeks (i.e. first half of August 2015).**
- 2) **We are now finalizing a legal structure that will allow us to receive either equity investments from third parties or enable us to participate directly in a joint venture.**
- 3) **Once this complex legal structure is complete, it will provide further security for those investors whose contracts have already matured so that, should these investors wish to take up the option of a share guarantee whilst we are continuing the process of completing the larger funding contracts, you will be able to do so, affording you further security and peace of mind with your investment. We will be providing more detail regarding this option within the coming weeks.**
- 4) **We are in discussions with several large funds and equity partners, which will provide the resources for repayment of your investment. It is, however, essential to point out that owing to Non-Disclosure Agreements, which bind all the parties, we are unable to publish the details of these companies within the context of this newsletter. We are, however, able to confirm that amongst the companies with whom we are holding discussions, there is a fully regulated Spanish property fund, two Asian funds, a major Chinese state-owned enterprise and a worldwide logistics partner. It is important to note that although these discussions are lengthy and complex we could be in a position to close a deal at any moment in time but we are unable to offer a precise date.**

5) When appropriate, our intention is to pay compensation to those investors whose contracts have already matured and who have been patiently waiting to receive a return of their investment.

Finally, we would like to inform you that in May 2015, both local and municipal elections were held in all local and regional areas but most importantly, the town hall of Almansa election was won, with an absolute majority, by the same political group and Government Team, improving their position from the previous four years in power.

The Mayor and his Council have supported The Project from day one and are pushing forward with technical detail, which will allow the project to be ready for construction in the first quarter of 2016. This stable political environment is beneficial for all concerned and will allow us to carry on with the current discussions and negotiations with various interested parties, which are already under way.

We are working tirelessly with these funding partners whilst also adjusting some minor detail and design features within the first phase of the project. We should like to thank you for your continued patience and support with this very solid investment and feel confident that you will receive a satisfactory outcome before the end of the year.

Yours Sincerely,



Eduardo Martín

Managing Director