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From: Borelan [<mailto:borelansa@borelan.com>]

Sent: 08 March 2016 21:27

To: [borelansa@borelan.com](mailto:borelansa@borelan.com)

Subject: Merco Bond 1828

Dear Bondholder,

Further to our last letter to you, we write with an update regarding Merco Bond.

Firstly we would like to apologize for the lack of communication and assure you that this is not a reflection of our commitment to you and the project. We are somewhat restricted in our communication due to the ongoing restructuring process in Uruguay and are guided by the trustee as to what and how we communicate throughout this process. Importantly, all parties must receive information simultaneously and within the set parameters of the process, such as agreed meetings or set communications.

We entered in to the restructuring process to, in part, allow us the opportunity to renegotiate with creditors, such as Bondholders, whilst protecting their interests and ensuring that they are treated in a fair and consistent manner. This process is one which is commonly used within Uruguay and is intended to help companies such as Borelan to trade through difficult periods, whilst ensuring creditors, such as yourself, are treated equally and that a general solution is found for all.

The court appointed trustee in Uruguay is in place to protect creditors interests; part of this role is to assist Borelan and creditors in finding an overall solution. We are aware that Highpoint have instructed a lawyer to act as a representative for Bondholders and this representative is in contact with the trustee on your behalf. An important part of finding a solution is the presentation of a new plan to you, which, if agreed, will allow the project to move forward, albeit on different terms to those originally agreed. Rest assured, we remain whole-heartedly committed to the project and hope that agreement will be met in order to allow us to meet our obligations.

The date for the creditors meeting was initially set for 15/10/15, however this was postponed due to enquires filed with the trustee. We are currently awaiting resolution of these, after which a new meeting date will be assigned.

The restructuring could yet take some time and we appreciate this is frustrating, however it is an established and defined process that we must legally adhere to and is there, in part, to ensure all parties are treated in a fair and consistent manner.

We thank you again for your patience on the matter and assure you we will provide Bondholders with an update as soon as is possible.

Sincerely  
Borelan