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Dear Investor,

Food Water and Energy SA - SCS Farmland and Greengold

I write to update you and to provide you with details of a way forward.

Story so far

Let me remind you of the story so far ...

In May last year the Rois Brothers (who run FW&E) announced they would not be making payments that year, owing to a drought.

In order to perform its role in the event of a breach by FW&E, Powerscourt then engaged Brown & Co to undertake a valuation of the investors' land. Brown & Co reported that for a variety of reasons – high taxes, falling crop prices, and restrictions on foreign ownership of land – there is no market for large-scale tracts of land. But, based on reports of small-scale transactions, they valued the cleared land at \$3,000 per hectare.

The lack of a market means that Powerscourt cannot carry out its function of arranging the sale of the land.

In February of this year the Rois Brothers offered to put up more of their land as additional security for investors. However, as yet they appear to have done nothing to enact this.

Resumption of payments

Very recently Favio Rois has indicated that some payments might resume next year. He has previously reported to us that farming in Santiago del Estero province, where the SCS-Greengold land is situated, is barely breaking even. But crop prices may recover. Moreover, recent elections in Argentina indicate that the political situation may improve, with a possible new government introducing more business-friendly policies.

Representing investors

Under its contract with investors Powerscourt has no standing to negotiate with the Rois Brothers on investors' behalf, and no remit to undertake investigations.

Nonetheless investors manifestly need to be represented. In particular, they need to put continuing pressure on the Rois Brothers, to ensure they fulfil their obligations to investors as fully as circumstances allow. And this in turn should involve securing investors' long-term interests, by such means as the law allows.

Thus I am acting as midwife in the formation of the Farmland Action Group, which will enable the investors to act as a body.

Alongside this, your contract with Powerscourt remains in place and it will continue to carry out its obligations to you in relation to the investment.

The Action Group for SCS-Greengold investors

The Action Group enables investors to act collectively rather than as isolated individuals and therefore give them a more powerful voice. It has a broader remit than Powerscourt, being able to take action that Powerscourt cannot.

The Action Group has engaged lawyers Mills and Reeve (a top 50 UK law firm) to give it advice.

It has been set up as a not-for-profit company limited by guarantee.

Strategy

The Action Group will begin by seeking to enter constructive dialogue with the Rois Brothers.

Also the Action Group will undertake such investigations as seem worthwhile, making use of Powerscourt's knowledge and understanding. Powerscourt's Argentinean lawyers, Allende & Brea, will advise and help the Action Group.

The aim will be to reach a satisfactory long-term solution to everyone's benefit. But, if necessary, the Action Group would have to consider formal legal proceedings.

If you have any questions about the role of the Action Group, please call 03030 401 201 or email info@agai.org.uk.

Funds

You can be assured that joining the Action Group will cost you nothing.

The costs of the Action Group will run into some tens of thousands of pounds, even if legal proceedings are not pursued.

Holkham Compensation (in the name of AGAI – see below) will supply these funds in the form of an interest-free loan to the Action Group. You may recall that last year I started Holkham Compensation, a not-for-profit company, helping SIPP investors seek compensation. This has now generated a reasonable surplus; the funds for the Action Group will come from this surplus.

If in due course costs look likely to be greater than the amount that Holkham has available, the Action Group may ask people to contribute. But in these circumstances they will be under no obligation to pay, and instead will be able to drop out.

So there is no cost whatever in joining the Action Group; and there are no potential or hidden liabilities. In fact for legal reasons there is a nominal joining fee; but Holkham will pay that on your behalf.

Again, if you would like to discuss this further, do please call the Action Group on 03030 401 201 or email at info@agai.org.uk.

AGAI

Holkham has formed AGAI – Action Groups for Alternative Investments – as its means of sponsoring the investor action groups including the Farmland Action Group. Sadly there are many alternative investment schemes that have failed, or where payments are far lower than expected; and their investors also need representation. AGAI sponsors Action Groups for other schemes in the same way that it is sponsoring SCS-Greengold Action Group. (See www.agai.org.uk)

If you have invested in another alternative investment scheme, and would like representation at no cost, please get in touch.

Summary of reason for joining

There are three good reasons for joining the Farmland Action Group.

- First, investors are more likely to achieve a satisfactory long-term outcome by acting collectively rather than singly or in small groups.
- Second, you will have the benefit of first-rate legal advice both in UK and Argentina, plus the use of the information that Powerscourt has already obtained.
- Third, you will incur no costs in joining.

Joining the Action Group

The process of joining the Action Group is very simple. Please go to www.farmlandaction.com/join and follow the instructions.

Contact

If you have any questions about the Action Group, please send an email to info@agai.org.uk or call 03030 401 201.

Yours faithfully,



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