



FOODWATER&ENERGY

**Powerscourt Services Ltd
71 Regent Street
Cambridge
CB2 1AB
United Kingdom**

Buenos Aires, 12th July 2016

Dear Sirs,

As you know, the combination of several factors such as extremely adverse weather conditions, the previous Argentine government's hostile policies towards farmers and landlords over taxation on crops, the fall of international commodity prices and other personal private unavoidable factors of force majeure have formerly put our company's financial and operational resources under a great element of stress.

The new Argentine government that came into power last December has starting making important and positive changes in order to improve the agriculture policies. Signals of important positive changes of direction have started to show and the Argentine farmers are returning back to be what they once were, the most important wealth makers in the country and some of the largest wealth generators in the world. Regrettably these changes are coming too late and too slow for us to be able to enjoy the benefits of the new political and economical direction.

Natural and international market adversities have exhausted our company's capabilities to recover quickly enough from the impact of the past events and the current lack access to the financial market prevents us today from carrying on operating the land as we used to. Even if we were to re-start operations this year the results of cannot be guaranteed and any positives would not come soon enough to satisfy the Beneficial Owners' (BO) expectations.

In order to be able to buy back the BO's land rights or re-sell them to a third party and pay the outstanding unpaid rent, we have decided to put for sale all our rights and land assets available to the market, including the land to which the BO hold their rights, unless PSL or the BO instruct us otherwise.

According to today's market prices, we believe we can currently achieve a sale of at least the price the BO has paid. If this turns out not to be the case and the market shows a reduction in price is required to achieve a faster sale, we shall, with your or the BO's permission, reduce the requested sale price. However we are also prepared to voluntarily consider an extension to our contractual obligations and may top up the available land for sale with enough of our own land and rights, to the maximum extent of the available company assets, in order to achieve the return of the price the BO paid for the land rights, plus the outstanding rental payment and the Powerscourt Services Ltd. (PSL) due fees.

We have assessed our payment capability based on the company's available assets and we believe that we are in a relatively good economic position which allows us to exceed comfortably the total value of the assets required to be sold in order to honour all our existing obligations.

Our first approach towards a successful and fast exit will be actively offering the land for sale in bulk to a single buyer that might look for a strategic long-term investment. We have fixed the 30th September 2016 as the deadline to achieve and this. Shall the bulk sale not succeed by then; we will then open the opportunity to potential buyers to purchase smaller fractioned units.

To achieve the above we are in the process of engaging directly with potential buyers and also selecting international property agents to help us with the sale. We are also appointing one agent with Power of Attorney to deal specifically with the potential buyers and agents and to assist us in the selling process. He will also liaise with PSL in the process.

All funds (net of agent's commissions and taxes due to local authorities) emerging from any sales of the land will be disposed according to PSL instructions and funds will be transferred to your bank accounts according to the contractual and legal obligations between all the parties. However, we would be grateful if you could provide us with a legal protocol of proceedings with precise instruction as soon as possible in order for us to act lawfully with the sale and payment procedure to reassure the potential buyer that the BO's rights are eventually transferred fully to the new owner when he or she makes the payment to you. Thank you

Yours truly,

The Board of The Food, Water & Energy S.A.

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