



**The Eco Resources Fund PCC Plc**  
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26<sup>th</sup> September 2016

Dear Shareholder

### **The Eco Resources Fund PCC plc (the 'Fund')**

I wrote to you on 22<sup>nd</sup> August 2016 to advise that shareholders had approved the resolution tabled at the Class Meeting on 6<sup>th</sup> August 2016 regarding the Fund entering into a lending facility in order to secure the future of the plantations.

This communication also mentioned that the directors had decided to delay the pricing of the Fund until the lending facility had been concluded.

I am writing now to provide an update on the above matters.

### **Lending Position**

As advised previously, the directors of the Fund have been working closely with EcoPlanet Bamboo (IOM) Limited ('EBIOM') to obtain a lending facility to meet future plantation expenses until the EcoPlanet Bamboo CA IV LLC and EcoPlanet Bamboo SA II LLC (together the 'Plantation Companies') are financially self-sustainable.

During the last year, Sustainable Asset Lending LLC ('SAL') has provided loans to the Plantation Companies to allow them to meet their expenses in the short term. Further details of SAL can be found in section 9 of the Supplementary Memorandum.

Whilst a number of parties had indicated an interest in providing the long term funding, none of these have formally committed to this at the time of writing this letter.

There is however one party which has provided a draft term sheet and a verbal indication that they will provide finance subject to due diligence requirements. The board of the Fund would prefer this particular transaction as they believe that this will be the most beneficial course of action for shareholders. However due to the very limited liquidity available to the Fund at this time the directors have had no alternative but to set a deadline to successfully conclude negotiations by the end of September.

The deadline is in part because the directors have been informed that SAL is no longer able to finance plantation expenses and because SAL has indicated that the new lending facility needs to be finalised by the end of this month, failing which it will consider calling in its loans.



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## **Other Finance**

The directors of the Fund and EBION are also in negotiations with other parties to secure long term finance. The indicative terms being presented are not as favourable for Fund shareholders and are likely to take time to conclude. As such there is a risk that the required lending finance may not materialise in time.

## **Fund Pricing**

Pricing of the fund is dependent on new finance being secured to allow the plantations to reach maturity.

For this reason, as per section 22 (d) (iii) of the Scheme Particulars, the directors of the Fund have no alternative but to suspend the calculation of the Net Asset Value until the outcome of the loan financing position is known.

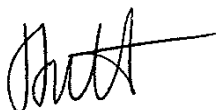
## **Next Steps**

The Fund directors are concerned that securing a long term lending facility is taking longer than anticipated. Should current negotiations prove unsuccessful, shareholders will be notified accordingly.

In the event that finance cannot be secured, the directors will have to consider winding up the Fund and appointing a liquidator. Whilst we hope that this won't be the case, shareholders should appreciate that there is a risk of liquidation unless new finance can be found in the immediate future.

I will be writing to you as soon as further information on the lending position becomes available.

Yours faithfully



Jamie Sutton  
**Director**