



21 December 2012

**ELARG Agricultural Land Opportunity Fund REIT – in liquidation**  
**(“Elarg” or “the Company”, BSE: 4EC, Bloomberg: 4EC BU)**

Dear Shareholders,

I would like to let you know that Bio Farming Ltd effected today an off exchange transfer of its holdings of 11,095,882 shares common stock in ELARG to Rekolta Equity Ltd for the consideration of BGN 1,07 per share, in line with the preliminary agreement disclosed in the ELARG’s 2011 accounts published on January 30<sup>th</sup> 2012, as amended per the approval of the Extraordinary Shareholders' Meeting of September 18<sup>th</sup> 2012. The Fund also complied with its obligations to transfer by a notary deed to Bio Farming 1,938.6 ha agricultural land in the regions of Vraca and Montana and paid the balance of the consideration of BGN 1 million.

As a result of the transactions outlined above and in line with the resolutions of the Extraordinary General Shareholders Meeting of September 18<sup>th</sup> 2012, the Fund has acquired a BGN 25 mm receivable from Rekolta Equity Ltd which will be recognized in the current accounting period.

I take the opportunity to thank Bio Farming’s management team for the professional handling of this transaction!

I would also like to update you on the timely closing of all the other deeds of transfer of the real estate assets of the Fund in compliance with our preliminary agreements. These transactions are currently ahead of schedule and I have little doubt in our ability to dispose of all real estate assets prior to the end of March 2012, as announced originally.

The collection of rental accounts receivable is proceeding on schedule. As of December 20<sup>th</sup> ELARG had collected 92,59 percent of the rental revenues previously accrued for the 2011/2012 economic year. Last year, the corresponding collection rate as of December 21<sup>st</sup> was 87,99 percent for the 2010/2011 economic year, i.e., the expectations for slower collections in view of the liquidation seem to have been unfounded.

I wish you and your families a festive Holiday Season and all the best into the New Year!

Vesselin Danev  
Liquidator