

AGUA TERRA LIMITED
(the “Company”)

TRADING UPDATE AND OPTIONS

For immediate release

11 November 2009

Agua Terra Limited (LSE: ATE), the first development company dedicated exclusively to high quality mixed-use leisure real estate projects in Southeast Europe to be quoted on AIM, is pleased to provide an operational update.

Operational Highlights

- All remaining planning permits at Mykonos Azure have been granted, no further planning permits are currently pending
- First villa sales completed at Mykonos Azure
- Strong progress on plans to secure additional sites at a discount to development value

Agua Terra acquired its initial portfolio of three sites in Mykonos (“Mykonos Azure”) following its admission to AIM on 3 October 2008 and promptly achieved planning permits on one of those sites (Agrari). Planning permits, which are irrevocable, have also been issued in respect of sites at Pyrgi (near Super Paradise Beach) and Platys Gialos (near Psarou Beach). In recent weeks, two agreements to sell villas at Platys Gialos for €1.5 million each (total sales proceeds €3.0 million) have been finalised and non-refundable deposits received. Final payments for the first sales at Platys Gialos are due on 20 April 2010.

With construction due to commence shortly at Platys Gialos and planning approvals having been obtained for its other sites, Agua Terra’s management is seeking to secure additional sites for development and has sought to negotiate options to acquire sites from the vendors at pre-agreed prices. On 9 November 2009 Agua Terra signed an option agreement in respect of a portfolio of sites beneficially owned by Mr Yiannis Panayi who is a joint founder shareholder of Agua Terra and holds 19.86% of its issued share capital and founder warrants. Accordingly this option is a transaction with a “related party” as defined in the AIM Rules. The Directors, who have consulted Agua Terra’s Nominated Adviser, Fairfax I.S. PLC (who express no opinion on the terms of any contract arising from exercising the option) consider that the terms of the option agreement are fair and reasonable so far as Agua Terra shareholders are concerned. No initial payment is due on the grant of the option, which relates to 5 sites in Mykonos, collectively known as “Mykonos Bleu”.

The option, which may be exercised by Agua Terra in respect of some or all the sites at any time prior to 31 March 2010 is exclusive in respect of four sites, but the fifth (a site near Pyrgi) is subject to the seller not having sold that site to a third party prior to the exercise of the option by Agua Terra. The consideration payable on exercise of the option will depend on which properties Agua Terra wishes to acquire and ranges

from €1.7 million to €5.6 million. The total maximum consideration amounts to €18 million of which up to €12 million must be in cash on completion and the balance will be deferred up to the date when planning permits have been received for all plots in Mykonos Bleu.

The Mykonos Bleu portfolio has been valued for the vendor by CB Richard Ellis at €26 million based on the eventual development value. No contract to purchase any of the Mykonos Bleu sites has been agreed and no decision has been made as to which (if any) of the plots which are subject to the option the Company wishes to acquire.

Mykonos Bleu is one of several development pipeline opportunities being considered along with their funding implications which could result in an issue of new Agua Terra shares and it is emphasised that no specific transaction is currently in contemplation. Details of the option granted to the Company have been disclosed in this announcement in order to comply with the AIM Rules for Companies as they apply to transactions with related parties. Options entered into with independent third parties in the ordinary course of business are not required to be disclosed.

Lord Balfour, Chairman said:

“Aqua Terra’s near-term concentration on Mykonos, coupled with the forecast cashflow position and resilient pricing should enable the Company to remain value accretive. Our strong project pipeline should allow any additional capital raised to be used immediately to acquire additional land for development use. The completion of the first sales at Mykonos Azure has encouraged Aqua Terra’s Board to explore all available funding options and ensure the continued growth of the Company through the acquisition of further carefully selected sites.”

Markos Kashiouris, Chief executive, said:

“I am delighted that Agua Terra has finalised its first sales at prices which reflect the attraction and resilience of Mykonos as a development proposition. We eagerly anticipate the imminent commencement of construction at Platys Gialos and the first villa deliveries. We look forward to continuing the strong progress made by exploring the capital raising opportunities available to us in the near term.”

Enquiries

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Notes to Editors

Agua Terra Limited

Agua Terra Limited (LSE: ATE) is the first development company dedicated exclusively to high quality mixed-use leisure real estate projects in Southeast Europe to be quoted on AIM. The Company, whose shares were admitted to trading on AIM in October 2008, aims to establish itself as a leading developer and operator of high quality mixed-use leisure real estate projects in Greece and Cyprus. The Company's initial focus is on development opportunities within Greece and intends to expand into Cyprus within the next two years, when circumstances allow.

Agua Terra has recently launched its first project, "Mykonos Azure" on Mykonos island, Greece. Sales are currently underway and first deliveries are expected in 2010.

Agua Terra was founded by Markos Kashiouris, Peter Economides and Yiannis Panayi, the principal shareholders of the company, who control Aqua Sol Hotels Public Company Limited, Sol Terra Developers Limited and Totalserve Management Limited, some of the leading hotel, real estate development and financial services and advisory companies in the eastern Mediterranean. The principal shareholders have collectively over 50 years' experience in real estate and have completed or advised on over \$3 billion of real estate projects. They possess extensive local knowledge and contacts, as well as relationships with an international network of operators, architects and designers, marketing and branding companies and financial institutions. The principal shareholders also control Terra Sotheby's International Realty, the licensee of Sotheby's International Realty in the eastern Mediterranean.

Agua Terra Limited is incorporated in the BVI and has local offices in the United Kingdom, Greece and Cyprus.

www.agua-terra.com