

Agua Terra Limited

Board changes

Proposed cancellation of admission of Agua Terra Shares to AIM

30 June 2011

Agua Terra Limited (“Agua Terra” or the “Company”) announces that a general meeting (the “General Meeting”) will be convened to consider the cancellation of the admission of its ordinary shares in (“Shares”) to trading on AIM and the resignation of five directors.

Background

While still owning a property portfolio of villa development projects on the Greek island of Mykonos, the dire economic situation which has been unfolding in the country following on from the global crisis in 2008/9 has meant that property development and transactions have been brought to a halt with obvious consequences for the Company.

In the absence of any income from sales of properties, the Company received financial support from two of its directors, Markos Kashiouris and Petros Economides. In the circumstances, in order to save costs, it has been decided to convene a general meeting at which Shareholders will consider a resolution to approve the cancellation of the admission of Shares to trading on AIM (“Cancellation”) and five non executive directors have agreed to resign.

Cancellation of admission to trading on AIM

At a meeting of the Board held today, the Board resolved to notify the London Stock Exchange pursuant to Rule 41 of the AIM Rules of its intention to cancel the admission of Shares from trading on AIM, subject to Shareholders passing a special resolution at a General Meeting to be convened shortly. If Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Shares will be 28 July 2011 and the effective date of cancellation will be 29 July 2011.

The Shares have been admitted to trading on AIM since 3 October 2008 and in light of the operating difficulties facing Agua Terra’s property development business, the Board has reviewed of the benefits of the Shares continuing to be traded on AIM, and have recognised the following key factors:

- the costs and administrative burden associated with maintaining admission to AIM;
- the lack of cash flow from operations and the benefit to the Company of reducing the degree of financial support required to enable the Company to pay its creditors;
- the management time and the legal and regulatory burden associated with maintaining the Company’s admission to AIM is now disproportionate to the benefit to the Company; and

- the Company, like many other quoted AIM companies of its size, suffers from a lack of liquidity for its Shares and, in practical terms, a small free float and market capitalisation, which reduces trading demand.

Following careful consideration, the Board believe that it is in the best interests of the Company and Shareholders to seek the Cancellation at the earliest opportunity. The Company has therefore separately notified the London Stock Exchange of its preferred date for the cancellation of the admission of the Shares to trading on AIM, being 29 July 2011.

The Board is aware that the Cancellation will restrict the ability of Shareholders to realise their shareholdings, as there will be no market facility for dealing in the Shares and no price will be publicly quoted for the Shares.

The Company will no longer be subject to the AIM Rules after the Cancellation and, accordingly, it will not be required to retain a nominated adviser or to comply with the requirements of AIM in relation to annual accounts, half-yearly reports, the disclosure of price-sensitive information and retaining a restricted investing policy.

Board changes

The following directors have agreed to resign with effect from today:

The Earl of Balfour, Andrew Hargreaves, Mehmet Önkal, Anthony Travis and Stephen Hammond.

All the directors who are resigning are non executive. The Earl of Balfour and Andrew Hargreaves served as Chairman and Vice Chairman respectively.

The continuing directors and their ongoing roles are:

Markos Kashiouris, Chief executive; and

Petros Economides, Non executive Chairman

Strategy following Cancellation

Following the Cancellation, the Board intends to continue to hold its present portfolio of villa development sites until they can be realised. Disposals may need to be contemplated in the current difficult market conditions if required in order to pay creditors.

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