

Agrofarm

Creating Green energy throughout Europe.

2nd December 2019

To: The Directors
Bio Mass PLC.

Dear Sirs,

We write further to update all parties as regards progress of the Company in closing the bond issue and repayment of outstanding liabilities.

As you are aware the Company has been fully approved for the green bond listing on the VSX. And as per previous notifications the company is endeavouring to agree a closing timetable with all investors.

Although the company has received various expressions of interest and commitments final timetable and closure is still being negotiated. This is especially frustrating for the company and its advisors who had hoped for closing before the end of November. However, the company are awaiting final dates from the major Australian and Japanese funds before a final closing date can be agreed. It is hoped this will be prior to Christmas but may slip to early January in the meantime the company are doing everything in their power to expedite closing and may subject to approval undertake a series of closings in order to release at least some funds in early course. However, this is subject to acceptance by all investors and may not be achievable.

In the interim the company have also been exploring alternative debt options and are pleased to report that they have received preliminary acceptance of debt financing from a major offshore institution in the sum of £30 million. The company is expecting the LOI/MOU this week and formal offer to be received and in lawyers' hands prior to the Christmas break with closing hopefully scheduled for mid-January. This will act as an alternative to the bond offering although the company has decided to proceed with whichever offering closes the fastest as it is most anxious to repay existing debts and progress the business at the earliest possible juncture.

On final closing the Company will be in a position to meet all its obligations and settle the outstanding liabilities to Bio Mass PLC.

The Company appreciates that the entire process has taken far longer than originally anticipated and as all parties are aware the Company has suffered from many setbacks outside of the Company's control.

The patience, understanding and support of the existing bond holders is greatly appreciated, and the Company looks forward to resolving the situation to everyone's benefit in the very near future.

Many thanks

Yours faithfully,

J. Buehlmann
Director.

AGROFARM London Ltd. 20-21 Aviation way Southend Essex SS2 6UN. ITALY Agrofarm International S.A Via Senigallia, 18/2 I-20161 Milano. GREECE AGROFARM HELLAS S.A. Polyneri Farsala Greece.