



Creating Green energy throughout Europe.

16th January 2020

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 approved for the green bond listing on the VSX. And as per previous notifications the company is endeavouring to agree the fastest possible closing timetable.

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 fund amongst others before a final closing date can be agreed. In the meantime the company is, pleased to advise that Arden Partners (a major UK stockbroker) has engaged in the project and is working with a number of their funders to secure further commitments, they are currently undertaking due diligence and full KYC and AML checks and have committed significant resource to same so the company is confident that they will move quickly. The recent announcement by Blackrock (the world's largest fund manager) that they have re-focused their funds and are committing to invest hundreds of billions in the renewable sector is a big boost for the sector and has resulted in significant new interest in the company bonds.

As previously advised the company has also been exploring alternative debt options and are pleased to report that this is progressing and although final offer documentation is still awaited the company is assured that this is in process the delays are as a result of the fund having agreed a merger with a larger fund which has caused some delays but actually strengthens the funds balance sheet and we are assured that this is "good news" from clients perspective. As previously indicated preliminary acceptance of the debt financing in the sum of £30 million has been agreed. This as previously advised 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.