

Alexander Cameron Adam and David Peter Craine as Joint Liquidators of The Premier Investment Opportunities Fund PCC Plc (in Liquidation)

7 September 2017

Shareholders and Creditors

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Dear Shareholder/Creditor

The Premier Investment Opportunities Fund PCC Plc (in Liquidation) (the "Company")

Further to the winding up of the Company, the appointment of the Joint Liquidators, our earlier correspondence and further inquiry from investors, the Joint Liquidators write to provide a summary of the liquidation and an update on the current position.

As you are aware the Company operated as a feeder fund to New Earth Renewables and Recycling (Infrastructure) Plc (in Liquidation) ("NERR"); consequently, its only substantial assets were the investments by the Company into NERR.

As previously explained, NERR's investments were principally equity and unsecured loans in three UK companies:

- New Earth Solutions Group Limited ("NESGL")
- New Earth Solutions Facilities Management Limited ("NESFM")
- New Earth Energy Facilities Management Limited ("NEEFM") (together the "UK Trading Companies")

NERR provided significant finance to support and back the start-up and expansion of the UK Trading Companies over a number of years. These investments were made into loss making activities and the development of operations which ultimately proved to be unsuccessful. The last subscription from investors were received in January 2014, subsequent to which NEEFM's assets were sold with no return to NERR and the remaining UK trading business continued to struggle.

Consequently, at the time of the appointment of Liquidators provisionally on 9 June 2016, the only known substantive assets of NERR were its investments in NESGL and NESFM. By that stage, those two companies had already collapsed into administration and their businesses and assets had been sold to a third party.

The remaining UK trading companies - New Earth Solutions Group Limited (in Administration) and New Earth Solutions Facilities Management Limited (in Administration)

In our last report, we advised that NERR had received a distribution by way of dividend of £364,967 in relation to NERR's status as an unsecured creditor in NESGL. The Joint Liquidators did not waive any rights or enter into any form of settlement in order to obtain this dividend. Whilst we do not currently expect to receive any further dividend from NESGL or NESFM, we do retain the ability to take any legal action in

relation to NESGL and NESFM that we consider to be merited and for the benefit of creditors and/or shareholders.

As you are aware, partners from Duff & Phelps were appointed administrators (the "Administrators") of NESGL and NESFM on 7 June 2016. The Company owned a majority stake in these UK trading companies and had also provided investment by way of unsecured loans.

In an insolvency (as occurred in the UK trading companies) providers of finance are repaid from the assets in accordance with their priority (as defined by law). Loans which are secured by fixed charges over assets have priority to repayment from those assets. Loans which have a floating charge over assets have priority over unsecured creditors to repayment from those assets. After such secured loans are repaid in full, any residual assets are applied to meet the claims of unsecured creditors. Only after all debts have been met in full, would a distribution be made to shareholders.

As the loans made by NERR were unsecured (at the date of the insolvency of NESGL and NESFM), they ranked equally with the other unsecured creditors and behind the bank debt (which was secured). At the date of appointment of the Administrators, NESGL and NESFM had secured bank debt outstanding of c.£41.8 million; made up of c.£5.7million with NESGL and c.£36.1million with NESFM.

Based on information contained in the Administrators' report (which we have no evidence to doubt), the sales of the business and assets resulted in asset realisations of c.£5.9million by NESGL and an assumption of debt by the purchaser of c.£35.8million in relation to NESFM's indebtedness with the secured bank (total funds repaid against secured bank debt was therefore c.£39.8million after costs and deductions). The Administrators noted in their report that there were insufficient funds to repay even the secured bank debt in full.

Pursuant to section 175A of the Insolvency Act 1986, the Administrators were required to set aside an amount (known as the Prescribed Part) from the floating charge assets for distribution to unsecured creditors. This legislation was introduced in the United Kingdom to ensure that an amount (capped at £600,000) was retained for distribution to unsecured creditors notwithstanding their lower legal priority. It was from the prescribed part that NERR received the distribution of £364,967 from NESGL. In order to obtain this distribution, the Joint Liquidators provided evidence to the Administrator of loans totalling £24,272,184.30 made to NESGL by the NERR. The Administrators accepted this evidence and admitted the Company's claim to dividend in full.

We note that the Administrators have investigated the affairs of NESGL and NESFM, as per their statutory obligations, and have provided a confidential report to the Department for Business Energy and Industrial Strategy. Such a report is required to include the results of investigations into the conduct of the directors, amongst other matters.

Following our appointment, we undertook a number of steps in relation to NERR's investments in NESGL and NESFM including but not limited to, reviewing the Administrators' reports, raising questions to the Administrators and requesting further information from the Administrators and third parties, so that we could have a better understanding of the process undertaken by the Administrators.

The Administrators have now indicated that they have completed their investigations and expect to move to the dissolution of NESGL and NESFM in due course. As mentioned earlier, the Joint Liquidators have not entered into any form of settlement with the Administrators and retain an open mind in relation to what steps should now be taken. One option available to NERR (as an unsecured creditor), and one which the Joint Liquidators are presently considering, would be to seek the appointment of a liquidator over NESGL and/or NESFM to investigate the affairs of those companies (including during the period of Administration).

The funding for such a liquidator would be required to be underwritten by NERR as there are no funds within NESGL or NESFM to meet such costs. Depending on what steps such an independent liquidator decides to

take, these costs could be substantial. Consequently, this is not a step that should be embarked upon lightly or without evidence and a proper basis for believing that it would be a worthwhile exercise with reasonable prospects of additional recoveries being made by NERR. We would welcome relevant documentary information in relation to this, and any other relevant matters, from creditors and shareholders.

Investigations

Given the insolvent position of NERR's investments, we continue to investigate the potential for recovery from other sources. We have actively been progressing our enquiries into the failure of the Company and, with the assistance of legal counsel in the Isle of Man and the United Kingdom, have focused on specific issues that, based on our and their experience, we consider have the best chance of securing a valuable return to the shareholders and creditors of NERR.

We have now completed an initial review of the substantial documentation collected and have provided our legal advisors with a summary of the main issues as we see them. We are working closely with our lawyers to review these specific areas and identify any evidence required to substantiate potential claims.

Given that the UK trading companies performed poorly and ultimately failed, our investigations have focused on the actual causes of loss to NERR. As well as the money that was lost in the investment in the UK trading companies, large sums of money (in excess of £40 million) were paid out to service providers. Many of these fees were based on the NAV of the fund, which showed significant increases despite the underlying businesses' failure. Amongst other things, we are focusing on the basis for the valuation of the Company's assets and the continued investment of investors' money into failing businesses.

As previously stated in our reports, we are limited in what information we can share with you so that we do not prejudice any potential claims. Further, due to the complex nature of the investigations and voluminous documentation, it may be some time before we can provide you with the final result of our enquiries. However, based on the enquiries made and legal advice received so far, we are reasonably confident that our investigation will support the making of potential claims for the benefit of creditors and/or shareholders in due course.

We would also ask creditors and shareholders to note that whilst we are presently focusing on those issues which we have so far identified as having the greatest prospects of success, we have not discounted any other potential claims or causes of action at this time. The Joint Liquidators remain ready, willing and able to consider and investigate any potential claims which are substantiated by evidence and are for the benefit of creditors and/or shareholders.

Proposals for purchase of the New Earth businesses by Global Gateways

Investors may be aware that we have received an informal approach from Ms Jane Sanders, acting on behalf of Global Gateways and a group of Independent Financial Advisors, mooted a scheme whereby Global Gateways would bring some kind of legal claim in an attempt (as previously attempted without success) to gain control of some of the former assets of the UK Trading Companies on terms and for consideration to NERR, the Company and its creditors and shareholders which have not been specified. We have sought to obtain further information and supporting evidence from Ms Sanders to enable us to assess whether such a scheme and the legal claim (apparently directed against the Administrators) has any merit or is likely to benefit creditors and shareholders.

At the date of this report, we have not received any answers or supporting evidence in response to our requests, either from Ms Sanders or Global Gateways. In the absence of such supporting evidence and having obtained specialist legal advice in the Isle of Man and United Kingdom, we are not presently convinced that there is any basis to undo the transactions with third parties who now own former assets of the UK Trading Companies or that there would be a benefit to the creditors and/or shareholders in doing so.

Nevertheless, we retain an open mind on this and will be pleased to consider, investigate and obtain further advice when our requests for information and supporting evidence have been replied to.

Funding

As previously reported, the investigations and activities of the Joint Liquidators are being funded by a non-recourse loan from the Isle of Man Financial Services Authority ("FSA"). The continuation of this beneficial arrangement is subject to ongoing review by the FSA and can be withdrawn at any time. Throughout the liquidation we have enjoyed an active and constructive dialogue with the FSA as a result of which and for the time being the arrangement remains in place. Should such funding be withdrawn by the FSA, the ability of the Joint Liquidators to investigate and obtain a recovery for the benefit of creditors and shareholders will be prejudiced.

We have raised the possibility of further or alternative funding being provided by Global Gateways or one of the other parties for whom Ms Sanders acts as an unqualified lawyer. At the time of this report, no response to our request has been forthcoming. Accordingly, the liquidation of the Company remains funded by the FSA.

If and when there are further substantive developments to report, we will update creditors and shareholders at that time. Otherwise, we anticipate providing a further update to you towards the end of 2017.

Should you have any queries or wish to bring any matter to the Joint Liquidators' attention, please send an email in the first instance to enquiries@deloitte.co.uk.

Copies of all updates to investors and creditors are available at <http://www.deloitte-insolvencies.co.uk/s-z/the-premier-investment-opportunities-fund-protected-cell-company-plc.aspx>

Yours sincerely



Alex Adam

For and on behalf of the Joint Liquidators

Joint Liquidators

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Sarah Sanders and Alex Adam were appointed Joint Liquidators of The Premier Investment Opportunities Fund PCC Plc on 12 July 2016. On 7 December 2016 Sarah Sanders resigned as a liquidator and was replaced by David Craine. The affairs, business and property of the Company are being managed by the Joint Liquidators. The Joint Liquidators each have the power to act jointly and/or severally and without personal liability.