

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not so resident, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your registered holding of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V., please send this document (including the detachable form of proxy set out at the end of this document) and the enclosed reply paid envelope to the purchaser or other transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

R.E.A. Holdings plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 671099)

Proposal that PT Sasana Yudha Bhakti should exchange certain rights that it holds in respect of land in East Kalimantan for the whole of the issued share capital of PT Prasetia Utama (a company incorporated in the Republic of Indonesia)

Notice of a meeting of the holders of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. ("**sterling notes**") convened for 1.00 p.m. on 14 March 2012 to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands is set out on pages 8 and 9 of this document. A form of proxy for use in connection with such meeting is included at the end of this document. For the appointment of a proxy to be valid, the form of proxy should be detached, completed and returned to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by no later than 1.00 p.m. on 12 March 2012. Completion and return of the form of proxy will not preclude a holder of sterling notes from attending and voting in person at the meeting should such holder so wish.

Capita Trust Company Limited, as trustee for the holders of the sterling notes, has not been involved in the formulation of nor approved the proposals outlined in this document and, in accordance with normal practice, expresses no opinion as to the merits of the passing of the extraordinary resolution set out in the notice convening the meeting of the holders of sterling notes. Nothing in this document should be construed as a recommendation from Capita Trust Company Limited to holders of sterling notes to vote in favour of, or against, the extraordinary resolution set out in this document. Capita Trust Company Limited is not responsible for the accuracy, completeness, validity, correctness of or any omissions from the statements made, documents referred to or opinions expressed in this document. Capita Trust Company Limited has, however, authorised it to be stated that on the basis of the information contained in this document and the terms of the extraordinary resolution set out in the notice convening the meeting of holders of sterling notes, it has given consent to the issue of such notice, and of this document of which the notice forms a part, to the holders of the sterling notes, and has no objection to the contents thereof being presented to the holders of the sterling notes for their consideration. Holders of sterling notes should take their own advice on the merits and/or the consequences of voting in favour of the extraordinary resolution.

CONTENTS

	<i>Page</i>
Definitions	3
Letter from the chairman of R.E.A. Holdings plc	4
Notice of meeting of the holders of sterling notes	8
Form of proxy for use at the meeting of the holders of sterling notes (to be detached)	11

DEFINITIONS

Unless the context otherwise requires, the following definitions apply throughout this document:

"APT group"	PT Ade Putra Tanrajeng, a company incorporated with limited liability under the laws of the Republic of Indonesia, and its associates
"company"	R.E.A. Holdings plc
"HGU"	Hak Guna Usaha, a formal registered land title
"Indonesian debtor subsidiary"	any subsidiary of the company which is incorporated in Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit and which is indebted to REA Services, for so long as such qualifying subsidiary is so indebted
"PU"	PT Prasetia Utama, a company incorporated with limited liability under the laws of the Republic of Indonesia
"REA Finance"	REA Finance B.V., a wholly owned subsidiary of the company incorporated as a private company with limited liability under the laws of the Netherlands, being the issuer of the sterling notes
"REA group"	the company and its subsidiaries
"REA Kaltim"	PT REA Kaltim Plantations, the principal operating subsidiary of the company, incorporated with limited liability under the laws of the Republic of Indonesia
"REA Services"	R.E.A. Services Limited, a wholly owned subsidiary of the company, being a private company limited by shares incorporated in England and Wales
"sterling notes"	the £50,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 of REA Finance, being notes that are irrevocably and unconditionally guaranteed by the company and REA Services, of which £34,540,000 in nominal amount are currently in issue
"SYB"	PT Sasana Yudha Bhakti, an operating subsidiary of the company, incorporated with limited liability under the laws of the Republic of Indonesia
"trust deed"	the trust deed dated 29 November 2010 made between (1) REA Finance (as issuer), (2) the company (as guarantor), (3) REA Services (as co-guarantor) and (4) Capita Trust Company Limited (as trustee), constituting the sterling notes

References to "dollars" or to "\$" are to the lawful currency of the United States of America. References to "sterling" or to "£" are to the lawful currency of the United Kingdom.

LETTER FROM THE CHAIRMAN OF R.E.A. HOLDINGS PLC

R.E.A. Holdings plc

(Registered in England and Wales no 671099)

Registered office:

First Floor
32-36 Great Portland Street
London W1W 8QX

17 February 2012

To the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. and irrevocably and unconditionally guaranteed by R.E.A. Holdings plc and R.E.A. Services Limited

Dear Sir or Madam

Introduction

As holders of the sterling notes will be aware, the main business of the REA group is the ownership and operation of oil palm estates in the East Kalimantan province of Indonesia. The estate areas developed to date are principally owned by two of the company's Indonesian subsidiaries, REA Kaltim and SYB.

REA Finance (a wholly owned subsidiary of the company) currently has outstanding £34,540,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 which are irrevocably and unconditionally guaranteed by the company and by REA Services. As security for its obligations in respect of its guarantee of the sterling notes, REA Services has charged, amongst other things, all of its rights in respect of certain loans owed to it by SYB.

The oil palm operations of SYB are conducted on land in East Kalimantan in respect of which SYB has been granted agricultural development rights by the Indonesian state. Part of this land overlaps with land in respect of which the APT group has been granted coal mining rights by the Indonesian state. In order to settle the conflict between agricultural development rights and coal mining rights that has resulted, it is proposed that SYB and the APT group should swap land with SYB giving up its rights in respect of land subject to overlapping agricultural development and coal mining rights and receiving in exchange land held by an Indonesian company, PT Prasetia Utama, the whole of the issued share capital of which would be transferred to SYB.

Although the substance of such proposed settlement is a land swap, because the new land to be acquired by SYB will be acquired by means of the acquisition of the shares in PU, the settlement arrangements will require, *inter alia*, the sanction of the holders of the sterling notes given by way of an extraordinary resolution. Accordingly, you will find set out on pages 8 and 9 of this document notice of a meeting of the holders of the sterling notes to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 14 March 2012 at 1.00 p.m., at which the necessary resolution will be proposed.

Background

The land areas in East Kalimantan over which SYB holds agricultural development rights currently include 3,557 hectares held on HGU titles and a further 2,212 hectares in respect of which SYB holds a land allocation. The APT group holds certain coal mining rights in respect of such land.

Proposed settlement arrangements

As announced by the company on 3 January 2012, the negotiations between SYB and the APT group that resulted in the settlement arrangements described above were finally concluded on 30 December 2011 and SYB entered into a conditional settlement agreement with the APT group on that date.

Pursuant to such settlement agreement, following satisfaction of the conditions thereto, SYB will transfer, to persons to be nominated by the APT group, the 3,557 hectares of HGU titled land which is the subject of the overlapping rights and in consideration of this the APT group will transfer to SYB the whole of the issued share capital of PU, a company incorporated in the Republic of Indonesia.

The assets of PU will, at completion of the proposed settlement arrangements, comprise HGU title and oil palm development licenses for 9,097 hectares of land, of which it is estimated that some 7,000 hectares will be plantable. This land is located on the southern side of the Belayan river opposite the retained SYB northern estates and is linked by a government road to the southern REA Kaltim estates. It is thus highly suitable for development as an extension of the existing REA Kaltim and SYB oil palm areas.

As an additional term of the settlement agreement, SYB will agree to relinquish the further 2,212 hectares in respect of which it holds a land allocation and which is also the subject of overlapping rights. Such relinquishment will, however, be subject to SYB retaining a road running through this land area that links the northern SYB estate areas with the estates of REA Kaltim.

It is intended that, at completion of the proposed settlement arrangements, PU should not have any liabilities or any assets other than rights over and the HGU titles to the 9,097 hectares of land in East Kalimantan referred to above. To the extent that this is not the case, the net amount of the liabilities and such assets will be settled by a cash adjustment to be paid to or by SYB.

Of the 3,557 hectares of HGU titled land to be relinquished, 272 hectares were planted with oil palms in 2008, 1,892 hectares are under oil palm development and the balance is considered unsuitable for planting. No part of the land allocation of 2,212 hectares (over which full title has not been obtained) has been planted or is under development.

The areas proposed to be transferred and relinquished by SYB had an aggregate estimated group book value at 31 December 2011 of \$14 million (with the relative biological assets included at fair value). The areas made a negligible contribution to REA group profits during 2011.

In the opinion of the directors of the company, the 9,097 hectares of HGU titled land held by PU has a value substantially equivalent to the value of the areas to be transferred or relinquished by SYB.

Conditions attaching to the sterling notes

Under condition 12(A)(xv) attaching to the sterling notes, the company has covenanted, amongst other things, that it will procure that in any financial period when the Indonesian debtor subsidiaries did not together have, as at the beginning of the relevant financial period, fixed assets with an aggregate book value of more than three times the Permitted Maximum (as defined in condition 11 of the conditions attaching to the sterling notes), the Indonesian debtor subsidiaries do not dispose of fixed assets having an aggregate book value of more than \$2,000,000. An exception is made for, amongst other things, any exchange of assets for assets of a similar

nature; any exchange of assets for assets of a similar nature is deemed not to constitute a "disposal" for the purposes of this covenant.

The Indonesian debtor subsidiaries did not, as at 1 January 2012, have fixed assets with an aggregate book value of more than three times the Permitted Maximum.

It might be said that the proposed settlement arrangements constitute "an exchange of assets for assets of a similar nature" on the basis that SYB will be exchanging rights in respect of land proposed to be used for the purpose of cultivating oil palms for other land proposed to be used for a like purpose. However, the rights to the replacement land will be held through another company and SYB will receive the shares in that company rather than a direct interest in the land. Shares would not, strictly, be considered to be an asset "of a similar nature" to land.

Under paragraph 15(j) of schedule 3 to the trust deed, the holders of the sterling notes have power, exercisable by extraordinary resolution, to authorise the trustee of the sterling notes to take any action in relation to the trust deed. Any such action includes the power to sanction implementation of the proposed settlement arrangements notwithstanding the provisions of condition 12(A)(xv) attaching to the sterling notes.

Conditions of the proposed settlement arrangement

Implementation of the proposed settlement arrangements is conditional upon satisfactory completion of due diligence enquiries by all parties and upon necessary approvals being obtained, including, as respects the REA group, such lender consents as may be required.

Such lender consents include, for the reasons given under "Conditions attaching to the sterling notes" above, the sanction of the trustee of the sterling notes.

Undertakings by the company

Any future proposed disposal by SYB of the shares in PU would, while SYB remained an Indonesian debtor subsidiary, be subject to the restrictions imposed by condition 12(A)(xv) attaching to the sterling notes as referred to above, on the basis that the shares in PU will constitute fixed assets of SYB. However, unless PU were itself to become an Indonesian debtor subsidiary, the covenant imposed by condition 12(A)(xv) attaching to the sterling notes would not restrict PU from disposing of the land held by it.

Accordingly, to address any concerns that holders of the sterling notes may have in this regard, conditional only upon completion of the proposed settlement arrangements, the company undertakes to holders of the sterling notes that, for so long as PU is a subsidiary of SYB (or any other Indonesian debtor subsidiary) and SYB (or such other Indonesian debtor subsidiary) remains an Indonesian debtor subsidiary, the company will treat PU as if it were an Indonesian debtor subsidiary for the purposes of the borrowing limitation set out in condition 11 attaching to the sterling notes and the covenants set out in condition 12(A) attaching to the sterling notes. Thus, amongst other things, the company undertakes to holders of the sterling notes that, subject to the exceptions set out in condition 12(A)(xv) attaching to the sterling notes, it will procure that in any financial period when the Indonesian debtor subsidiaries do not together have, as at the beginning of the relevant financial period, fixed assets with an aggregate book value of more than three times the Permitted Maximum (as defined in condition 11 of the conditions attaching to the sterling notes), the Indonesian debtor subsidiaries and (for so long as it is a subsidiary of an Indonesian debtor subsidiary) PU do not dispose of fixed assets (including (for so long as PU is a subsidiary of an Indonesian debtor subsidiary) the 9,097 hectares of HGU titled land held by PU) having an aggregate book value of more than \$2,000,000.

Furthermore, the company undertakes to holders of the sterling notes that, save with the consent of the holders of the sterling notes given by way of extraordinary resolution, for so long as SYB is an Indonesian debtor subsidiary, the company will procure that, once PU has become a subsidiary of SYB, (a) SYB does not dispose of any shares in PU and (b) PU does not issue any shares or

other securities convertible into shares in either case to an extent that would result in SYB owning less than 90 per cent. of the issued share capital of PU.

Meeting of the holders of sterling notes

A meeting of the holders of the sterling notes has been convened for 1.00 p.m. on 14 March 2012 to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands for the purposes of considering and, if thought fit, passing a resolution to provide the necessary authority to the trustee of the sterling notes to sanction implementation of the proposed settlement arrangements notwithstanding the provisions of condition 12(A)(xv) attaching to the sterling notes. Notice of such meeting is set out on pages 8 and 9 of this document. The resolution to be proposed at such meeting will be proposed as an extraordinary resolution.

The company acknowledges and agrees that the extent of such sanction is only to waive the potential breach of covenant under condition 12(A)(xv) attaching to the sterling notes which would otherwise occur on implementation of the proposed settlement arrangements. Accordingly, a vote by the holders of the sterling notes in favour of the extraordinary resolution would not amount to an approval (commercial or otherwise) of anything above and beyond an approval of the proposed waiver by the trustee of the potential breach of covenant.

Action to be taken

You will find enclosed with this document (as the last page) a detachable form of proxy for use in connection with the meeting convened for 14 March 2012 (as detailed under "Meeting of the holders of sterling notes" above). Whether or not you propose to attend such meeting, you are urged to detach and complete such form of proxy in accordance with the instructions printed thereon and to return the same by post to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible but in any event by no later than 1.00 p.m. on 12 March 2012. A reply paid envelope is enclosed for this purpose. The return of a form of proxy will not prevent you from attending the meeting and voting in person if you should so wish.

Recommendation

The board of directors of the company is of the opinion that the proposed settlement arrangements as detailed above are in the best interests of the company and of the holders of sterling notes as a whole.

Accordingly, the board of directors of the company recommends that holders of sterling notes vote in favour of the extraordinary resolution set out in the notice of meeting of the holders of sterling notes convened for 14 March 2012. The sole director of REA Finance endorses such recommendation.

Documents on display

A copy of the conditional settlement agreement referred to above under "Proposed settlement arrangements" will be available for inspection during normal business hours at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA until the conclusion of the meeting of the holders of sterling notes convened for 14 March 2012.

Yours faithfully

Richard Robinow
Chairman

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you are not so resident, another appropriately authorised independent financial adviser.

REA Finance B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade registry of the Chamber of Commerce and Industries in Amsterdam with number 34259527)

NOTICE OF MEETING OF THE HOLDERS OF THE 9.5 PER CENT GUARANTEED STERLING NOTES 2015/17 ISSUED BY REA FINANCE B.V. AND IRREVOCABLY AND UNCONDITIONALLY GUARANTEED BY R.E.A. HOLDINGS PLC AND R.E.A. SERVICES LIMITED

NOTICE is hereby given that a meeting of the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. will be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 14 March 2012 at 1.00 p.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as extraordinary resolution

EXTRAORDINARY RESOLUTION

THAT the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc ("**REAH**") and R.E.A. Services Limited (the "**sterling notes**") hereby authorise Capita Trust Company Limited, as trustee of the sterling notes, to sanction implementation of the proposed settlement arrangements in respect of certain land rights held by PT Sasana Yudha Bhakti ("**SYB**") under which SYB would transfer certain land to PT Ade Putra Tanrajeng of Indonesia and/or associates (the "**APT group**") and relinquish its rights in respect of further land, in consideration of which the APT group would procure the transfer to SYB of the whole of the issued share capital of PT Prasetia Utama, as detailed in the circular dated 17 February 2012 from REAH to holders of the sterling notes.

By order of the board
Intertrust (Netherlands) B.V.
Managing Director

Registered office
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

17 February 2012

Capita Trust Company Limited, as trustee for the holders of the sterling notes, has not been involved in the formulation of nor approved the proposals outlined in the circular dated 17 February 2012 from R.E.A. Holdings plc to holders of sterling notes (of which this notice forms a part) (the "circular") and, in accordance with normal practice, expresses no opinion as to the merits of the passing of the extraordinary resolution set out in this notice. Nothing in the circular should be construed as a recommendation from Capita Trust Company Limited to holders of sterling notes to vote in favour of, or against, the extraordinary resolution set out in the above notice. Capita Trust Company Limited is not responsible for the accuracy, completeness, validity, correctness of or any omissions from the statements made, documents referred to or opinions expressed in the circular. Capita Trust Company Limited has, however, authorised it to be stated that on the basis of the information contained in the circular and the terms of the extraordinary resolution set out in the notice convening the meeting of holders of sterling notes, it has given consent to the issue of such notice, and of the circular, to the holders of the sterling notes, and has no objection to the contents thereof being presented to the holders of the sterling notes for their consideration. Holders of

sterling notes should take their own advice on the merits and/or the consequences of voting in favour of the extraordinary resolution.

Notes

1. *Implementation of the proposed settlement of conflicting agricultural development and coal mining rights held by, respectively, PT Sasana Yudha Bhakti ("**SYB**") and PT Ade Putra Tanrajeng of Indonesia and/or associates (the "**APT group**") under which SYB would transfer certain land to the APT group and relinquish its rights in respect of further land, in consideration of which the APT group would transfer to SYB the whole of the issued share capital of PT Prasetia Utama, as detailed in the accompanying circular, requires the sanction of the trustee of the sterling notes. As also detailed in the accompanying circular, the holders of the sterling notes have power, exercisable by extraordinary resolution, to authorise the trustee of the sterling notes to take any action in relation to the trust deed.*
2. *The quorum required for a meeting of holders of sterling notes is one or more persons holding or representing by proxy one-third in nominal amount of the sterling notes for the time being outstanding. An extraordinary resolution as referred to in this notice is a resolution passed at a meeting of the holders of sterling notes by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than three-fourths of the votes given on such a poll. An extraordinary resolution passed at a meeting of the holders of sterling notes duly convened and held is binding upon all holders of sterling notes whether or not present at the meeting.*
3. *On a show of hands every holder of sterling notes who is present in person shall have one vote and on a poll every holder of sterling notes who is present in person or by proxy shall have one vote for every £1,000 in nominal amount of sterling notes of which he is the holder. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall have a casting vote in addition to any vote or votes to which he may be entitled as a holder of sterling notes.*
4. *Every resolution submitted to a meeting of holders of sterling notes will be decided in the first instance by a show of hands. Unless before or on the declaration of the result of the show of hands a poll is demanded by the chairman, by the trustee, by at least three holders of sterling notes present in person or by proxy or by one or more persons holding or representing by proxy at least one-twentieth part in nominal amount of the sterling notes in issue, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time or date as the chairman may direct. The demand for a poll may be withdrawn.*
5. *A holder of sterling notes entitled to attend and vote at the meeting convened by the above notice may appoint a proxy to attend and, on a poll, vote instead of him or her. A proxy need not be a holder of sterling notes. To be valid, the instrument appointing a proxy must be deposited with Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 1.00 p.m. on 12 March 2012. A reply paid envelope is enclosed for this purpose. The appointment of a proxy will not prevent a holder of sterling notes from attending and voting at the meeting should such holder wish to do so.*

PLEASE
DETACH
✂

REA Finance B.V.

(a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and registered with the trade registry of the Chamber of Commerce and Industries in Amsterdam with number 34259527)

Form of proxy for use at the meeting of the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 14 March 2012 at 1.00 p.m.

I/We, the undersigned, being (a) holder(s) of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V., hereby appoint the chairman of the meeting/..... (see note 1) to act as my/our proxy at the meeting of the holders of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. ("**sterling notes**") to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands on 14 March 2012 at 1.00 p.m. and at any adjournment thereof.

Extraordinary resolution

For

Against

**Vote
withheld**

To authorise the trustee to sanction the proposed settlement arrangements in respect of certain land rights held by PT Sasana Yudha Bhakti ("**SYB**") under which SYB would transfer certain land to PT Ade Putra Tanrajeng of Indonesia and/or associates (the "**APT group**") and relinquish its rights in respect of further land, in consideration of which the APT group would procure the transfer to SYB of the whole of the issued share capital of PT Prasetia Utama.

PLEASE
USE
BLOCK
CAPITALS

Signature:
Name:
Address:
.....
.....

Date: 2012

Notes:

(1) If you wish to appoint any person other than the chairman to act as a proxy, insert the name of the other person (who need not be a holder of sterling notes), delete the words "the chairman of the meeting" and initial the change.

(2) Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If the form is returned without any indication as to how the proxy should vote, the proxy will vote or abstain as he thinks fit.

(3) Completion and return of a form of proxy will not prevent you from attending the meeting and voting in person if you so wish.

(4) For the appointment of a proxy to be valid, this form of proxy must be delivered to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 1.00 p.m. on 12 March 2012.

