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Press release

Stockholm, 18 September, 2009

## Alpcot Agro receives an option to reduce management fees

Alpcot Agro AB ("Alpcot Agro") has since autumn 2008 made efforts to reduce the fixed costs in order to make Alpcot Agro's more resilient in the current market environment. As part of these efforts Alpcot Agro initiated discussions to restructure the management agreement with Alpcot Capital Management Ltd and affiliated companies (the "Investment Manager"). As a result of these discussions, Alpcot Agro has been offered an irrevocable option until 30 June 2010 by the Investment Manager to replace the current management fee with a lower fixed annual fee of maximum SEK 20 million, the size of which will not be affected by any future capital raisings by Alpcot Agro. Furthermore, Alpcot Agro may also according to the option eliminate the performance fee. In return for the lower fixed annual fee and elimination of the performance fee, Alpcot Agro would compensate the Investment Manager by issuing warrants in Alpcot Agro.

A decision to exercise Alpcot Agro's option is subject to approval by Alpcot Agro's shareholders at a general meeting. If the option is exercised by Alpcot Agro it could reduce the total management fees payable to the Investment Manager between 2009 and 2014 by about SEK 58 million compared to Alpcot Agro's current obligations. Alpcot Agro is paying according to the lower fixed annual fee starting in 2009 until the option is either exercised by Alpcot Agro or expires on 30 June 2010. If the option is not exercised or expires, Alpcot Agro would remunerate the Investment Manager according to the initial management agreement including accrued cost reductions from a lower fixed annual fee from 2009. The estimated value of the cost reduction from a lower fixed annual fee and the estimated value of the performance fee would be converted to warrants at market terms, subject to approval by a general meeting. The potential dilution following the issue of warrants will inter alia depend on the share price at the time of the decision to exercise the option. All details will be presented in the notice of the general meeting, which is set to decide upon the potential exercise of the option.

### The management agreement in brief

In 2006, Alpcot Agro entered into a management agreement with the Investment Manager to act as an investment manager for Alpcot Agro. The management agreement stipulates the Investment Manager's assignments, obligations and compensation. According to the management agreement, the Investment Manager shall be Alpcot Agro's exclusive adviser regarding the management of Alpcot Agro's assets. The management agreement is valid until 1 February 2014. The Investment Manager is entitled to an annual management fee for its services of 2.25 per cent based on the total equity raised by Alpcot Agro before issue costs. In addition, the Investment Manager is entitled to a performance fee which shall equal 15 per cent of the excess return during the first five years.

Stockholm, 18 September 2009

The board of directors

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### About Alpcot Agro AB (publ)

*Alpcot Agro is a Swedish limited liability company incorporated in 2006. The Company's objective is to generate an attractive total return on invested capital by acquiring and farming agricultural land in Russia and in other CIS member states. [www.alpcotagro.com](http://www.alpcotagro.com)*