

# HARLEQUIN

## HOTELS & RESORTS

25<sup>th</sup> March 2013

### Dave Ames' update on recent events

Dear all,

We are now four weeks into the court case we brought against one of our former contractors, ICE Group, in Ireland for fraudulent misappropriation and I am delighted to say that it is going very well indeed. Both my wife and I have presented our evidence, along with nearly a dozen members of my staff, expert witnesses and former employees of ICE Group. All monies we recover from this action will be driven back into the development projects with immediate effect.

In recent weeks, we have seen a number of our investors at Buccament Bay Resort readying themselves for completions and handover of their properties. This, of course, is good news for them as they realise their asset and equally good news for us, because the completions themselves provide many tens of millions of sterling revenue to the business, which I have already earmarked for advancing many of our projects, including Buccament Bay Resort itself. Due to a variety of influencing factors, including the economic climate of the past four years, these completions are occurring slower than intended, but they will be a significant catalyst for the future productivity of Harlequin.

During the past eight months, I have invested in the strengthening of our internal accounts team and professional advisors to ensure that we are best positioned to ensure our ongoing success, and in recent months we have had some very positive meetings with institutions on the topic of funding. I am also looking at various means of restructuring some of the internal practices of the business, but I believe that we will shortly see more conventional means of financing available to us, which, coupled with monies received through completions, will facilitate faster progress in our projects. In previous years this hasn't been possible as we sought to rectify the mess left by our former accountants and auditors, against whom we are now pursuing a claim for professional negligence. Now that the accounts have been fully checked and historic accounts are being filed in the Caribbean, we are in a position to progress funding applications.

I am delighted to report that we have been granted an extension to concessions by the Ministry of Finance, Barbados, for The Merricks Resort Show Village, and last week we received positive feedback on the substantive planning application for Phase 1 of The Merricks Resort. Equally, following the granting of some concessionary points in St Lucia, we are now poised to drive forwards The Marquis Estate's Environmental Impact Assessment, which will pave the way for Phase 1 construction.

Despite recent negative press generated by those trying to damage Harlequin and your investments, we are now emerging strongly from the litigation in Ireland. I will ensure that we continue to robustly defend our positions and maintain our momentum. Whilst this small but extremely determined group of individuals have tested our resources through a blanket media campaign, we have been communicating with all media who have contacted us, provided whatever answers and due diligence they sought in their enquiries, and are dispelling the disinformation peddled by those seeking to damage us and stop the legal action against them.

Through the litigation we are pursuing and statements issued by Jeremy Newman, against whom we have taken libel proceedings following his publishing of a highly defamatory

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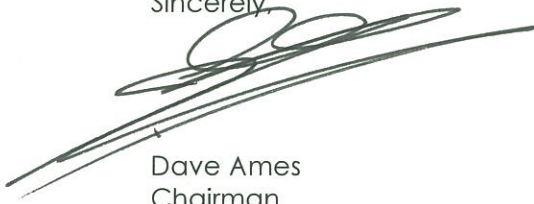
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website about Harlequin, I am aware that he contacted the SFO in 2010, 2011 and 2012. Mr Newman was the accountant for the ICE Group when the fraudulent misappropriation against Harlequin was at its peak. I have written to the SFO and offered to cooperate fully with any questions they might have. I appreciate that they have a duty to look seriously at the highly suggestive and defamatory disinformation provided by Mr Newman, but I have made sure that they know where this disinformation has come from and I look forward to setting the record straight when given the opportunity.

Harlequin remains strong and resolute, and I am confident that the coming months will see this business make considerable progress with funding, completions, project progress and development.

Many thanks to you all for your continued support.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dave Ames', with several long, sweeping horizontal strokes extending to the left and right.

Dave Ames  
Chairman