

Regulatory Story

Company Viridas PLC
TIDM VIR
Headline Option agreement lapsed
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Viridas PLC

16 March 2011

VIRIDAS PLC **"Viridas" or the "Company"**

Option agreement lapsed

In the Chairman's statement of June 2010 which accompanied the financial statements for the year ended 31st December 2009 we reported that we were in discussions with potential investors with a view to securing an additional £1.4m as the next stage of the financing programme initiated in November 2009. These additional funds were needed for the next stage of the Company's ongoing development plan, the establishment and planting out of a base farm in Brazil.

Unfortunately, lack of clarity from the Government regarding future support for biomass in the renewable energy industry and the reduction of greenhouse gas emissions in the UK has created a high degree of uncertainty and had a significant negative impact on the decision making process of potential investors.

The Directors continue to believe that environmental, geo-political and economic considerations will provide opportunities for a successful jatropha business, but in the difficult current economic and political climate they no longer believe it will be possible to raise the funds necessary to progress the Viridas project within an acceptable timeframe.

The Directors stated in September 2010 that without tangible

investor commitment by the end of the year the feasibility of the jatropa project would have to be reviewed.

Accordingly the Directors have been exploring the potential for the company to enter into a transaction using Viridas as a quoted vehicle. In pursuit of this the company announced on 20th January 2011 that it had entered into an option agreement with certain African Investors. The agreement provided, inter alia, for a number of payments to be made by the option holder. The third payment, which was due by close of business on 14 March 2011, has not been made and the option has now therefore lapsed.

In view of the above and the very small amount of funds remaining available to the Company, the Directors are reviewing the options available to the Company which might include placing the Company into some form of administration or other insolvency process. At the moment the Company has the funds to settle in full all creditors of the Company with the exception of liabilities arising from the director contracts.

Under the AIM Rules, the Company will be classified as an investing company. Accordingly, if the Company is not wound up, it will have to seek shareholder approval for a new investing policy.

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