

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 authorised duly 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 accompanying prospectus issued by REA Finance B.V. in relation to the further 9.5 per cent guaranteed sterling notes 2015/17 proposed to be created and issued by REA Finance B.V.) 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)

Proposals

to create a further £28,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 to be issued by REA Finance B.V. and unconditionally and irrevocably guaranteed by R.E.A. Holdings plc, to amend and re-state the original trust deed dated 1 December 2006 (as amended) and to amend the agreement as to amended and re-stated loan terms and ongoing loan agreement dated 16 August 2007

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 12.00 noon on 21 August 2008 to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands is set out on pages 14 and 15 of this document. A form of proxy for use in connection with such meeting is included at the end of this document and, to be valid, should be detached, completed and returned to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive by no later than 12.00 noon on 19 August 2008. 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.

The proposals to sterling note holders contained in this document have not been formulated or approved by Capita Trust Company Limited as trustee of the sterling notes (the "trustee") who expresses no view as to whether sterling note holders would be acting in the best interests of sterling note holders in approving them and nothing in this document should be construed as a recommendation from the trustee to sterling note holders to vote in favour of, or against, the resolutions set out in the notice of meeting. The trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made, documents referred to or opinions expressed in the accompanying document. Sterling note holders should take their own advice on the merits and / or the consequences of voting in favour of the resolution including any tax consequences.

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DEFINITIONS

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

"board"	the board of directors of R.E.A. Holdings plc
"company"	R.E.A. Holdings plc
"CPO"	crude palm oil
"CREST"	the computerised settlement system operated by Euroclear UK & Ireland Limited to facilitate the transfer of title to securities held in uncertificated form
"directors"	the directors of R.E.A. Holdings plc
"group"	the company and its subsidiaries
"further notes"	the £28,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 proposed to be created by REA Finance and irrevocably and unconditionally guaranteed by the company, to form a single series with and to rank <i>pari passu</i> with the original notes
"Indonesian debtor subsidiary"	any qualifying subsidiary which is indebted to REA Finance (for so long as it is so indebted)
"original notes"	the £22,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance and irrevocably and unconditionally guaranteed by the company that are currently in issue
"original trust deed"	the trust deed dated 1 December 2006 made between (1) REA Finance (as issuer), (2) Capita Trust Company Limited (as trustee) and (3) the company (as guarantor) constituting the original notes, as amended pursuant to a first supplemental trust deed dated 6 August 2007 made between the (1) REA Finance (as issuer), (2) Capita Trust Company Limited (as trustee) and (3) the company (as guarantor), constituting the original notes
"prescribed loan agreement"	any loan agreement made between REA Finance and any qualifying subsidiary pursuant to which the Issuer lends monies to such subsidiary (as amended and/or re-stated from time to time with the sanction of the holders of the sterling notes)

"prescribed terms"	as respects any loan by REA Finance to any qualifying subsidiary other than REA Kaltim, the terms set out in the pro forma loan agreement proposed to be included at schedule 5 to the trust deed, subject to any amendment(s) to which the Trustee has agreed in writing (which agreement the Trustee shall not withhold where company has certified that (i) the amendment(s) is/are necessary as a consequence of any change in a law, regulation or other legal requirement on or after the date hereof and (ii) the amendment(s) is/are not materially adverse or detrimental to the security for the sterling notes)
"qualifying subsidiary"	any subsidiary of the company incorporated in Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit
"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 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 Kaltim loan agreement"	the agreement as to amended and re-stated loan terms and ongoing loan agreement dated 16 August 2007 and made between (1) the Issuer, (2) REA Kaltim and (3) the company (as amended and re-stated from time to time with the sanction of the holders of the sterling notes)
"sterling notes"	the original notes and/or the further notes, as the context may require
"trust deed"	the original trust deed as amended and re-stated from time to time

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.

PART I - 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

29 July 2008

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

Dear Sir or Madam

Introduction

REA Finance currently has in issue £22,000,000 nominal of 9.5 per cent guaranteed sterling notes 2015/17 which are irrevocably and unconditionally guaranteed by the company. It is proposed that the nominal amount of the sterling notes be increased to £50,000,000 by the creation of a further £28,000,000 nominal of sterling notes to form a single series with and to rank *pari passu* with the original notes. It is further proposed that an initial tranche of up to £15,000,000 nominal of these further notes be issued for cash at 99.8682 per cent. of par (inclusive of deemed interest accrued), payable in full on allotment, and that the balance be issued for cash, as markets permit, during the period of twelve months following the date of this document and thereafter for such further period as the directors may determine and for which REA Finance shall have filed and published a valid prospectus (or base prospectus) in compliance with the Prospectus Rules of the Financial Services Authority.

It is also proposed that:

- certain amendments be made to the trust deed constituting the original notes, primarily to allow REA Finance to lend the proceeds of issue of the further notes not only to REA Kaltim (as the proceeds of issue of the original notes were lent) but also, or instead, to any other qualifying subsidiary; and
- the REA Kaltim loan agreement be amended:
 - at clause 5 to provide that where a loan is funded from the proceeds of repayment or prepayment of a loan by REA Finance to any qualifying subsidiary (a "predecessor loan"), it will be denominated in the currency of the predecessor loan, will bear interest at the applicable margin plus the rate payable in respect of the predecessor loan (excluding such part of such rate as was attributable to the applicable margin but including such part (if any) as was attributable to any guarantee fee) and will be repayable at par (i) where repayment of the predecessor loan was accelerated or the predecessor loan was prepaid, in accordance with a schedule or in one bullet payment that matches the repayment terms applicable to the predecessor loan or (ii) where the predecessor loan was repaid in accordance with its terms on the due repayment date, on 31 December 2017; and
 - at clause 7 to provide that REA Kaltim should bear not only the costs and expenses associated with the REA Kaltim loan agreement itself but also its fair proportion of all costs and expenses incurred by REA Finance or the company in

raising any monies which are then on-lent to REA Kaltim, REA Kaltim's "fair proportion" being such proportion of the total costs and expenses incurred by REA Finance and the company in connection with raising the monies as equals the proportion that the amount lent to REA Kaltim is of the amount raised by REA Finance.

Such amendments will require the sanction of the holders of the original notes given by way of extraordinary resolution. Accordingly, you will find set out on pages 14 and 15 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 21 August 2008 at 12.00 noon, at which the necessary resolution will be proposed.

For your information, enclosed with this document is a copy of the prospectus dated 29 July 2008 published by REA Finance relating to the further notes. Set out in Part IV of such prospectus is a copy of the conditions which will attach to both the further notes and to the original notes if the proposed amendments to the original trust deed are made.

Reasons for the proposed increase in the size of the issue of the sterling notes

At 31 December 2007, the group held cash and cash equivalents of \$34,000,000 but the extent of the group's liquidity at that date reflected the fact that there were delays to the 2007 planned development programme and hence development expenditure during 2007 was lower than it would have been had the development programme proceeded as intended. The group resumed extension planting in May 2008 and the development programme is now proceeding apace on three separate development fronts. This will involve the group in major capital expenditure.

At the current level of CPO prices, the group's operating activities are producing significant positive cash flows. If maintained, these cash flows, coupled with the cash resources already held by the group, could be expected to fund a substantial proportion, if not all, of the development expenditure currently planned. However, there can be no certainty that the CPO selling price will remain at current levels.

Every hectare of new oil palm planted brings with it a need to finance not only the immediate cost of planting but also the further costs of upkeeping the newly planted area over the three year period to maturity, of providing the infrastructure, buildings and equipment needed in connection with the new area and of establishing the additional processing capacity required to mill the extra crop that the new area will eventually produce. The directors believe that, in committing the group to new development, they should endeavour to ensure that the group maintains cash reserves that can reasonably be expected to be sufficient to complete all works associated with the development in the event that cash flows from operational activities projected to be available for development do not fully materialise.

This means that, notwithstanding its existing cash position, the group will require some additional funding. If the current level of CPO prices is maintained and the group in due course finds itself with greater cash reserves than the directors consider necessary for current development plans, the directors believe that good use can be made of surplus funds in accelerating or expanding those plans.

In order to maximise the equity returns from its oil palm operations, the group needs to meet a prudent proportion of its capital requirements with debt. The percentage of the group's total equity represented by net debt fell over 2007 from 57.4 per cent at 31 December 2006 to 35.0 per cent at 31 December 2007. The directors therefore consider that the group's current equity base can comfortably support additional debt and that it is sensible to meet the present requirement for additional funding with debt.

The directors believe that the group's interests are best served if the group's borrowings are structured to fit the maturity profile of the assets that the borrowings are financing. Since oil palm plantings take nearly four years from nursery planting to maturity and then a further period of three to four years to full yield, the directors aim to structure the group's borrowings so that shorter term bank debt is used only to finance working capital, with debt funding for the group's development programme being sourced from issues of medium term listed debt securities and borrowings from development institutions.

The group already has outstanding two issues of listed debt securities, namely \$30,000,000 nominal of dollar notes and £22,000,000 nominal of sterling notes. The directors believe that it is currently preferable that any further issue of medium term listed debt securities be made as an addition to one of these two existing issues rather than as a separate issue. This is likely to involve lower administrative costs and, by increasing the nominal amount of the relevant notes in issue, may improve the liquidity of such notes.

The company has found that many European and Asian investors in the dollar debt markets regard the company as too small for them to be able to consider an investment in the company's debt securities. Thus, the directors believe that, in current markets, it would be difficult for the company to issue further dollar notes. By contrast, the directors feel that a further issue of sterling notes would allow the company to access those UK based institutional investors who invest mainly in sterling denominated securities and whom the company has previously found (as with the issue of the original notes) to be more willing to invest in debt securities of smaller companies than investors in markets for dollar denominated debt securities. Moreover, the sterling notes have the advantage of being of longer tenor than the dollar notes.

Borrowings from development institutions may be available to the group at a lower effective interest rate than will be payable in respect of a further issue of sterling notes. However, listed debt securities offer greater flexibility than borrowings from development institutions. Accordingly, the directors have concluded that the group should proceed with an issue of further sterling notes.

The directors intend to continue discussions with development institutions who have indicated interest in lending to the group. If, as may well prove the case, further expansion of the group or other circumstances create a need for the group to seek further debt funding, the directors will consider meeting that funding requirement with debt raised from development institutions.

Use of proceeds

All proceeds of issue of the further notes will be used by the group in meeting the costs of the issue and in funding development expenditure incurred by the group.

Because CPO is priced in dollars and many of the group's operational costs are incurred in dollars, the directors regard the dollar as the functional currency of the group. Accordingly, the directors intend to hedge the sterling dollar exposure that will result from the issue of the further notes by a sterling dollar currency swap provided that such swap can be arranged on terms that the directors consider commercial.

Details of the principal proposed amendments to the original trust deed

Use of proceeds

The terms of the sterling notes currently permit REA Finance to use the proceeds of issue of sterling notes solely in meeting the expenses of the issue of the same and in making loans to the company's principal operating subsidiary, REA Kaltim. It is proposed that this be amended to permit the proceeds of issue of sterling notes to be applied as provided above and/or in making loans to any other subsidiary of the company incorporated in

Indonesia and engaged in the cultivation of oil palms and/or the processing of oil palm fruit (a "qualifying subsidiary"), provided that the loans are made pursuant to a loan agreement made between REA Finance and the qualifying subsidiary on prescribed terms (being terms substantially equivalent to the relevant provisions of the REA Kaltim loan agreement following the proposed amendments to the REA Kaltim loan agreement referred to below) , subject to any amendment(s) to which the Trustee has agreed.

It is also intended to clarify that any monies repaid by any Indonesian debtor subsidiary may only be applied by REA Finance for certain specified purposes.

Security

The sterling notes are currently secured by way of a first charge by REA Finance over (a) REA Finance's bank account with Fortis Bank in the Netherlands and (b) all rights which REA Finance has in respect of all monies owed to REA Finance from time to time by REA Kaltim. It is proposed that the security provisions be extended to secure the sterling notes not only as currently provided but also by way of a Dutch law first charge and Indonesian law fiduciary assignment by REA Finance over all rights which REA Finance has in respect of all monies owed to REA Finance from time to time by any other qualifying subsidiary. The existing cover requirement as regards loans the subject of such security arrangements of 1.5 would be retained.

Limits on borrowings

The terms of the sterling notes currently restrict:

- (a) the combined external borrowings (as defined and subject to exceptions) of the issuer and REA Kaltim to an amount equal to 2.5 times the earnings before interest, tax, depreciation, amortisation and gain or loss on biological assets of REA Kaltim for the last completed financial period or, if more, the greater of (i) \$55,000,000 and (ii) the limit on such combined external borrowings of the issuer and REA Kaltim applicable for the previous financial period; and
- (b) the secured borrowings of REA Kaltim to \$55,000,000.

It is proposed that the limit on external borrowings (as defined and subject to exceptions) be amended to refer to, and thus to limit the combined external borrowings of, the issuer and all Indonesian debtor subsidiaries and to delete the reference to \$55,000,000 (as this is now historic, given that the earnings before interest, tax, depreciation, amortisation and gain or loss on biological assets of REA Kaltim for the financial period ended 31 December 2007 were some \$45,750,000 and thus the cap is now some \$114,400,000).

It is also proposed that the limit on secured borrowings be amended so as to refer to and thus to limit the aggregate secured borrowings of all Indonesian debtor subsidiaries. The existing cap of \$55,000,000 would be retained.

Restrictions on intra-group borrowings

The terms of the sterling notes currently prohibit REA Kaltim from borrowing from the company or any of its subsidiaries, other than REA Finance. It is proposed that this be amended to prohibit any Indonesian debtor subsidiary (including REA Kaltim) from borrowing from the company or any of its subsidiaries, other than REA Finance and any other Indonesian debtor subsidiary.

Change of year end

The terms of the sterling notes currently require the company and REA Finance to retain 31 December as their financial year end. It is proposed that this be amended to permit a once only change of year end to 28 February (provided that this occurs by 31 December

2009) so as to result in a fourteen month financial period either to 28 February 2009 or to 28 February 2010.

Restrictions on disposals of fixed assets

The terms of the sterling notes currently limit the disposals of fixed assets by REA Kaltim in any financial period when REA Kaltim does not have, as at the beginning of the relevant financial period, fixed assets with an aggregate book value of more than three times the then current borrowing limit (set pursuant to Condition 11) to fixed assets having an aggregate value of \$1,000,000. It is proposed that this limit be increased to \$2,000,000 and that the limits as regards the disposal of fixed assets apply to all Indonesian debtor subsidiaries (taken together) rather than just to REA Kaltim.

Amendments to prescribed loan agreements

The terms of the sterling notes currently prohibit any amendment of the terms of the REA Kaltim loan agreement (upon which the sterling notes are secured). This prohibition would be extended to all loan agreements governing loans by REA Finance to any Indonesian debtor subsidiaries. The current provision whereby the entering into of certain new subordination arrangements by REA Finance in respect of the indebtedness owed to it by REA Kaltim are not to be considered amendments of the REA Kaltim loan agreement would be extended to all prescribed loan agreements.

Hedging of sterling exposure

The current provision whereby certain subordination arrangements are not to be considered amendments of the REA Kaltim loan agreement would then be further extended to permit subordination by REA Finance of the indebtedness owed to it by any Indonesian debtor subsidiary to obligations owed by the relevant Indonesian debtor subsidiary to the relevant counterparties to any derivative financial instrument entered into by any Indonesian debtor subsidiary with a view to hedging against US dollars the sterling indebtedness owed to REA Finance by the Indonesian debtor subsidiary.

General

Further details of the principal proposed amendments to the original trust deed are set out in Part II of this document. Set out in Part V of the prospectus which accompanies this document is a copy of the terms and conditions which will attach to both the further notes and the original notes if the proposed amendments to the terms of the original notes are made.

Proposed amendments to the REA Kaltim loan agreement

It is also proposed that the REA Kaltim loan agreement be amended:

- to provide (in clause 5) that where a loan is funded from the proceeds of repayment or prepayment of a loan by REA Finance to any qualifying subsidiary (a "predecessor loan"), it will be denominated in the currency of the predecessor loan, will bear interest at the applicable margin plus the rate payable in respect of the predecessor loan (excluding such part of such rate as was attributable to the applicable margin but including such part (if any) as was attributable to any guarantee fee) and will be repayable at par (i) where repayment of the predecessor loan was accelerated or the predecessor loan was prepaid, in accordance with a schedule or in one bullet payment that matches the repayment terms applicable to the predecessor loan or (ii) where the predecessor loan was repaid in accordance with its terms on the due repayment date, on 31 December 2017; and

- to provide (in clause 7) that REA Kaltim should bear not only the costs and expenses associated with the REA Kaltim loan agreement itself but also its fair proportion of all costs and expenses incurred by REA Finance or the company in raising any monies which are then on-lent to REA Kaltim, REA Kaltim's "fair proportion" being such proportion of the total costs and expenses incurred by REA Finance and the company in connection with raising the monies as equals the proportion that the amount lent to REA Kaltim is of the amount raised by REA Finance.

These changes mirror provisions included in the pro forma loan agreement proposed to be included at schedule 5 to the trust deed (being the terms on which loans will be made by REA Finance to qualifying subsidiaries other than REA Kaltim, subject to any amendments agreed at the relevant time by the Trustee).

Meeting of the holders of sterling notes

As noted above, a meeting of the holders of the sterling notes has been convened for 12.00 noon on 21 August 2008 to be held at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands. Notice of such meeting is set out on pages 14 and 15 of this document. An extraordinary resolution will be proposed at such meeting, to sanction:

- (a) the proposed amendments to and re-statement of the original trust deed as explained in this document; and
- (b) the proposed amendments to the REA Kaltim loan agreement.

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 21 August 2008 (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 The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible but in any event by no later than 12.00 noon on 19 August 2008. 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 is of the opinion that the proposed increase in the size of the issue of sterling notes, the proposed amendments to and re-statement of the original trust deed, the proposed amendments to the REA Kaltim loan agreement and the resolution set out in the notice of meeting of the holders of sterling notes are all in the best interests of the company and of sterling note holders as a whole.

Accordingly, the board recommends that sterling note holders vote in favour of the resolution set out in the notice of meeting of the holders of sterling notes convened for 21 August 2008. The sole director of REA Finance endorses such recommendation.

Documents on display

A copy of this document and of the following documents 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 21 August 2008:

- (i) the trust deed dated 1 December 2006 made between (1) REA Finance (as issuer), (2) Capita Trust Company Limited (as trustee) and (3) the company (as guarantor)

constituting the original notes, together with the deed of pledge of accounts and receivables dated 1 December 2006 and made between (1) REA Finance (as pledgor) and (2) Capita Trust Company Limited (as pledgee) and the fiduciary assignment dated 6 December 2006 and made between (1) REA Finance (as assignor) and (2) Capita Trust Company Limited (as assignee);

- (ii) the first supplemental trust deed dated 6 August 2007 made between (1) REA Finance, (2) Capita Trust Company Limited and (3) the company;
- (iii) a draft of the proposed second supplemental trust deed effecting the proposed amendments to and re-statement of the original trust deed (including, as the schedule thereto, the original trust deed as amended and re-stated), together with drafts of the deed of pledge of receivables and fiduciary assignment of receivables by which the further security for the sterling notes will be created; and
- (iv) the prospectus dated 29 July 2008 published by REA Finance relating to the further notes.

Trustee

Capita Trust Company Limited, as trustee for the holders of the sterling notes, has not been involved in the formulation of 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 and does not accept any responsibility for the statements contained in or any omission from 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.

Yours faithfully

Richard Robinow
Chairman

PART II – SUMMARY OF THE PRINCIPAL PROPOSED AMENDMENTS TO THE ORIGINAL TRUST DEED

1. The existing clause 2.2 (to become clause 2.3) will be amended to make it clear that any proceeds of the issue of the original notes lent by REA Finance to REA Kaltim and subsequently repaid shall be available for use by REA Finance, at its discretion (a) in meeting costs and expenses incurred in the ordinary course of its business, (b) in making one or more cash deposits at bank, (c) in making one or more loans to any qualifying subsidiary, (d) in repaying amounts owed to the company, (e) in making one or more loans to the company and/or (f) in paying interest or dividends, subject in all cases to due compliance by REA Finance with all covenants under the trust deed.

Such amendment will also be reflected in Condition 3 set out in schedule 1 to the original trust deed and will apply, *mutandis mutandis*, as regards any proceeds of the issue of the further notes lent by REA Finance to REA Kaltim or any other qualifying subsidiary and subsequently repaid.

2. A new clause 3 will be inserted, to provide for the creation and issue of the further notes. The new clause will provide that the proceeds of issue of the further notes shall be receivable by REA Finance and shall be applied solely in meeting the expenses of the issue of the same and in making loans to any qualifying subsidiary provided that REA Finance and such qualifying subsidiary have first entered into a loan agreement in respect of such loan on the prescribed terms as set out in a new schedule 5 to the amended and restated trust deed.
3. The current clause 3 (to become clause 4) will be amended to permit the proceeds of issue (net of expenses of the issue) of any additional 9.5 per cent guaranteed sterling notes 2015/17 created and issued by REA Finance (in addition to the further notes) to be applied in the same manner as the proceeds of issue of the further notes, and to clarify that any proceeds of the issue of such additional notes lent by REA Finance to an Indonesian debtor subsidiary and subsequently repaid shall be available for use by REA Finance, at its discretion, as provided at 1 above.
4. Clause 8 (to become clause 9) will be amended to provide that payment of interest and principal and all other monies payable by REA Finance on or in respect of the sterling notes will be secured not only by way of a first charge in favour of the Trustee (on behalf of the holders of the sterling notes) over (a) the bank account(s) of REA Finance in The Netherlands and (b) REA Finance's rights in respect of all monies owed to it from time to time by REA Kaltim but also by way of a first charge in favour of the Trustee (on behalf of the holders of the sterling notes) over REA Finance's rights in respect of all monies owed to it from time to time by any other Indonesian debtor subsidiary.
5. Amendments consequent to the issue of the further notes and the subsequent changes to the trust deed will be made to the form of the note certificate contained in schedule 1 to the trust deed.
6. Condition 7(A) (final redemption) set out in schedule 1 to the original trust deed will be amended to clarify that redemptions will be made pro rata to holdings with the amount to be applied in redemption of each holding being rounded down to the nearest integral multiple of £1,000 and then utilised to redeem in full an appropriate proportion of the sterling notes comprised in that holding.
7. Condition 10(A) (events of default) set out in schedule 1 to the original trust deed will be amended to include, in sub-paragraphs (viii), (ix) and (x), reference to Indonesian debtor subsidiaries (as well as to REA Kaltim) so as to read:

"(viii) if any security interest created by the Guarantor, the Issuer or any Indonesian Debtor Subsidiary, other than any customary retention of title provision, should become enforceable and steps are taken to enforce the same;

(ix) if any Indonesian Debtor Subsidiary should incur or have outstanding for more than 10 business days following the date on which it becomes an Indonesian Debtor Subsidiary any indebtedness in the nature of borrowings owed to the Guarantor or any of its subsidiaries (other than the Issuer or any Indonesian Debtor Subsidiary); or

(x) if the Guarantor should cease to be the owner (directly or indirectly) of more than 50 per cent. of the issued ordinary share capital of any Indonesian Debtor Subsidiary."

8. Condition 11 (limitation on borrowings) set out in schedule 1 to the original trust deed will be amended to refer to, and thus to limit, the combined external borrowings of the issuer and all Indonesian debtor subsidiaries rather than the combined external borrowings of the issuer and REA Kaltim and also to remove the now historic reference to \$55,000,000.

9. Condition 12 (covenants) set out in schedule 1 to the original trust deed will be amended as follows:

(a) a new sub-paragraph (xi) will be inserted into Condition 12(A) to require the company to deliver to the Trustee an annual certificate as to the outstanding amounts of all loans made by REA Finance to (and repaid to REA Finance by) any qualifying subsidiary, and of the interest rate and repayment provisions applicable to each such loan;

(b) the existing sub-paragraph (xi) of Condition 12(A) (to become sub-paragraph (xii)) and sub-paragraph (x) of Condition 12(B) (to become sub-paragraph (xiv)) will be amended to permit the company and REA Finance to change their year ends to 28 February provided that such change occurs by 31 December 2009 (so as to result in a fourteen month financial period to either 28 February 2009 or 28 February 2010);

(c) the existing sub-paragraph (xiii) of Condition 12(A) (to become sub-paragraph (xiv)) will be amended to refer to Indonesian debtor subsidiaries (as well as to REA Kaltim) so as to read:

"(xiv) procure that no Indonesian Debtor Subsidiary permits to subsist and/or creates security interest(s) in respect of any of their respective assets, other than customary retention of title provisions or any security interest(s) arising by operation of law, such that, at any time while there exist any Indonesian Debtor Subsidiaries, the Indonesian Debtor Subsidiaries together have secured borrowing of more than \$55,000,000 in aggregate;"

(d) the existing sub-paragraph(xiv) of Condition 12(A) (to become sub-paragraph (xv)), which currently limits the disposals of fixed assets by REA Kaltim, will be amended to limit the disposal of fixed assets by all Indonesian debtor subsidiaries, and thereby to provide that:

(i) 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 then current borrowing limit (set pursuant to Condition 11) (the "Permitted Maximum"), the Indonesian debtor subsidiaries do not dispose of fixed assets having an aggregate book value of more than \$2,000,000; or

- (ii) in any financial period when the Indonesian debtor subsidiaries do have, as at the beginning of the relevant financial year, fixed assets with an aggregate book value of more than three times the Permitted Maximum, the Indonesian debtor subsidiaries do not dispose of fixed assets having an aggregate book value of more than the amount by which the book value of the fixed assets of the Indonesian debtor subsidiaries as at the beginning of the relevant financial year exceeded three times the Permitted Maximum
- (e) the existing sub-paragraph(xvi) of Condition 12(A) (to become sub-paragraph (xvii)) and sub-paragraph (viii) of Condition 12(B) (to become sub-paragraph (ix))will be amended:
- (i) to refer not only to the REA Kaltim loan agreement but also to the loan agreements between the issuer and other Indonesian debtor subsidiaries;
 - (ii) to permit not only the subordination arrangements pursuant to the subordination agreement dated 20 June 2007 and made between (1) the Issuer (as subordinated creditor), (2) REA Kaltim (as debtor) and (3) PT Bank Rabobank Indonesia and others (as senior creditors) and any further or other arrangements pursuant to which REA Kaltim agrees with commercial lenders to subordinate any indebtedness owed to REA Finance to other indebtedness of the relevant Indonesian debtor subsidiary falling due for repayment on or before 31 December 2015 (provided that such arrangements are on like or substantially similar terms to those included in the said subordination agreement dated 20 June 2007) but also any similar arrangements by any other Indonesian debtor subsidiary; and
 - (iii) to permit any arrangements pursuant to which REA Finance agrees with the relevant counterparties to any derivative financial instrument entered into by any Indonesian debtor subsidiary with a view to hedging against US dollars the sterling indebtedness owed to REA Finance by the Indonesian debtor subsidiary pursuant to a prescribed loan agreement ("hedging contract") to subordinate any indebtedness owed to REA Finance by that Indonesian debtor subsidiary to obligations under the hedging contract;
- (f) sub-paragraph (v) of Condition 12(B) (to become sub-paragraph (vi)), which currently provides that REA Finance will lend monies to REA Kaltim only in accordance with the terms of the REA Kaltim loan agreement, will be amended so as to provide that REA Finance will lend monies to any other qualifying subsidiary only on the prescribed terms; and
- (g) a new sub-paragraph (x) of Condition 12(B) will be added to provide that where REA Finance enters into any subordination arrangement as referred to at (e) above, it will provide a copy of such arrangement to the Trustee as soon as practicable after it is entered into.

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 authorised duly 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

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 21 August 2008 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an extraordinary resolution

EXTRAORDINARY RESOLUTION

THAT the holders of the 9.5 per cent guaranteed sterling notes 2015/17 issued by REA Finance B.V. (the "**sterling notes**") hereby sanction:

- (a) the proposed amendments to and re-statement of the trust deed constituting the sterling notes (as amended) as detailed in the circular dated 29 July 2008 from R.E.A. Holdings plc to holders of the sterling notes (the "**Circular**") and authorise and request the trustee of the sterling notes to enter into a second supplemental trust deed in the form made available for inspection at the meeting for the purpose of effecting such amendments and re-statement; and
- (b) the proposed amendments the agreement as to amended and re-stated loan terms and ongoing loan agreement dated 16 August 2007 made between (1) REA Finance B.V., (2) PT REA Kaltim Plantations ("REA Kaltim") and (3) R.E.A. Holdings plc as detailed in the Circular.

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

Registered office
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

29 July 2008

The substantive terms of the proposals described in the circular dated 29 July 2008 from R.E.A. Holdings plc to sterling note holders (of which this notice forms a part) (the "circular") and the resolution set out above in this notice have not been formulated by the trustee of the sterling notes who expresses no view as to whether sterling note holders would be acting in the best interests of sterling note holders in approving them and nothing in this notice should be construed as

a recommendation to sterling note holders from the trustee to vote in favour of, or against, the resolution proposed. The trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made, documents referred to or opinions expressed in the accompanying document. Sterling note holders should take their own advice on the merits and / or the consequences of voting in favour of the resolution, including any tax consequences.

Notes

1. *The proposed amendments to and re-statement of the trust deed, as described in the circular, require the sanction of sterling note holders given by an extraordinary resolution of the sterling note holders.*

2. *The quorum required for a meeting of sterling note holders 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 sterling note holders 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 sterling note holders duly convened and held is binding upon all sterling note holders whether or not present at the meeting.*

3. *On a show of hands every sterling note holder who is present in person shall have one vote and on a poll every sterling note holder 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 sterling note holders 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, the trustee or by at least three sterling note holders 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. The instrument appointing a proxy must be deposited with Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12.00 noon on 19 August 2008. 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 21 August 2008 at 12.00 noon.

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 21 August 2008 at 12.00 noon and at any adjournment thereof.

Extraordinary resolution	For	Against	Vote withheld
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To sanction (a) the proposed amendments to and re-statement of the trust deed constituting the sterling notes as detailed in the circular dated 29 July 2008 from R.E.A. Holdings plc to holders of the sterling notes and (b) the proposed amendments to the agreement as to amended and re-stated loan terms and ongoing loan agreement dated 16 August 2007 made between (1) REA Finance B.V., (2) PT REA Kaltim Plantations and (3) R.E.A. Holdings plc

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PLEASE
USE
BLOCK
CAPITALS

Signature: Date: 2008
 Name:
 Address:

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) To be valid, this form of proxy must be delivered to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12.00 noon on 19 August 2008.

FIRST
FOLD

THIRD FOLD AND TUCK IN

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

SECOND FOLD