



11th May 2010

Rescue Plan Update

Dear Investor,

I am writing to you now to advise that we have **not** received the funds required from the owners in order to complete the rescue plan as originally described. Although the Commercial Investors have delivered on their target, the apartment owners have not delivered as requested. From our road trip we needed to receive €5 million from the apartment owners. Here is a break down of the money collected to date.

Apartment Owners:	Collected amount	% of the required amount
Norway Apt + Commercial	€2,500,000.00	75 %
Ireland	€200,000.00	11 %
England	€100,000.00	21 %
Latvia	€200,000.00	45 %
Russia	€250,000.00	33 %
Other	€250,000.00	30 %
Total	€3,500,000.00	

“Aheloy Beach Commercial” AS is not affected by the court case initiated by the main contractor and therefore intends to go ahead with the rescue plan and purchase shares in “Aheloy Owners” AD. I have been informed that they recognize that the overall participation from the apartment owners has been considerably below what they had expected, and that “Aheloy Beach Commercial” AS is considering to authorize the use of their funds exclusively for construction works, completing blocks P, N and most of M and outside works.

Regrettably, based on the funds collected to date “Aheloy Residence” EOOD was unable to pay the main contractor the €4 million due to release the charges on the apartment units as agreed. The main contractor therefore went ahead with the court case on Wednesday 12 May. The court date is set for 27 May. We understand that the court ruling on 27 May cannot be appealed. It should be noted that if the main contractor does not receive the payment due, the court may order the sale of the units in order to collect the money.

However, the main contractor has agreed that they will release the charge for the clients who participate in the rescue plan according to their contracts when they receive the payment. The main contractor will then also release the charge on the units that will transfer into “Aheloy Owners” AD. Our solicitors will start to contact all buyers who have participated in the rescue plan in order to prepare the closing packs for their apartments.

Brief summary of the status:

1. **The main contractor has proceeded with the court case against Aheloy Residence** According to our legal advisors, the court will rule in favour of the main contractor, and the court may authorise the sale of all apartment units that have not been transferred to the buyers. The court case is scheduled for May 27.
2. **Buyers to date have only paid in about €1.5m million out of their requested target of €5.5m** If the buyers contribute with a minimum of €4 million in total by 27 May, the charges will be released on the units for those who participate in the rescue plan and on the units in Aheloy Owners.
3. **Take action today** We need all buyers to pay now and protect their investment to date.
4. **If the rescue plan is unsuccessful, the money paid in to the rescue plan will be returned to the investors.**

Outstanding payments:

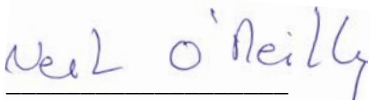
We are aware that many buyers are using independent lawyers to hold their deposits. While we have no issues with such arrangements, please make sure that you instruct your lawyers to transfer the payments to Valcho Cholakov's client account according to the share purchase agreements before 27 May. Please note that payments that are not received in the designated client account is of no use for us nor for you in the rescue plan.

Furthermore, we ask you to understand that given the time constraints of this process, while many of these lawyers may have reasonable inputs we are not in position to go into protracted legal discussions with multiple individual parties.

We would urge all the buyers to **act now to protect your investment** and participate in the rescue plan.

Please advise by return of mail and a representative will contact you directly.

Yours Faithfully



Neil O' Reilly - Aheloy Residence