

Regulatory Story

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Company	Ceres Agriculture Fund Limited
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Headline	Discount Control Mechanism/Strategic Review Result
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Ceres Agriculture Fund Limited

Discount control mechanism/ results of strategic review

17 November 2009 - Ceres Agriculture Fund Limited ("Ceres" or the "Company"), a Guernsey domiciled, closed-ended investment company established to invest in an actively managed portfolio of exchange-traded agricultural commodity contracts and derivatives managed by FourWinds Capital Management ("FourWinds"), today announces the results of its strategic review.

On 21 September 2009, the Board of Directors of the Company (the "Board") announced that a strategic review of the discount management mechanisms available to the Company, and potentially its corporate structure, was being undertaken. As part of that review the Board's advisers and FourWinds have spoken to shareholders holding in excess of 80 per cent of the share capital. In addition the Board has taken legal, financial and taxation advice on a number of alternative options and has considered the costs and timing implications of these options.

The Board considers that a single intervention in the form of a tender offer would

be insufficient to narrow the discount in a sustainable manner. On the basis of the review, the option which the Board considers to be the most beneficial for the majority of shareholders at the current time and which, based on the views of the shareholders consulted, is likely to command the greatest support, is the implementation of a share buyback programme. This share buyback programme will have the aim of stabilising the discount to net asset value at which the Company's ordinary shares trade and maintaining that discount within a narrower range. The Board expects the share buyback programme to continue until this objective has been achieved.

The Board will monitor the effectiveness of its discount control policy and intends to review the position with regard to the discount and also the investment performance in six months time in order to consider whether any further action is necessary.

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Ceres is a Guernsey-domiciled Authorised Closed-ended investment scheme pursuant to section 8 of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and rule 6.02 of the Authorised closed-ended Investment Schemes Rules 2008.

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