

Vikebukt 17th of August 2009

A small green leaf icon with a white stem and two small circles representing veins.

**Dear Shareholder**

Following the NOK 60 million equity issue directed towards Akvainvest AS in June, we are now pleased to offer you the opportunity to participate in the subsequent share offering which is structured as a combination of up to NOK 20 million in additional equity as well as up to NOK 39 million in a secondary sale of shares subscribed to by Akvainvest in the aforementioned directed issue. The shares are offered at NOK 1 per share, equalling the subscription price in the direct offering to Akvainvest in June. Your full participation in this repair offering will ensure that you maintain the same ownership position in Villa Organic that you had prior to the directed issue (if your shareholding has remained unchanged since June), while your non-participation will result in a dilution of your ownership position by up to approximately 88%. To the extent the 20 million new shares offered are not fully subscribed for by the eligible shareholders, oversubscription will be allowed. The terms and conditions for the subscription of shares are detailed in the attached Term Sheet and Subscription Form. Please note that subscriptions must be received by Arctic Securities as settlement agent, no later than 31 August 2009 at 16.30 CET to ensure allocation of subscribed shares.

After a highly challenging period over the past 18 months with disease problems at our Møre sites, significant problems with our former cod operations, and a troubled liquidity situation, we now believe Villa Organic is positioned to achieve our long term objective of becoming a leading producer of organic and best practice salmon. Key efforts undertaken as part of our restructuring efforts over the last months include:

- Securing the financial position of the company through the equity issue and waivers obtained from the bond holder
- Divestment of our loss-making cod operations
- Strengthening of the Villa management team, including the hiring of a new CEO
- Implementation of new management accounting tools in order to enhance our financial control of the company
- Investment in our processing facilities in Finnmark in preparations for increased harvest volumes
- Simplification of the group's legal structure
- Altering of the board composition in order to better reflect the current shareholder structure.

In order to provide you with an overview of Villa Organic's current status and situation, we have enclosed an updated company presentation. Our new CEO will hold this presentation for interested shareholders in Oslo 26 August at 13:00 at

the offices of Arctic Securities (Haakon VII's gate 5) and in Molde 27 August at 10:00 at the offices of Oskar Sylte Mineralvannfabrikk. We strongly encourage you to attend one of these two sessions. Please let us know which presentation you intend to attend by Thursday 20 August by contacting Jan Fossberg, CEO; mobile: +47 480 29 552, [jf@villaorganic.com](mailto:jf@villaorganic.com).

In the past we have tried to keep shareholders updated on the company's main developments on a continuous basis. However, at times our communication efforts have been below the standards that could be expected from a company with close to 100 shareholders. It is therefore our firm intention to significantly improve the company's investor relations efforts going forward through more active use of our web-site [www.villaorganic.com](http://www.villaorganic.com). From now on, we will regularly publish quarterly results as well as important news and events as they take place. You can therefore visit our web-site on a regular basis in order to remain updated on the status of the company.

We have been through a challenging period both due to events within Villa Organic itself, and due to the significant global economic downturn that we are all in the midst of. However, with a significantly strengthened Villa Organic, strong salmon prices, and the first signs of improvement on the global economic stage, we hope you decide to participate in the current equity issue and thus continue your involvement with our company.

Sincerely,



Oskar Dag Sylte  
Chairman



Jan Fossberg  
CEO

Enclosures:  
*Company presentation*  
*Term Sheet*  
*Subscription Form*