



ANDINA PLC

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SHAREHOLDER UPDATE

On behalf of the members of the Board of your company, I write to provide you with an update on the process of admitting the shares of Andina to trading on AIM, a market operated by London Stock Exchange plc ("**Admission**"), as described in the circular to shareholders of Andes Energia Plc ("**Circular**") published in June last year.

First of all, I would like to confirm that it is the Board's intention to pursue the Admission as soon as is practicable. To that extent we are finalizing the hiring of advisors. Our preferred advisors are Westhouse Securities as nominated adviser, Nexia Smith Williamson as auditors and Nabarro LLP as UK legal counsel. If for some reason it is not possible to reach terms with any of these, alternatives of similar repute will be retained.

It is expected that Andina's audited financial statements as at 31 December 2012 will be finalized within the next 20 days. These financial statements will be used as the basis for the financial information on Andina in its admission document, and it is thus our intention to kick off the Admission process as soon as the financial statements are published. Based on reasonable estimates, that would permit us to finalize the Admission by late summer 2013.

Andina's assets and activities remain the same as outlined in the Circular. Updated financial information on Andina's principal subsidiary, EDEMSA, can be found on the website of the Argentine Securities Commission (CNV) using the link:

<http://www.cnv.gob.ar/InfoFinan/emisoras.asp?CodiSoc=452&DescriSoc=Emp%2E+Distribuidora+de+Electricidad+de+Mendoza+S%2EA%2E&Letra=E&Lang=1>.

This includes financial statements for the year ending 31 December 2012 and the quarter ending 31 March 2013. In addition, Andina will be launching its website prior to the end of this month with additional information on its activities and assets. We would appreciate any feedback on how to make this website more useful for investors.

Your board is currently made up as follows:

- Neil Bleasdale: Chairman
- Luis Alvarez Poli: CEO
- Jorge Depresbiteris: COO
- Nigel Duxbury: CFO
- Marcelo Comba: Director

We intend to further strengthen the Board prior to Admission. We sincerely appreciate the patience shareholders have shown whilst we reach the stage where we are able to undertake such an important task. Conditions are currently very challenging, but we are also very aware of our investors' needs and will keep that foremost in our thoughts as we go forward.

Please feel free to contact either Luis Alvarez Poli or myself with any questions and suggestions at info@andinapl.com.

Neil Bleasdale
Chairman
21 May 2013