

# IMPORTANT NOTICE TO SHAREHOLDERS

Friday, 13 November 2009

Dear Investors,

I write to inform you that the Board of Directors of the Scandium Absolute Return Fund have received approval from the CSSF (financial authorities in Luxembourg) to place Scandium Alternative Investments (the Company) into liquidation.

**Notice is hereby given of an extraordinary shareholders meeting to be held on 27 November, 2009 at 11:15 am local time (see attachment for further details).**

Provided the dissolution and liquidation of the Company is agreed upon by the shareholders, the Company will immediately distribute all available cash to investors.

We, the investment manager (Scandium Fondsmæglerselskab A/S) will resign as of 30 November 2009. Our resignation has been initiated by us in order to reduce the operating costs to investors during the remaining winding down of the Company. The Board has agreed that this will be in the best interest of the investors.

I will personally consult with the Company and oversee the continuous disposal and unwinding of the remaining and less liquid assets – for as long as it takes. Also, I will provide you with a quarterly review of the portfolio and any other significant developments until it is no longer necessary.

Over and above our resignation as investment managers and the de-listing of the Company from the Danish Stock Exchange, the operations will remain unchanged. The fund administrator (Carnegie Fund Management) will continue to calculate the NAV and report to investors on a monthly basis and Nordea Bank S.A will remain custodian to the Fund's assets.

The aim of the Company is to liquidate its remaining assets and return cash (not securities in kind) to investors as soon as possible.

Yours sincerely,

Casper Hallas, CEO  
Scandium Fondsmæglerselskab A/S