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To Our Shareholders,

On behalf of the Company's Board of Directors, we present this report of our activities over the year and an overview of our plans going forward. Reservoir Capital Corp., ("Reservoir" or the "Company") is a renewable energy development company, whose primary asset is the 59.1 MW Brodarevo hydroelectric power project in southwest Serbia. Reservoir's common shares trade on the TSX Venture Exchange under the ticker symbol "REO" and on the Frankfurt and Berlin Exchanges under "ROC".

The steady erosion of the Company's share price through 2012 has continued through 2013, such that both the enterprise value and market capitalization of Reservoir are now a small fraction of what they were just a couple of years ago. Elections resulting in changes of government in both Serbia in 2012 and Italy in 2013 have delayed completion of the electricity off-take arrangements for Brodarevo, under the Bilateral Agreement between the two countries. Despite these on-going challenges, the Company has continued to make progress on the permitting for Brodarevo, most notably securing the Environmental Permit in June 2013. The Company continues to work on its Vranjska Banja geothermal license, also in southern Serbia, and was granted a new concession to develop a further three hydroelectric projects on the Cehotina River in Bosnia that total 17.75 MW in early 2013.

Reservoir has built its business on strong financial backing from North America, excellent local management teams and a long-term view towards building relations with governments and local communities. We would like to take this opportunity to thank our management, directors, employees, local partners and contractors for their steadfast support during what are very challenging times. Given this strong foundation and our first-mover status in the sector locally, we remain optimistic that we will be able to find ways to fund and move Brodarevo into construction, while continuing to add new pipeline projects to ensure our long-term growth.

We would like to conclude by offering our thanks to you, our shareholders, for your continued support.

On behalf of the executive team and the board of directors,

Miles Thompson
Executive Chairman

Miljana Vidovic
President & CEO