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September 5, 2014

To Our Shareholders,

On behalf of the Company's Board of Directors, we present this report to summarize the Company's activities over the financial year ended April 30th, 2014. Reservoir Capital is a renewable energy development company, whose primary asset is the 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 Company's share price declined substantially through 2012 and 2013, attributable to permitting delays with our hydroelectric projects and the general weakness of the small-cap markets in Canada. As a result of the depressed share price, we completed a 20 for 1 share consolidation in the first quarter of 2014, to facilitate the equity financing necessary to allow the Company to continue in its efforts to generate value from its development portfolio.

The executives of the Company have not received cash payment for services since the end of the 2013 financial year. In June 2014, they agreed to exchange part of the accrued debt for new shares in the Company and a further payment contingent on the Company realizing value from the Serbian projects. At the same time, the executives' contracts were rescinded, reducing the Company's overhead expenses and removing severance liabilities. In June and July 2014 the Company then completed a \$1 million private placement financing, which was substantially supported by insiders. This injection of new capital has allowed the Company to remain solvent while it endeavors to advance permitting and find new backers for its existing projects and seeks other opportunities to rebuild value in the Company.

We would like to take this opportunity to thank our management, directors, employees, local partners and contractors for their patience and support during this difficult period. We remain optimistic that we will be able to find a way to move the Brodarevo project into construction and realize some value from our investment. We are also on the hunt for new projects to create growth opportunities for the Company.

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