

Dragon - Ukrainian Properties & Development Plc announces \$9 million commitment in Pine Forest Riverside Estates project

Dragon - Ukrainian Properties & Development Plc, one of the largest AIM listed real estate investment companies focused on investments in Ukraine and managed by Dragon Capital Partners Limited ("DCP"), is delighted to announce that it has legally committed to the development of Pine Forest Riverside Estates project (the "Project"). The project assumes the development of a gated community of up to 100 cottages and town houses in the picturesque Kyiv Sea area with access to Desna and Dnepr Rivers, 15 km from city border of Kyiv. DUPD committed to acquire 6.33 hectares of land representing 50.26% of the combined land ownership in the Project. Two local entrepreneurs, who have been involved in various residential developments in Kyiv over the last five years, including the development of a gated community in the same area, own the remainder of the land. DUPD has also agreed to establish a joint Ukrainian SPV with its partners, through which further development will be financed. The shareholding in such SPV will be on a pro-rata basis to land ownership in the project, therefore allowing DUPD to retain a majority stake in the SPV. This Project is in line with the investment strategy of DUPD, having its core focus on development and re-development opportunities in commercial and residential real estate in Kyiv and Kyiv region.

Highlights:

- The Company has agreed to invest up to US \$ 9,000,000 in the project allowing financing for land acquisition and initial stage of construction works;
- The development will be performed jointly with the owners of an adjacent 6.25 hectare land plot;
- Technical documentation for the electricity and water connection has been received, gas connection has been approved and currently going through engineering works. DUPD and its partners in this project expect to share the cost of infrastructure with neighboring residential development projects;
- Attractive location combining unique natural landscape – the property features a combination of mixed pine and birch forests with river views and is located within a 40 minute drive of Kyiv city center;
- The Directors believe that the attractive infrastructure of the project (sandy beach area, BBQ zones, playgrounds, tennis courts, basketball courts and a convenience shop) will stimulate high demand for the property;

- The Directors expect completion of the first line of houses by mid 2008.

Contact

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Notes to Editors

About Dragon- Ukrainian Properties & Development Plc

DUPD is an Isle of Man incorporated company formed to invest in the development of new commercial properties and re-development of existing properties in Ukraine which offer the prospect of attractive returns to its shareholders. Having raised US\$ 208 million at US\$2 per share, DUPD's ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 1 June 2007.

About Dragon Capital Partners

DCP is the private equity arm of Dragon Capital, a leading Ukrainian financial institution specialising in the provision of investment banking, securities trading, asset management and private equity services. Dragon Capital has received the "Best Equities House in Ukraine" award in 2002, 2004, 2005, 2006 and 2007 by "Euromoney", a leading financial journal.

DCP professionals combine extensive local knowledge and expertise gained through substantial investment activity in the Ukrainian private equity market across a wide spectrum of industries, including real estate.