

23 November 2007

Dragon Ukrainian Properties & Development ("DUPD")

Closing of the Private Placement

Further to the announcement on 13 November, DUPD is pleased to announce that it has undertaken a private placement (the "Private Placement"), placing 36,630,100 ordinary shares of 1 p each in the capital of the Company (the "Placing Shares") with existing and new institutional investors at 130p per ordinary share for total gross proceeds of GBP 47.6 million (USD \$100 million). The Placing Shares represent 26% of the revised share capital of the Company immediately after the completion of the Secondary Fundraising and the issue of the Placing Shares.

DUPD will invest the funds raised in the Private Placement in the development of commercial and residential properties in Ukraine which offer the prospect of attractive returns to shareholders.

The DUPD board commented:

"We are pleased to announce the successful completion of a private placement of USD 100 million worth of new ordinary shares which were predominately taken up by shareholders who participated in the AIM admission on 1 June 2007. We believe the positive reaction of investors was influenced by the ability of the Company to commit over USD 185M, being approximately 89% of the capital raised at IPO, across various real estate projects within 5 months of the admission to AIM"

DUPD Chairman Aloysius van der Heijden said, "We have been able to source, identify and structure transactions in all main segments of our investment focus, including retail, office, residential sectors as well as land consolidation. We are pleased with progress to date on all of our projects and are expecting the first shopping centre arising from our investment in Henryland Group Limited to open in early December. Development of other projects in the portfolio is also progressing according to plan."

Tomas Fiala, Non-Executive Director, said "Our performance since the IPO and our ability to source a pipeline of potential projects with investment potential of over USD 1.2 billion helped DUPD to complete the placing, receiving support from several of the world's largest investment banks and asset management institutions. We strive to maintain a strong culture of selectivity by pursuing only those investments where we feel we can add substantial value and deploy our resources, both capital and sector expertise, in the most effective manner. We believe that Ukraine remains one of a few countries where there is evidence of a continuing positive yield shift, which should have a positive impact on the value of assets currently under development."

Application has been made for 36,630,100 new ordinary shares to be admitted to trading on AIM on 29 November. The new ordinary shares will rank pari passu

with the existing ordinary shares in issue. Total voting rights in the share capital will be 140,630,300 ordinary shares on 29 November 2007.

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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.