

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who specialises in advising on shares or other securities and who is, in the case of UK shareholders, authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred your shares in Dragon – Ukrainian Properties & Development plc please forward this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of shares, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

DRAGON – UKRAINIAN PROPERTIES & DEVELOPMENT PLC

(Incorporated in the Isle of Man with registered number 119018C)

LETTER FROM

DRGN LIMITED

(Incorporated in Cyprus with registered number 111306)

Agiou Pavlou
15, Ledra House
Agios Andreas
P.C. 1105, Nicosia
Republic of Cyprus

24 September 2012

To the holders of Ordinary Shares of the Company

Dear Shareholder

Notice of an Extraordinary General Meeting of Dragon - Ukrainian Properties & Development PLC (“DUPD” or “the Company”), convened by Order of the Isle of Man High Court, to appoint a Board of Directors

Following the circular we sent to shareholders on 21 September 2012 we are writing to inform you that, following a hearing of our application to the Isle of Man High Court on 21 September 2012, the court has made an order (the “**Order**”) convening an extraordinary general meeting of the Company to be held at 12:00 pm on 28 September 2012, for the purpose of appointing a Board of Directors to the Company (the “**Extraordinary General Meeting**”).

We now enclose a copy of the Order, together with the official notice and proxy form for the Extraordinary General Meeting.

Immediately following the Extraordinary General Meeting we understand that DUPD will hold a board meeting for the purpose of approving and publishing its half yearly report for the period to 30 June 2012 and, following publication of that report, will apply to AIM to have the current suspension in dealings in its shares on AIM lifted.

Action to be taken

Please give the attached notice and proxy form your urgent attention.

Please complete and return the enclosed proxy form by post to Standard Bank House, One Circular Road, Douglas, Isle of Man IM1 1SB, or by fax to +44 1624 643802, as soon as possible and, in any event, not later than 11.30 am on 28 September 2012.

Yours faithfully

DRGN Limited

DRAGON – UKRAINIAN PROPERTIES & DEVELOPMENT PLC
NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that, pursuant to an Order of the Isle of Man High Court dated 21 September 2012, a copy of which is enclosed with this notice, an Extraordinary General Meeting of the Company will be held at Standard Bank House, One Circular Road, Douglas Isle of Man IM1 1SB on 28 September 2012 at 12:00 pm for the purpose of considering and, if thought fit, passing the following resolutions all of which will be proposed as ordinary resolutions:-

ORDINARY RESOLUTIONS

1. **THAT** Aloysius Wilhelmus Johannes van der Heijden be appointed as a director of the Company.
2. **THAT** Tomas Fiala be appointed as a director of the Company.
3. **THAT** Fredrik Svinhufvud be appointed as a director of the Company.
4. **THAT** Rory Macnamara be appointed as a director of the Company.
5. **THAT** Nikolai Artemenko be appointed as a director of the Company.

By Order of the Isle of Man
High Court

Dated: 21 September 2012

Action to be taken

A reply paid Form of Proxy is enclosed. Whether or not you intend to be present at the Extraordinary General Meeting you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's registrars, Standard Bank Trust Company (Isle of Man) Limited, Standard Bank House, One Circular Road, Douglas, Isle of Man, IM1 1SB as soon as possible and, in any event, so that it is received by post or fax to +44 1624 643802 no later than 11:30 am on 28 September 2012. The completion and return of a Form of Proxy will not preclude you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

Notes

1. A member entitled to attend and vote at the Extraordinary General Meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or notorially certified copy of such authority) must be deposited at Standard Bank House, One Circular Road, Douglas, Isle of Man IM1 1SB by post or by fax to +44 1624 643802 so as to be received before 11:30am on 28 September 2012. A Form of Proxy is enclosed with this Notice. Completion and return of the Form of Proxy will not preclude members of the Company holding ordinary shares from attending and voting in person at the Extraordinary General Meeting.
3. Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2005, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the Extraordinary General Meeting is 12:00pm on 26 September 2012 (being not more than 48 hours prior to the time fixed for the Extraordinary General Meeting) or, if the Extraordinary General Meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Extraordinary General Meeting.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.

CHP 12/0117

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN
CIVIL DIVISION
CHANCERY PROCEDURE

IN THE MATTER OF

DRGN LIMITED

Claimant

and

IN THE MATTER OF the Claimant's Claim Form dated 21 September 2012 for an Order pursuant to Section 114(2) of the Companies Act 1931

At a Court held at Douglas on the
21st day of September 2012

**HIS WORSHIP THE HIGH BAILIFF
J A NEEDHAM**

UPON consideration of the Claimant's Claim Form dated 21 September 2012 and UPON the Court being informed that the Claimant is sending today by post to the other members of Dragon-Ukrainian Properties & Development plc ('the **Company**') a circular giving notice of this application and a draft notice of extraordinary general meeting and a draft proxy form ('the Circular') and furthermore has published the Circular on the Company's website and has issued on 20 September 2012 a regulatory news service announcement concerning the suspension of the Company's shares and this Court application AND UPON HEARING counsel for the Claimant

IT IS ORDERED THAT:-

1. Pursuant to Section 114(2) of the Isle of Man Companies Act 1931 an extraordinary general meeting of the members of the Company be held at 12pm on 28 September 2012 at Standard Bank House, One Circular Road, Douglas, Isle of Man (the '**Meeting**') for the purpose of proposing, by ordinary resolution, the appointment of the following 5 individuals to the position of director of the Company:

1.1 Mr Tomas Fiala

1.3 Mr Aloysius Wilhelmus Johannes van der Heijden

1.3 Mr Frederik Svinhufvud

1.4 Mr Rory Macnamara

1.5 Mr Nikolai Artemenko

2. Proxies in respect of the extraordinary general meeting on 28 September 2012 at 12pm may be validly served by post and fax up to 11.30am on 28 September 2012.
3. The Claimant may dispense with the need to give notice of the Claim Form to any other person.
4. That a plain copy of this Order be served on each member of the Company together with notice of the Meeting and proxy for the Meeting.
5. There be no order as to costs for the hearing today.



SEAL OF THE HIGH COURT

DRAGON – UKRAINIAN PROPERTIES & DEVELOPMENT PLC
(the “Company”)

FORM OF PROXY FOR EXTRAORDINARY GENERAL MEETING

I, We
ofwith Account Designation being
a member/members of the above-named Company, hereby appoint the chairman of the meeting or
..... as my/our proxy to vote for me/us on my/our
behalf at the Extraordinary General Meeting of the Company to be held at Standard Bank House, One Circular
Road, Douglas, Isle of Man IM1 1SB at 12:00 pm on 28 September 2012 and at any adjournment thereof.

If you wish to instruct your proxy as to how to vote on your behalf please indicate by an "X" in the appropriate
box below.

ORDINARY RESOLUTIONS

	FOR	AGAINST	VOTE WITHHELD	DISCRETI ONARY
1. THAT Aloysius Wilhelmus Johannes van der Heijden be appointed as a director of the Company.				
2. THAT Tomas Fiala be appointed as a director of the Company.				
3. THAT Fredrik Svinhufvud be appointed as a director of the Company.				
4. THAT Rory Macnamara be appointed as a director of the Company.				
5. THAT Nikolai Artemenko be appointed as a director of the Company.				

Signed

Date

NOTES

1. You may appoint a proxy of your own choice by deleting the words 'the chairman of the meeting' and inserting the name and address of your proxy in the space provided. If you sign and return this proxy form with no name inserted in the box, the Chairman of the Meeting will be deemed to be your proxy.
2. Unless otherwise instructed, a proxy may vote as he sees fit, or abstain from voting on any business (including amendments to resolutions) which may properly come before the meeting.
3. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
4. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
5. To be valid, this Form of Proxy must be completed signed and lodged with the Company's Registrars, Standard Bank Trust Company (Isle of Man) Limited, Standard Bank House, One Circular Road, Douglas, Isle of Man IM1 1SB by post or by fax to +44 1624 643802 so as to be received before 11:30am on 28 September 2012.
6. A proxy need not be a member of the Company but must attend the Meeting to represent you. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the Meeting and are aware of your voting intentions.
7. Completion and return of this Form of Proxy does not preclude a member of the Company from subsequently attending and voting in person at the Extraordinary General Meeting.
8. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.
9. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.