

Dragon – Ukrainian Properties & Development plc
(the 'Company')

Posting of Tender Offer Circular

Further to the announcement dated 18 October 2011, the Board of the Company are pleased to announce that a Tender Offer Circular and Tender Form have today been posted to Eligible Shareholders, and are available from the Company's web site <http://dragon-upd.com/investor-information/important-information/admission-document-and-circulars>)

On 18th October 2011 the Board published a notice convening an Extraordinary General Meeting to be held at 11:25 a.m. on 9th November 2011 seeking authority for the Company to buy back its own Ordinary Shares and announcing its intention to return cash to Shareholders by way of a Tender Offer by the Company for up to a maximum of 9,061,090 Ordinary Shares at a price of between 1 pence and 35 pence per Ordinary Share. The terms of the Tender Offer are set out in the Tender Offer Circular dated 25 October 2011 and the Tender Form and the Tender Offer is conditional on the grant of authority by shareholders at the EGM. In the event the maximum number of Ordinary Shares are tendered at the Maximum Price, the Tender Offer will return the Aggregate Maximum (approximately US\$5 million) to Shareholders. Only tenders made in quarter pence increments in the Price Range can be accepted.

The Tender Offer Circular sets out the background to and reasons for the Tender Offer and why the Board believes the Tender Offer to be in the best interests of the Company and its Shareholders.

The Board is proposing to return up to the Aggregate Maximum (approximately US\$5 million) through an on market purchase by the Panmure Gordon of up to 9,061,090 Ordinary Shares in issue on the Record Date from Eligible Shareholders. Once purchased by the Company from Panmure Gordon, those Ordinary Shares will be cancelled so that such Ordinary Shares will no longer be in issue but the Company's authorised share capital will remain unchanged.

The Minimum Price of 1 penny represents a discount of approximately 97 per cent. over the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 34.5 pence per Ordinary Share on 21 October 2011, being the latest practicable date before the publication of the Tender Offer Circular. The Maximum Price of 35 pence represents a premium of approximately 1.4 per cent. over the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 34.5 pence per Ordinary Share on 21 October 2011.

Capitalised terms used in this announcement have the meaning as set out at the end of this announcement.

The expected timetable for the Tender Offer is set out in the appendix, together with the principal terms of the Tender Offer.

For further information, please contact:

Dragon-Ukrainian Properties & Development Plc
Tomas Fiala
+380 44 490 7120

Dragon Capital Partners Limited
Chris Kamtsios:
+ 380 44 490 7120

Panmure Gordon (UK) Limited

Appendix

EXPECTED TIMETABLE FOR THE TENDER OFFER

Tender Offer opens	26 October 2011
Latest time and date for receipt of Tender Forms and for settlement of the instructions	by 1pm on 08 November 2011
Record Date for the Tender Offer	5.00 pm on 08 November 2011
Announcement of results of the Tender Offer	10 November 2011
CREST accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares	11 November 2011
Despatch of cheques for Tender Offer proceeds for certificated Ordinary Shares	11 November 2011
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders	week commencing 14 November 2011

"Aggregate Maximum"	£3,171,381.50 (or such lesser amount as the Company may in its absolute discretion decide) representing the maximum aggregate purchase value of the Ordinary Shares to be purchased by the Company under the Tender Offer
"Board" or "Directors"	the board of directors of the Company, whose names are set out in paragraph 2 of Part IV of the circular to shareholders dated 25 October 2011
"certificated" or "in certificated form"	an Ordinary Share which is not in uncertificated form
"Closing Date"	1.00 p.m. on 8 November 2011
"Company" or "DUPD"	Dragon Ukrainian Properties & Development plc One Circular Road, Douglas, Isle of Man, IM1 1SB
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"EGM"	the extraordinary General Meeting of shareholders of the Company convened by a notice sent to shareholders on 18th October 2011 to be held at 11:25 a.m. on 9th November 2011 or at such later date and time to which such meeting is or may be adjourned
"Eligible Shareholders"	Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Territories on the Register at the Record Date
"Maximum Price"	35 pence per Ordinary Share
"Minimum Price"	1 pence per Ordinary Share
"Ordinary Shares"	ordinary shares of 1 pence nominal value each in the share capital of the Company
"Panmure Gordon"	Panmure Gordon (UK) Limited

"pence" or "penny"	one hundredth of £1.00
"Price Range"	the range of prices within which Ordinary Shares may be purchased by the Company pursuant to the terms of the Tender Offer, being 1 pence to 35 pence per Ordinary Share
"Record Date"	5.00 p.m. on 8 November 2011
"Restricted Territories"	United States, Canada, Australia, South Africa and Japan
"Settlement Date"	the date by which the consideration for Ordinary Shares tendered under the Tender Offer will be settled by payment through CREST is expected to be 11 November 2011 and despatched by cheque to the Eligible Shareholders entitled thereto, which is expected to be 16 November 2011
"Shareholders"	holders of Ordinary Shares
"Tender Form"	the tender form accompanying the Circular for use in connection with the Tender Offer by Eligible Shareholders
"Tender Offer"	the invitation by the Company to Eligible Shareholders to tender Ordinary Shares for purchase by the Company on the terms and subject to the conditions set out in the Circular and the Tender Form
"Tender Price"	the price at which an Eligible Shareholder tenders some or all of his shares for purchase by the Company under the Tender Offer, which will be between 1 penny and 35 pence per Ordinary Share and which in the absence of specifying a fixed price will be deemed to be the Lowest Tender Price
"uncertificated" or "in uncertificated form"	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"US\$"	United States Dollar, being the lawful currency of the United States of America
"£"	Pounds Sterling being the lawful currency of the UK