

6 December 2011

Dragon–Ukrainian Properties & Development plc
(the ‘Company’)

Announcement of Tender Offer and Posting of Tender Offer Circular

Following the repurchase by the Company of a total of 24,000 Ordinary Shares at a price of 30 pence per Ordinary Share as a result of the tender offer published by the Company on 25 October 2011, the Board considers that it remains in the best interests of Shareholders for the Company to make further purchases of Ordinary Shares.

While the Board continues to have the authority to buy back Ordinary Shares at prices of up to 35 pence Sterling per share, the value of the Ordinary Shares rose over the period from the notice of extraordinary general meeting which was announced on 18 October 2011 and the closing of that tender offer on 8 November 2011. The middle market price of an Ordinary Share at the close of business on 5 December 2011 was 40 pence.

As a result on 18 November 2011 the Board published a notice convening an extraordinary general meeting (“EGM”) to be held at 11:25 a.m. on 12 December 2011 seeking further authority for the Company to purchase up to a maximum of 8,331,000 Ordinary Shares (representing 7.08 per cent. of the 117,692,615 Ordinary Shares in issue on 16 November 2011), at a price of no less than 1 penny (being the nominal amount thereof) and no higher than 25% above the average of the middle market quotation (exclusive of expenses) as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange for the 20 trading days prior to 6 December 2011. The middle market price of an Ordinary Share at the close of business on 16 November 2011 (being the latest practicable date prior to the publication of the notice convening the EGM) was 39.125 pence.

The Board today announces its intention to return cash to Shareholders by way of a Tender Offer by the Company for up to a maximum of 8,331,000 Ordinary Shares with a maximum aggregate value of US\$5,000,000 at prices of between 30 pence and 44 pence per Ordinary Share. The terms of the Tender Offer are set out in a Circular and Tender Form which are being sent to Shareholders tomorrow and the Tender Offer is conditional on the grant of authority by Shareholders at the EGM. On the assumption that exchange rates do not change from the exchange rate prevailing at close of business on 2nd December 2011 which was £1.00 = US\$1.5597 the maximum number of Ordinary Shares which the Company will purchase at the Maximum Price will be 7,285,783, returning approximately US\$5,000,000 to Shareholders. The maximum number of Ordinary Shares which the Company will purchase at the Minimum Price will be 8,331,000, returning US\$3,898,158 to Shareholders. Only tenders made in quarter pence increments in the price range can be accepted.

The 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 Tender Offer will take the form of an on market purchase by Panmure Gordon of up to 8,331,000 existing Ordinary Shares from Eligible Shareholders with a maximum aggregate value of US\$5,000,000 at prices of between 30 pence and 44 pence per Ordinary Share. Once purchased by Panmure Gordon, those Ordinary Shares will be sold to the Company to 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 30 pence represents a discount of approximately 24 per cent. to the average middle market closing price (exclusive of expenses) as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange for the 20 business days ending on 5 December 2011. In addition, the Minimum Price of 30 pence represents a discount of 25 per cent. to the middle market closing price (as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange) of 40 pence per Ordinary Share on 5 December 2011.

The Maximum Price of 44 pence represents a premium of approximately 11 per cent. over the average middle market closing price (exclusive of expenses) as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange for the 20 business days ending on 5 December 2011. In addition, the Maximum Price of 44 pence represents a premium of approximately 10 per cent. over the middle market closing price (exclusive of expenses) as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange of 40 pence per Ordinary Share on 5 December 2011.

The Tender Offer is only available to Eligible Shareholders and in respect of the number of Ordinary Shares registered in those Shareholders' names.

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

The Circular and Tender Form are being posted to Eligible Shareholders tomorrow, and will shortly be available from the Company's website <http://dragon-upd.com/investor-information/important-information/admission-document-and-circulars>)

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Appendix

EXPECTED TIMETABLE FOR THE TENDER OFFER

Tender Offer opens	7 December 2011
Latest time and date for receipt of Tender Forms and for settlement of the instructions	by 11.00 a.m. on 22 December 2011
Record Date for the Tender Offer	5.00 pm on 22 December 2011
Announcement of results of the Tender Offer	29 December 2011
CREST accounts credited with Tender Offer proceeds and revised holdings of uncertificated Ordinary Shares	30 December 2011
Despatch of cheques for Tender Offer proceeds for certificated Ordinary Shares	30 December 2011
Despatch of balance share certificates for unsold Ordinary Shares and share certificates for unsuccessful tenders	week commencing 3 January 2012

Definitions:

"Eligible Shareholders"	Shareholders resident in, or citizens of, a jurisdiction outside the Restricted Territories on the Register at the Record Date
"Ordinary Shares"	ordinary shares of 1 pence nominal value each in the share capital of the Company
"Panmure Gordon"	Panmure Gordon (UK) Limited
"Restricted Territories"	United States, Canada, Australia, South Africa and Japan
"Shareholders"	holders of Ordinary Shares
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to its jurisdiction and the District of Columbia