

13 November 2007

Dragon-Ukrainian Properties & Development Plc ("DUPD")

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Private Placement Statement

Dragon-Ukrainian Properties & Development Plc ("DUPD") would like to clarify any misconception which may have arisen in the market following a press conference organised by the broking arm Dragon Capital, which took place in Kiev on 6th November 2007. DUPD would like to stress that they had no involvement nor presence at the press conference.

The press conference was convened in connection with the placing by Dragon Capital of 23.4% of the shares of Creativ Group, a Ukrainian company involved in fats and oils, raising approximately US \$30m. Moreover, during a question raised at the press conference, Dragon Capital revealed that it was also proposing to raise between US\$100m and US\$125m for Jachin Holdings Limited, a British Virgin Islands company formed to develop a suburban housing development project near Kyiv through an issue of Global Depositary Shares.

This proposed fundraising for Jachin Holdings Limited, by Dragon Capital, has been wrongly attributed as a fundraising for the benefit of DUPD in several press sources due to the misinterpretation of a journalist.

However, DUPD would also like to clarify that it also intends to make a private placement to raise approximately US \$100m which it intends to be complete by the end of November 2007. This statement is intended to remove any confusion created following the press conference on 6 November 2007.

Participation in this private placement is expected to be made to existing investors and selected new investors.

DUPD intends to use the proceeds of the private placing to fund new investment opportunities in the development of commercial properties and large-scale residential projects in Ukraine. The private placement is subject to a number of conditions including admission of the new shares to AIM.

The Company will provide full details of the placement and related issue of new shares in due course.

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