

6 October 2006

Road Town, Tortola, BVI

Eastern Property Holdings Limited announces a public offering in Switzerland of ordinary shares

Eastern Property Holdings Limited announces its intention to raise additional equity capital by the end of October 2006. We have appointed ING Bank, Kempen & Co and Renaissance Capital as joint global coordinators and joint lead managers, and OZ Bankers as co-lead manager, for the offering.

The offering is expected to consist of a public offering in Switzerland and a private placement in certain other countries outside Switzerland, and outside the United States, Canada, Australia and Japan. We expect to receive all of the proceeds of the offering, net of fees and expenses. We plan to use the net proceeds from the offering for funding of future growth through investment in real estate projects. Shares offered in the offering are expected to be listed on the SWX Swiss Exchange under the ticker symbol "EPH".

As part of the offering, we expect to offer our shares to eligible existing shareholders in accordance with subscription rights. The subscription rights will not be tradable, and will not be offered to existing shareholders in certain jurisdictions, such as the United States, Canada, Australia and Japan, or to existing shareholders in any member state of the European Economic Area other than qualified investors, within the meaning of the Prospectus Directive (2003/71/EC). Shares not taken up by existing shareholders will be available for allocation by the joint lead managers.

* * *

THIS RELEASE DOES NOT CONTAIN OR CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY SECURITIES IN THE UNITED STATES. IN ADDITION, THE SECURITIES OF EASTERN PROPERTY HOLDINGS LIMITED HAVE NOT BEEN AND ARE NOT INTENDED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THAT ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION REQUIREMENTS UNDER THAT ACT.

THIS COMMUNICATION IS BEING DISTRIBUTED ONLY TO AND IS DIRECTED ONLY AT (A) PERSONS OUTSIDE THE UNITED KINGDOM, (B) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS, I.E., INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), AND (C) HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS AND OTHER BODIES TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED IN ACCORDANCE WITH ARTICLE 49 OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THE SECURITIES ARE AVAILABLE ONLY TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE SUCH SECURITIES WILL BE AVAILABLE ONLY TO OR WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS COMMUNICATION OR ANY OF ITS CONTENTS.

THIS RELEASE IS NOT AN OFFER OR ADVERTISEMENT OF SECURITIES IN THE RUSSIAN FEDERATION, AND IS NOT AN OFFER TO SELL TO OR FOR THE BENEFIT OF ANY PERSON RESIDENT, INCORPORATED, ESTABLISHED OR HAVING THEIR USUAL RESIDENCE IN THE RUSSIAN FEDERATION, OR TO ANY PERSON LOCATED WITHIN THE TERRITORY OF THE RUSSIAN FEDERATION, OR AN INVITATION TO OR FOR THE BENEFIT OF ANY SUCH PERSON TO MAKE OFFERS TO PURCHASE ANY SECURITIES.

IT IS NOT INTENDED TO BE AND MUST NOT BE PUBLICLY DISTRIBUTED IN OR INTO THE RUSSIAN FEDERATION.

НАСТОЯЩИЙ РЕЛИЗ НЕ ЯВЛЯЕТСЯ ПРЕДЛОЖЕНИЕМ ИЛИ РЕКЛАМОЙ ЦЕННЫХ БУМАГ В РОССИЙСКОЙ ФЕДЕРАЦИИ, РАВНО КАК НЕ ЯВЛЯЕТСЯ ПРЕДЛОЖЕНИЕМ КАКОМУ-ЛИБО ЛИЦУ, ПРОЖИВАЮЩЕМУ, ЗАРЕГИСТРИРОВАННОМУ, УЧРЕЖДЕННОМУ ИЛИ ИМЕЮЩЕМУ ПОСТОЯННОЕ МЕСТОЖИТЕЛЬСТВО (МЕСТОНАХОЖДЕНИЯ) В РОССИЙСКОЙ ФЕДЕРАЦИИ, ИЛИ НАХОДЯЩЕМУСЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ (ЛИБО ПРЕДЛОЖЕНИЕМ В ПОЛЬЗУ ТАКОГО ЛИЦА) О ПРОДАЖЕ ЦЕННЫХ БУМАГ, А ТАКЖЕ НЕ ЯВЛЯЕТСЯ ПРИГЛАШЕНИЕМ КОМУ-ЛИБО ИЗ ТАКИХ ЛИЦ (ЛИБО В ПОЛЬЗУ КОГО-ЛИБО ИЗ ТАКИХ ЛИЦ) ДЕЛАТЬ ОФЕРТЫ О ПРИОБРЕТЕНИИ ЦЕННЫХ БУМАГ.

ОН НЕ ПРЕДНАЗНАЧЕН ДЛЯ ПУБЛИЧНОГО РАСПРОСТРАНЕНИЯ И НЕ ДОЛЖЕН ПУБЛИЧНО РАСПРОСТРАНЯТЬСЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ.