

8 January 2015

MirLand Development Corporation plc

(“MirLand” or the “Company”)

Bonds update

Further to the Company's announcement of 19 December 2014, following the downgrading of the Company's rating by the rating agencies 'Midroog' (a subsidiary of Moody's Investor Services) and 'Maalot S & P' (a subsidiary of Standard & Poor's Rating Services), the Company announces a change in its interest rates on bonds as follows:

Interest of Bonds

As of 18 December 2014, the annual interest rate on the remaining principal of the Company's Series C and D bonds will increase by 0.5% per annum, which is the maximum increase under the original bond terms. The annual interest rate of the remaining principal of the Company's Series E and F Bonds will increase by 1% per annum, which is the maximum increase under the original bond terms. In the event of an upgrade to the Company's rating, the interest rates will be updated accordingly.

Meetings of Bond Holders

At meetings of the Series A and B bondholders it was decided that the repayment of the principal and interest to the holders of series A and B bonds set for 31 December 2014 will be temporarily postponed until 1 February 2015 in order to allow the parties to maintain a constructive dialogue.

Such period may be extended with the consent of the bondholders' trustees and/or by resolution of the bondholders. The Company also agreed to transfer US\$11 million into a trust account, which it completed on 6 January 2015 and commenced an immediate and intensive dialogue with the bondholders' trustees.

A further announcement will be made in due course.

MirLand Development Corporation plc

Roman Rozental

roman@mirland-development.com

+7 495 787 49 62

+7 499 130 31 09

FTI Consulting

Dido Laurimore / Nick Taylor/Ellie Sweeney

+44 20 3727 1000

Investec Bank plc

Jeremy Ellis / David Anderson

+44 20 7597 4000