

22 June 2016

MirLand Development Corporation PLC
(the “**Company**”)

Conditional acquisition of the minority interests in a property portfolio in Moscow

Further to the Company’s 1Q announcement on 18 May 2016 outlining the ongoing discussions with its financing banks to agree a restructuring of its debt, the Company announces that, it has entered into a conditional agreement (the “**Agreement**”) with TMJK Holdings Limited and Fadida Holdings Limited (together, the “**Partners**”) to acquire their minority interest in the Century Project, representing two Class B+ office buildings totaling 20,903 sqm of leasable space located in the northern part of Moscow’s Novoslobodsky business district (the “**Project**”) (the “**Acquisition**”).

The Acquisition, if completed, will enable the Company to provide security over the Company’s rights in part of the Project and cross-guarantees between all projects financed by Sberbank of Russia (the “**Bank**”) as part of the negotiations with the Bank in relation to the potential refinancing of the existing loans (in the amount of approximately US\$160 million) owed by the Company to the Bank. The Agreement is conditional, *inter alia*, on the refinancing of the existing loans with the Bank, the Bank’s approval and certain other approvals from the Company’s banking syndicate.

The consideration for the Acquisition is US\$8 million (of which approximately US\$3.25 million will be off set against the loans owed by the Partners to the Company and the remainder will be paid by the Company in cash on completion of the Acquisition). The consideration under the Agreement is expected to be approximately 7% above the estimated value of the Partners’ pro-rata interest in the Project (based on independent valuations undertaken on 31 March 2016).

Mr. Michael Krichevsky, a General Manager of one of the Company’s non-operational subsidiaries, is the owner of TMJK Holdings Limited, therefore, the Acquisition is classified as a related party transaction pursuant to the AIM Rules for Companies. The Company’s directors consider, having consulted with Investec, the Company’s nominated adviser, that the terms of the Acquisition are fair and reasonable insofar as the Company’s shareholders are concerned.

At this stage, there can be no certainty that the Agreement will be completed. The Company will make further announcements in due course.

For further information, please contact:

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