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17 November 2016

MirLand Development Corporation PLC

(the "**Company**")

Posting of the circular to Shareholders relating to the Subscription, the Open Offer, the Share Consolidation, AIM Cancellation and proposed amendments to the Articles

Proposed AIM Cancellation

Notice of General Meeting

The Company announced on 5 September 2016 that Shareholders and Bondholders had approved the terms of the Settlement Plan as set out in circular posted to Shareholders on 19 August 2016.

Pursuant to the Settlement Plan, the Company is today pleased to announce a proposed capital raising to raise gross proceeds of approximately US\$14.1 million (approximately £11.3 million) (including the capitalisation of the loan of approximately US\$7.7 million previously provided to the Company) through the issue of up to 162,270,901 new Ordinary Shares to the Subscribers to raise approximately US\$12.1 million (approximately £9.7 million) (the "**Subscription**") and an open offer providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of 26,635,854 new Ordinary Shares to raise a further approximate US\$2 million (approximately £1.6 million) before expenses (the "**Open Offer**") (together the "**Capital Raising**").

The Capital Raising is conditional upon, inter alia:

- the Resolutions being passed by the requisite majorities at the General Meeting;
- the board resolution of the Company being passed by the requisite majority at the board meeting of the Company approving the issue and allotment of the Subscription and Open Offer Shares;
- receipt of all approvals from TASE and ISA required to effect TASE Admission before or on 30 November 2016 or such later date as agreed between the Subscribers and the Company, and, if necessary, the Bondholders; and
- AIM Admission becoming effective at 8.00 a.m. on 19 December 2016 or such later date as determined by the Company, being no later than the Long Stop Date.

The Company will today deliver to Shareholders a circular in connection with the Capital Raising, the Share Consolidation, AIM Cancellation and proposed amendments to the Articles (the "**Circular**"), a copy of which will also be available on the Company's website at www.mirland-development.com

Letters notifying Depositary Interest holders ("**DI Holders**") of the availability of the Circular on the Company's website, together with Forms of Instruction for use in connection with the EGM, will be posted to DI Holders today.

There is no guarantee that TASE Admission will occur and the Settlement Plan completes in accordance with its terms.

All capitalised terms in this announcement have the meaning given to them in the Circular unless otherwise defined herein.

Details of the Subscription and the Open Offer

The Subscribers have agreed to subscribe for up to 162,270,901 Subscription Shares at a price of £0.06 per Subscription Share pursuant to the terms of the Subscription Agreement.

As detailed further in the Circular, the Open Offer will result in the issue of up to 26,635,854 new Ordinary Shares. Qualifying Shareholders may subscribe for Open Offer Shares on the basis of 18 Open Offer Shares for every 10 Existing Ordinary Shares at £0.06 per Open Offer Share held on the record date, being 6.00 p.m. on 15 November 2016.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form for Qualifying Non-Depository Interest Holders or credited to the CREST account of Qualifying Depository Interest Holders.

Under the Excess Application Facility, provided that they have agreed to take up their Open Offer Entitlements in full, Qualifying Shareholders may apply for more than their Basic Entitlement should they wish to do so. Applications by Qualifying Shareholders for Excess Shares under the Excess Application Facility will be limited to a maximum number of Excess Shares equal to three times the Basic Entitlement of such Qualifying Shareholders at the Record Date. If the total number of Excess Shares applied for by all Qualifying Shareholders exceeds the total number of Excess Shares available, applications shall be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility or allocated in such manner as the Board may, in its absolute discretion, determine.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 18 November 2016. The Open Offer Entitlements will be enabled for settlement in CREST until 11.00 a.m. on 8 December 2016. Applications through the CREST system may only be made by the Qualifying Depository Interest Holder originally entitled or by a person entitled by virtue of bona fide market claims. The Open Offer Shares must be paid in full on application. **The latest time and date for receipt of completed Application Forms or CREST application and payment in respect of the Open Offer is 11.00 a.m. on 8 December 2016.**

The Subscribers, as existing Shareholders in the Company, have each irrevocably undertaken not to take up their entitlements under the Open Offer to provide the Shareholders (other than the Subscribers) the opportunity to take up more Open Offer Shares to mitigate the dilutive effect of the Subscription and the issue of the Equity for Debt Shares.

In order to ensure that the Company raises the full US\$14.1 million (approximately £11.3 million), the Subscribers have also agreed, pursuant to the terms of the Subscription Agreement, to subscribe for the new Ordinary Shares available under the Open Offer subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders should note that their Application Forms are not negotiable documents and cannot be traded. Qualifying Depository Interest Holders should note that, although their Open Offer Entitlement will be credited to their CREST accounts, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Depository Interest Holders originally entitled or by a person entitled by virtue of a bona fide market claim. Subscription and Open Offer Shares which are not taken up under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up New Ordinary Shares will have no rights under the Open Offer. Any Subscription and Open Offer Shares which are not applied for in respect of the Open Offer will be issued to the Subscribers, with the net proceeds retained for the benefit of the Company.

Use of proceeds

The Subscription and Open Offer is expected to raise net proceeds of approximately US\$13.7 million (including the capitalisation of the loan of US\$7.7 million previously provided to the Company).

The Company will apply the net proceeds of the Capital Raising to:

- complete its obligations under the Settlement as described below;
- support the existing portfolio of the Company (if required); and
- fund the Company's working capital requirements.

Share Consolidation

The Directors are proposing the Company's ordinary share capital be consolidated on the basis of one new ordinary share of US\$0.20 each ("**Consolidation Shares**") is issued in replacement for every 20 existing ordinary shares of US\$0.01 pence each ("**Existing Ordinary Shares**") (the "**Share Consolidation**") in order to comply with the minimum trading price requirement on TASE, being that the trading price cannot be lower than NIS1.00. Accordingly, the Pre-Consolidation Shares are required to be consolidated after AIM Admission but before TASE Admission in order to satisfy this requirement.

The Subscription Shares and the Open Offer Shares will be admitted to trading on AIM on 19 December 2016. However, trading on AIM will also be suspended on 20 December 2016, and AIM Cancellation is expected on 21 December 2016.

The rights attached to the Consolidation Shares will be the same as the rights attaching to the Pre-Consolidation Shares.

The Consolidation Shares have the ISIN code: CY0106902113 and CFI code is ESVUFR.

TASE Admission and Notification of cancellation on AIM

In connection with the Settlement Plan and pursuant to the requirements of Israeli law, the execution of the Settlement Plan requires the Enlarged Share Capital to be admitted to trading on TASE.

The Directors have undertaken a review of the benefit of the Company's shares to be traded on both AIM and TASE and concluded that it is in the best interests of the Company and its Shareholders as a whole for admission of the Existing Ordinary Shares and the New Ordinary Shares to trading on AIM to be cancelled.

The Company, therefore, announces the proposed cancellation of the admission of its shares to trading on AIM ("**AIM Cancellation**"). Background and further details of AIM Cancellation are set out in the Circular.

Pursuant to Rule 41 of the AIM Rules for Companies, the Company hereby gives notice of the intended AIM Cancellation.

Under the AIM Rules, AIM Cancellation can only be effected by the Company after the passing of a resolution of the Shareholders in a general meeting passed by a majority of not less than 75 per cent. of the votes cast, and the expiry of a period of twenty business days from the date upon which notice of the cancellation is given in accordance with AIM Rules. In addition, a period of at least five business days following the passing of the resolution approving the cancellation is required before the cancellation is effected.

Subject to the AIM Cancellation resolution being passed by the requisite majority at the EGM, it is expected that AIM Cancellation will become effective from 7.00 a.m. on 21 December 2016 or such later date as the directors of the Company may approve.

Amendments to Articles of Association

In order to ensure that the Company complies with the TASE requirements to permit TASE Admission, the Directors propose the following changes to the Articles:

- The Directors will be given power to sign an instrument of transfer on behalf of a transferor allowing the Directors to transfer Depository Interest Holders' interests in Ordinary Shares who did not provide the relevant information to be transferred to the Israeli Depository from the Company's share register to a trustee to be held on trust for the relevant Depository Interest Holder.
- That instrument of transfer is not required to be signed by a transferee.
- The Directors will be given power to sign an instrument of transfer on behalf of a transferee (if required).

Further, upon completion of the Settlement Plan, the Enlarged Share Capital will be admitted to trading on TASE. Further amendments will be required to the Articles post-TASE Admission to fulfil certain Israeli legal and securities requirements and a further circular will be posted to Shareholders in due course. Shortly after TASE Admission a separate extraordinary general meeting of the Company will be convened in order to seek Shareholders' approval to amend the Articles accordingly.

Extraordinary General Meeting

The Circular includes a notice convening an Extraordinary General Meeting (the "**EGM**") to be held at 10.00 a.m. (Cypriot time) on 9 December 2016 at Office 606, 6th floor, Nicolaou Pentadromos Centre, Thessalonikis Street, 3025 Limassol, Cyprus.

Importance of vote

The Settlement Plan is subject to a number of conditions precedent. Should any of these conditions not be satisfied in full or be waived by the Bondholders, the Settlement Plan may not become effective in accordance with its terms, therefore, as the company will be in default under the terms of the debentures, the Bondholders may commence insolvency proceedings against the Company.

As stated above, it is critical that Shareholders vote in favour of the Resolutions such that, assuming the other conditions are satisfied, the Settlement Plan and the Subscription and the Open Offer can proceed.

Recommendation

The Independent Directors, being each of Saydam Salaheddin, Elias Eliades, Alexander Regenbogen and Constantinos Pandelides, consider that each of the Resolutions, are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Independent Directors unanimously recommend Shareholders to vote in favour of each of the Resolutions.

Related Party Transaction

As the Subscribers are the substantial shareholders (as defined in the AIM Rules for Companies) of the Company, for the purposes of the Subscription and Open Offer, the Subscription and Open Offer are classified as a related party transaction under the AIM Rules. The Directors (other than Eyal Fishman given his historic connections with the Subscribers and David Zvida, who is a director of the Company and is also a director of the Subscribers) consider, having consulted with Investec, the Company's nominated adviser, that the terms of the Subscribers' participation in the Subscription and the Open Offer are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Expected timetable of principal events

Record Date for entitlements under the Open Offer	6.00 p.m. on 15 November 2016
Ex-entitlement Date	18 November 2016
Open Offer Entitlements and Excess Open Offer Entitlements credited to CREST stock accounts of Qualifying Depository Interest Holders	18 November 2016

Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 2 December 2016
Latest time for depositing Open Offer Entitlements and Excess Open Offer Entitlements into CREST	3.00 p.m. on 5 December 2016
Latest time for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 6 December 2016
Latest time for lodging Forms of Instruction for the General Meeting	8.00 a.m. on 6 December 2016
Latest time for lodging Forms of Proxy for the General Meeting	8.00 a.m. on 7 December 2016
Voting record time	5.00 p.m. on 7 December 2016
Latest time for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 8 December 2016
General Meeting	10.00 a.m. (Cypriot time) on 9 December 2016
Expected date for announcement of results of the General Meeting and the result of the Subscription and Open Offer	9 December 2016
Admission of the Subscription Shares and the Open Offer Shares to trading on AIM	8.00 a.m. 19 December 2016
Expected date by which CREST stock accounts are to be credited for New Ordinary Shares in uncertificated form	19 December 2016
Consolidation Record Date	6.00 p.m. on 19 December 2016
Adoption of the Amended Articles	6.00 p.m. on 19 December 2016
Expected time and date of the Share Consolidation	8.00 a.m. on 20 December 2016
Expected date of suspension of trading on AIM	8.00 a.m. on 20 December 2016
Termination of the Depositary Interest structure	6.00 p.m. on 20 December 2016
Expected date of admission of the Enlarged Share Capital to trading on TASE and commencement of dealings in the Company's shares on TASE	21 December 2016
Effective date of the Settlement Plan	21 December 2016
Expected date of cancellation of trading on AIM	21 December 2016

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this document are to GMT unless otherwise stated.

The timetable above assumes that the Resolutions are passed at the EGM without adjournment.

Key statistics relating to the Subscription, Open Offer and Share Consolidation

Number of Existing Ordinary Shares in issue on 16 November 2016 (being the last practicable date prior to publication of this document)	103,558,005
Basis of Open Offer	18 Open Offer Shares for every 10 Existing Ordinary Shares
Offer Price	£0.06 per Subscription and Open Offer Share
Number of Open Offer Shares	26,635,854
Number of new Ordinary Shares to be issued by the Company pursuant to the Subscription and Open Offer	188,906,755
Share Capital following the Subscription and Open Offer	292,464,760
Share Capital following the Subscription and Open Offer and the Share Consolidation	14,623,238
Number of Equity for Debt Shares following the Share Consolidation	60,367,726
Share Capital following the Subscription and Open Offer, the issue of the Equity for Debt Shares and the Share Consolidation	74,990,964
Percentage of the Existing Share Capital represented by the Equity for Debt Shares	0%
Percentage of the Enlarged Share Capital represented by the issue of the Equity for Debt Shares	80.5%
Share Consolidation ratio	One Consolidation Share for each 20 Ordinary Shares
Subscription and Open Offer Shares as a percentage of the Enlarged Share Capital immediately following TASE Admission	12.6%
Estimated net proceeds of the Subscription and Open Offer receivable by the Company after expenses	Approximately £11.0 million
Estimated expenses of the Open Offer	Approximately £0.3 million
ISIN of the Basic Entitlements	CY0126912118
CFI code for the Basic Entitlements	RSSXXR

ISIN of the Excess Open Offer Entitlements	CY0126922117
CFI code for the Excess Open Offer Entitlements	RSSXXR
ISIN of the Consolidation Shares	CY0106902113
CFI code for the Consolidation Shares	ESVUFR

Additional important information

Exchange rates

Unless otherwise stated, the exchange rates for the purpose of this circular are as follows:

US\$ (\$) to Rouble (₽)	\$1.00/65.55
GBP (£) to Dollar (\$)	£1.00/\$1.24
GBP (£) to Rouble (₽)	£1.00/₽81.89

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