

22 March 2010

MIRLAND DEVELOPMENT CORPORATION PLC

("MirLand" or the "Company")

Re: Moscow Fire

MirLand Development Corporation plc, one of Russia's leading residential and commercial property developers, announces that on 20 March 2010, a fire broke out in one of the office properties of its fully owned subsidiary Mashinostroenie & Hydraulika OJSC, ("**MAG**").

The MAG Project office building is located in the heart of the financial district Novoslobodsky, in the northern part of Moscow. The full extent of the damage to the building is unknown at this time. The MAG project was valued by Cushman & Wakefield as at 31 December 2009 at US\$63.2 million. The relevant building represents approximately 39.4% of the MAG project on a square metre basis and approximately 3.6% of the total portfolio value of MirLand.

The fire affected mainly that part of the building that is leased by a tenant which leases 6,105 square metres. MAG has notified its insurers of this fire.

The Company will update the market as soon as it has additional information.

For further information:

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