

20 September 2011

MirLand Development Corporation plc

("MirLand" or the "Company")

Re. Insurance Payout Following Fire at Moscow Building

MirLand, one of Russia's leading residential and commercial property developers, is pleased to announce that it has settled its outstanding insurance claim in respect of the fire damaged property owned by subsidiary Mashinostroenie & Hydraulika OJSC, ("MAG").

The total settlement received amounted to RUB 180 million (approximately USD 5.9 million). Based on an independent engineering report received by MAG, the total cost of the required remedial works will be RUB 237 million (approximately USD 7.8 million). Works are already in progress and it is anticipated that they will be completed by Q2/2012, whereupon the space will be remarketed to prospective tenants.

Due to the fact that impairment of the building in the amount of approximately USD 7 million has already been recognized by the Company in its Profit and Loss statement for the year 2010, the total settlement amount of approximately USD 5.9 million will be recorded as a gain in Q3/2011 Financial Statements.

The MAG Project office buildings are located in the heart of the Novoslobodsky financial district, in the northern part of Moscow, and have a total net lettable area of 18,929 sqm. The buildings are currently 98% occupied, excluding the area affected by the fire.

For further information, please visit www.mirland-development.com, or contact:

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