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EASTERN PROPERTY HOLDINGS ANNOUNCES EXERCISE OF OVER-ALLOTMENT OPTION FOR APPROXIMATELY US\$19 MILLION

Road Town, Tortola, BVI, 31 October 2006 - Eastern Property Holdings Limited ("EPH") today announces that the Joint Lead Managers of its equity offering have exercised their over-allotment option to subscribe for an additional 208,696 EPH ordinary shares at the offering price of US\$90.00 per share. EPH will receive the proceeds of this subscription net of the Managers' fees.

Listing and first trading of these ordinary shares on the SWX Swiss Exchange is expected to occur on or about 1 November 2006. EPH has been listed on the real estate segment of the SWX Swiss Exchange since November 2003 (SWX: EPH; Bloomberg: EPH SW) and invests in real estate and real estate development in Russia and the Commonwealth of Independent States.

Upon completion of this offering, EPH will have 3,315,334 issued and outstanding ordinary shares, assuming no exercise of warrants that were outstanding as of 30 September 2006. Based on today's closing price per ordinary share on SWX of US\$95.45, EPH would, after giving effect to the offering, have a market capitalization of approximately US\$316 million.

As at 30 June 2006, EPH's net assets were US\$147.39 million, representing net assets per share of US\$86.36, and total assets were US\$191.33 million.

Since EPH raised its initial capital in 2003, the Board of Directors has declared a dividend per share for the year ended 31 December 2004 of US\$1.30, and a dividend per share for the year ended 31 December 2005 of US\$1.50.

The offering consisted of a public offering in Switzerland and a private placement in certain other countries outside Switzerland, and outside the United States, Canada, Australia and Japan, as well as an offering to eligible existing shareholders in accordance with pre-emptive subscription rights.

ING Bank N.V., Kempen & Co and Renaissance Capital acted as Joint Lead Managers in the offering, and OZ Bankers acted as Co-Lead Manager.

Further Information

Eastern Property Holdings Limited

Terry Olin
+41 22 716 1035

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НАСТОЯЩИЙ РЕЛИЗ НЕ ЯВЛЯЕТСЯ ПРЕДЛОЖЕНИЕМ ИЛИ РЕКЛАМОЙ ЦЕННЫХ БУМАГ В РОССИЙСКОЙ ФЕДЕРАЦИИ, РАВНО КАК НЕ ЯВЛЯЕТСЯ ПРЕДЛОЖЕНИЕМ КАКОМУ-ЛИБО ЛИЦУ, ПРОЖИВАЮЩЕМУ, ЗАРЕГИСТРИРОВАННОМУ, УЧРЕЖДЕННОМУ ИЛИ ИМЕЮЩЕМУ ПОСТОЯННОЕ МЕСТОЖИТЕЛЬСТВО (МЕСТОНАХОЖДЕНИЯ) В РОССИЙСКОЙ ФЕДЕРАЦИИ, ИЛИ НАХОДЯЩЕМУСЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ (ЛИБО ПРЕДЛОЖЕНИЕМ В ПОЛЬЗУ ТАКОГО ЛИЦА) О ПРОДАЖЕ ЦЕННЫХ БУМАГ, А ТАКЖЕ НЕ ЯВЛЯЕТСЯ ПРИГЛАШЕНИЕМ КОМУ-ЛИБО ИЗ ТАКИХ ЛИЦ (ЛИБО В ПОЛЬЗУ КОГО-ЛИБО ИЗ ТАКИХ ЛИЦ) ДЕЛАТЬ ОФЕРТЫ О ПРИОБРЕТЕНИИ ЦЕННЫХ БУМАГ.

ОН НЕ ПРЕДНАЗНАЧЕН ДЛЯ ПУБЛИЧНОГО РАСПРОСТРАНЕНИЯ И НЕ ДОЛЖЕН ПУБЛИЧНО РАСПРОСТРАНЯТЬСЯ НА ТЕРРИТОРИИ РОССИЙСКОЙ ФЕДЕРАЦИИ.

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