

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION,
DIRECTLY OR INDIRECTLY, IN OR INTO
THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**



7 December 2007

Road Town, Tortola, BVI

**EASTERN PROPERTY HOLDINGS ANNOUNCES EXERCISE OF OVER-ALLOTMENT
PUT OPTION FOR 210,000 SHARES**

Eastern Property Holdings Limited announces that the Joint Lead Managers of its November 2007 equity offering have exercised their over-allotment put option for 210,000 ordinary shares. Upon completion of this offering, we will have 4,889,229 issued and outstanding ordinary shares.

The offering consisted of a public offering in Switzerland and an offering to certain investors in certain other jurisdictions under circumstances not requiring registration or constituting an offer to the public, as well as an offering to eligible shareholders existing prior to the offering under subscription rights granted to such shareholders.

Kempen & Co, Renaissance Capital and Valartis Bank acted as Joint Lead Managers in the offering.

* * *

Eastern Property Holdings Limited is an SWX listed real estate development and investment company focusing on Russia. We hold interests in office, residential and retail real estate and property developments, principally in Moscow and St. Petersburg. We are managed by EPML, a real estate management company that is a wholly-owned subsidiary of Valartis Group AG.

Additional information on Eastern Property Holdings is available on the company website: www.easternpropertyholdings.com, or by contacting Terry Olin at Eastern Property Holdings Limited, tel: +41 22 716 1000, e-mail: contact@easternpropertyholdings.com.

* * *

Cautionary note concerning forward looking statements

Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements which are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "will," "may," "continue," "should" and similar expressions identify forward-looking statements. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION,
DIRECTLY OR INDIRECTLY, IN OR INTO
THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

resources and capital expenditures; economic outlook and industry trends; developments of our markets; the impact of regulatory initiatives; and the strength of our competitors.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond our control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of Eastern Property Holdings Limited or the industry to differ materially from those results expressed or implied in this press release by such forward-looking statements. Such risks, uncertainties, contingencies and other important factors include, among others: political and social developments; general economic, market and business conditions; trends in the real estate markets in which we operate or plan to operate; our business and growth strategies; planned acquisitions or development projects, or any other projects in our investment pipeline; our expansion into other geographic regions or market segments; the effects of legislation, regulation, bureaucracy or taxation on our business; and our anticipated future revenues, capital expenditures and financial resources.

The information, opinions and forward-looking statements contained in this press release speak only as at the date of this press release, and are subject to change without notice.

* * *

THIS RELEASE IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND IS NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES. THIS RELEASE DOES NOT CONTAIN OR CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY SECURITIES IN THE UNITED STATES. IN ADDITION, THE SECURITIES OF EASTERN PROPERTY HOLDINGS LIMITED HAVE NOT BEEN AND ARE NOT INTENDED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION UNDER THAT ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION REQUIREMENTS UNDER THAT ACT.

THIS COMMUNICATION IS BEING DISTRIBUTED ONLY TO AND IS DIRECTED ONLY AT (A) PERSONS OUTSIDE THE UNITED KINGDOM, (B) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS, I.E., INVESTMENT PROFESSIONALS WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), AND (C) HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS AND OTHER BODIES TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED IN ACCORDANCE WITH ARTICLE 49 OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THE SECURITIES ARE AVAILABLE ONLY TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE SUCH SECURITIES WILL BE AVAILABLE ONLY TO OR WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS COMMUNICATION OR ANY OF ITS CONTENTS.

THIS RELEASE IS NOT AN OFFER OR ADVERTISEMENT OF SECURITIES IN THE RUSSIAN FEDERATION, AND IS NOT AN OFFER TO SELL TO OR FOR THE BENEFIT OF ANY PERSON RESIDENT, INCORPORATED, ESTABLISHED OR HAVING THEIR USUAL RESIDENCE IN THE RUSSIAN FEDERATION, OR TO ANY PERSON LOCATED WITHIN THE TERRITORY OF THE RUSSIAN FEDERATION, OR AN INVITATION TO OR FOR THE BENEFIT OF ANY SUCH PERSON TO MAKE OFFERS TO PURCHASE ANY SECURITIES.

IT IS NOT INTENDED TO BE AND MUST NOT BE PUBLICLY DISTRIBUTED IN OR INTO THE RUSSIAN

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION,
DIRECTLY OR INDIRECTLY, IN OR INTO
THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.**

FEDERATION.

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.