

Northacre Plc

West London Telephone Exchange Update:

12th October 2009

Prime Residential Developer, Northacre PLC (“the Company”), today announces that the joint venture with Bomac (UK) Limited, known as the Empress Partnership, has had its contract to acquire the West London Telephone Exchange site in Warwick Road rescinded. As a result the Company’s share of the deposit paid on exchange of contracts (announced on 5th November 2007) through its special purpose vehicle company, has been forfeited.

Northacre’s Chief Executive, John Hunter commented:

“Over the period of this transaction, the banking crisis has resulted in a chronic absence of debt for speculative residential property development.

We will continue to pursue the acquisition of this site in order to recover, as much as possible, the investment for the joint venture. Albeit on a smaller scale, there are clear signs emerging of some lending returning to the market. It remains our objective to secure funds for acquiring this exciting residential site for development opportunity in the near future.”

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