

NORTHACRE PLC (the “Company”) The Vicarage

15th December 2008

Announcement

Northacre announces today that, following the hearing of a Public Inquiry in November, the Planning Inspectorate has now determined that the appeal for a residential scheme be allowed.

Shareholders will recall the protracted planning struggle that has saddled the company's joint venture with Arcapita over the last five years. Northacre's proposal for a new build residential scheme comprising 20 private and affordable apartments is therefore granted in favour of The Royal Borough of Kensington and Chelsea's assertion that the site's existing C2 use should be safeguarded for the provision of elderly care.

John Hunter, the company's Chief Executive said;

"The Inspectorate's decision to grant a residential planning consent on the site at Vicarage Gate House in a prime Kensington location, brings to a close this long running planning struggle. Shareholders and consultants on both sides of the joint venture partnership are pleased to see that their resolve has finally been rewarded with this positive outcome"

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