

Sirius Real Estate Limited
Registered Number 46442

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26 July 2011

Dear Shareholder

Sirius Real Estate AGM

Enclosed with this letter is notice of the Annual General Meeting for shareholders which will take place on 12 August 2011 at our offices. The resolutions you are being asked to vote on this year include ratifying the appointment of 7 new directors and the re-election of Walter Hens and myself. As you are aware, Dick Kingston, our Chairman since the IPO of Sirius Real Estate in 2007, has stepped down and I have replaced him. In addition Chris Fish, a long standing director, has resigned from the Board. You are also no doubt aware that in May this year your Board gave notice to the asset manager, PCSREAM, to terminate their management agreement with effect on 4th May 2012. In light of these significant changes to your company I thought I would write to you all with some words of explanation and setting out the views of the Board. Further information on these events can be found on our website (www.sirius-real-estate.com).

Asset Management Agreement

The asset management agreement governs the terms on which PCSREAM manages almost all aspects of the business. This agreement was drawn up prior to the IPO and slightly amended on the demise of the Dawnay Day Group. The Board felt that this agreement was not competitive in the current environment and as it contained an early termination provision in the event of underperformance the Board elected to terminate the agreement early. The Board entered in to discussions with PCSREAM and came up with a revised set of terms to form a new external management agreement with PCSREAM. We proposed these terms to a number of key shareholders representing more than 50% of the share register but were unfortunately unable to secure adequate support. Dick Kingston believed that this proposal was in the best interest of shareholders and tendered his resignation when it became obvious that this proposal would not receive the support of the majority of shareholders. Since we are committed to reach a new management structure with the support of the majority of the shareholder base we agreed not to pursue a new contract with PCSREAM as the external asset manager. The Board are now entering into new discussions with PCSREAM to form an internally structured management team. This would include all the existing team of people at Sirius Facilities GmbH who are essential in providing the day to day management of the business. These discussions are at an early stage and I will keep you updated as talks progress.

The New Board composition

Weiss Asset Management have for some time been asking the Board to appoint two new directors to the Board, Eitan Milgram, as a representative of Weiss, and Rolf Elgeti. The Board's view was that the Board composition was adequate whilst we were looking to agree a new contract with the existing manager. However as the company is now looking at fully internalising management a larger Board with broader expertise and key shareholder representation will be beneficial in what will be a difficult process. Weiss were also putting forward an EGM resolution to remove Dick Kingston and Walter Hens. Dick has now left the Board and Walter will be standing for re-election at the AGM. Walter joined the Board in February 2010 and has over 37 years' experience in the European real estate sector. His experience includes 20 years with SEGRO Plc where he most recently held the positions of European Managing Director, and Group Executive Director. He was responsible for SEGRO's European operations from 2003 to 2007 during which time the company built up a major pan-European portfolio, including a number of major acquisitions in Germany.

The Board firmly believes that Walter is a valuable member of the team and his relevant experience is critical to the Company at this transition stage. I therefore recommend to you that you vote FOR the resolution to re-elect Walter Hens at the AGM.

In addition to the Weiss nominations, the Board have agreed to appoint the following directors as shareholder representatives:

Wessel Hamman as a Director to represent Karoo Investment Fund S.C.A. SICAV-SIF, a 25% shareholder. Wessel is a Chartered Accountant by training and spent 11 years in the investment banking industry before co-founding Clearance Capital in 2008. Clearance Capital is an investment advisor to the Karoo Investment Funds.

Amanda Spring as a Director to represent Laxey, a 10% shareholder. Amanda has 18 years experience in the real estate sector, the last 9 of which have been in Continental Europe operating in Hungary, Germany, France, Poland, Czech Republic and Romania.

Due to these new shareholder nominated directors we have also appointed the following additional independent Guernsey directors:

Ian Clarke, who has over 20 years experience in the finance industry in Guernsey including wealth management, the administration of international trusts, corporate entities and regulated funds.

Shelagh Mason, who is an English property solicitor with over 25 years experience in commercial property and holds numerous positions on boards as non-executive director.

Charles Parkinson, who holds several non-executive directorships in investment and property companies, as well as chairing AIM listed Eastern European Property Fund.

In making these new appointments the Board have considered the following:

- As a Guernsey registered company, the Board must have an adequate number of Guernsey directors continue to operate effectively from Guernsey;
- The majority of the Board must be offshore for UK and German tax purposes to avoid triggering a substantial increase in the tax liability;
- The majority of the Board must be resident in UK, Guernsey, Jersey or Isle of Man in order for Sirius to remain within the jurisdiction of the Panel of Takeovers and Mergers;

- The Board must have at least two independent directors and must not be dominated by one person or group of people.

The Board are therefore recommending that you vote FOR all the resolutions at the AGM.

A handwritten signature in black ink, appearing to read 'Sinclair', written in a cursive style.

Robert Sinclair
Chairman
Sirius Real Estate Limited.

Notice of Annual General Meeting

For the year ended 31 March 2011

Notice is hereby given that the fourth Annual General Meeting of the members of Sirius Real Estate Limited will be held at Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB on 12 August 2011 at 10.00 a.m. to consider and if thought fit pass the following resolutions:

Ordinary business

1. THAT the annual audited accounts and statement of financial position and the reports of the Directors and auditors for the period ended 31 March 2011 be received and considered for approval.
2. THAT Robert Sinclair be re-elected as a Director of the Company.
3. THAT Walter Hens be re-elected as a Director of the Company.
4. THAT the appointment of Wessel Hamman as a Director of the Company be duly ratified.
5. THAT the appointment of Amanda Spring as a Director of the Company be duly ratified.
6. THAT the appointment of Rolf Elgeti as a Director of the Company be duly ratified.
7. THAT the appointment of Eitan Milgram as a Director of the Company be duly ratified.
8. THAT the appointment of Shelagh Mason as a Director of the Company be duly ratified.
9. THAT the appointment of Charles Parkinson as a Director of the Company be duly ratified.
10. THAT the appointment of Ian Clarke as a Director of the Company be duly ratified.
11. THAT no final dividend shall be payable.
12. THAT KPMG Channel Islands Limited be reappointed as the auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which the accounts are presented to the Company and to authorise the Directors to fix their remuneration.

Special business

13. THAT the Company be and is hereby re-authorised in accordance with Section 5 of the Companies (Purchase of Own Shares) Ordinance, 1998 to make market purchases of its own shares provided that:
 - (a) the maximum number of ordinary shares authorised to be acquired is such number as represents 14.99% of the shares in issue from time to time (rounded to the nearest whole number);
 - (b) the minimum price which may be paid for a share is €0.01;
 - (c) the maximum price which may be paid for a share is not more than 5% above the average of the middle market quotations for the relevant shares, as published by the London Stock Exchange for the five business days before the purchase is made; and
 - (d) such authority shall expire on the date of the Annual General Meeting of the Company in 2012 unless the authority is varied, renewed, or revoked prior to such date by a resolution of the Company in a general meeting or the Company has made a contract to purchase its own shares under such authority prior to its expiry which will or may be executed wholly or partly after its expiration.

By order of the Board

Peter Griffin

Director for Intertrust Fund Services (Guernsey) Limited
Corporate Secretary
26 July 2011

Registered office

PO Box 119
Martello Court
Admiral Park
St Peter Port
Guernsey GY1 3HB
Channel Islands

Notice of Annual General Meeting

For the year ended 31 March 2011

Please note that you are entitled to appoint a Proxy to vote instead of you on any poll. The Proxy need not be a Member of the Company. The form appointing a Proxy must be lodged with Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or for convenience at the registered office of the Company C/O Intertrust Fund Services (Guernsey) Limited, Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB with at least 48 hours before the meeting to enable the Proxy to vote for you.

See notes below.

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint two or more persons as proxies in the alternative, but only one of such proxies may attend as such and vote instead of such Shareholder. A proxy need not also be a Shareholder. The delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the Meeting or at any adjournment thereof.
2. To be valid a proxy form (and any power of attorney or other authority (if any) under which the proxy form is signed (or a notarially certified copy thereof)) must be lodged at the registered office of the Company or with Capita Registrars not less than 48 hours before the time for holding the Meeting or any adjournment thereof. A proxy form is enclosed.
3. The quorum for the Meeting is two Shareholders present either in person or by proxy. The majority required for the passing of any special resolutions is seventy-five (75%) or more of the total number of votes cast on each such special resolution. The majority required for the passing of any ordinary resolutions is more than fifty (50%) of the total number of votes cast on each such ordinary resolution.
4. At the Meeting the votes may be taken by a show of hands or on a poll, at the option of the Chairman. On a show of hands every Shareholder present, in person or by proxy, shall have one vote. On a poll every Shareholder who is present, in person or by proxy, shall have one vote for every Ordinary Share held by him. On a poll votes may be given either personally or by proxy. A Shareholder entitled to more than one vote need not use all of his votes or cast all of the votes he uses in the same way.
5. If, within 15 minutes from the appointed time for the Meeting, a quorum is not present, then the Meeting will be adjourned to the same time on 19 August 2011 at the same address. At the adjourned Meeting, those Shareholders present, in person or by proxy, will form a quorum whatever their number and the number of ordinary shares held by them. Again, a majority of not less than 75% of the total number of votes cast is required to pass any special resolutions. The majority required for the passing of any ordinary resolutions is more than 50% of the total number of votes cast on each such ordinary resolution.
6. Where there are joint registered holders of any ordinary share such persons shall not have the right of voting individually in respect of such ordinary share, but shall elect one of their number to represent them and to vote, either in person or by proxy, in their name.
7. No Shareholder shall be entitled to be present or take part in any proceedings or vote, either in person or by proxy, at the Meeting unless all calls due from him have been paid. No Shareholder shall be entitled to vote in respect of any ordinary shares unless he has been registered as their holder. For the purposes of determining which persons are entitled to attend or vote at the Meeting and how many votes such person may cast the Shareholder must be entered on the register of Shareholders, held at the registered office of the Company, 48 hours before the time fixed for the Meeting.