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ISHAAN REAL ESTATE PLC

25 March 2009

Tender Offer

The board of directors (the "Board") of Ishaan Real Estate plc ("Ishaan" or the "Company") announces today that it intends to return up to £18.6m to Shareholders, being the holders of ordinary shares of £0.01 each in the capital of the Company ("the Ordinary Shares"). This will be effected by way of a tender offer, a summary of which is set out below (the "Tender Offer"). Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in a circular, which is being sent to holders of ordinary shares today (the "Circular"). The Tender Offer is subject to approval by Shareholders at an extraordinary general meeting to be held on 17 April 2009 (the "Extraordinary General Meeting" or the "EGM").

Apart from the responsibilities, if any, which may be imposed on Deutsche Bank by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Deutsche Bank does not accept any responsibility for the contents of this document or for any statements made or purported to be made by it, or on its behalf in connection with the proposals described herein.

Deutsche Bank is acting exclusively for the Company and no-one else and will not be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the Tender Offer or the contents of this document.

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Highlights

Return of up to £18.6 million to Shareholders by way of a Tender Offer.

Tenders will be accepted in the range of 20 pence to 30 pence per Ordinary Share inclusive, in increments of two pence only.

The Tender Offer is being structured using a strike price mechanism as described below. All successfully tendered Ordinary Shares will be acquired at the strike price.

The Tender Offer is conditional upon, amongst other things, Shareholder approval which will be sought at an EGM to be held on Friday 17 April 2009.

The closing time and date of the Tender Offer is 3 p.m. on Thursday 23 April 2009.

The Tender Offer is being made available to all eligible Shareholders who are on the register of members of the Company (the "Register") at 5 p.m. on Thursday 23 April 2009 (the "Record Date").

Assuming the Tender Offer is fully subscribed, it will result in the purchase and subsequent cancellation of approximately 62 million Ordinary Shares.

The Board considers that the Tender Offer, the general authority to make market purchases being sought at the EGM (the "General Authority") and the amendment to the articles of association (the "Articles") to allow the Chairman of the Company to have a casting vote in case of an equality of votes at Board meetings, are in the best interests of Shareholders as a whole. Accordingly, the Board is unanimously recommending that all Shareholders vote in favour of the resolutions (the "Resolutions") to be proposed at the EGM as they intend to do in respect of their own beneficial holdings.

Ian Henderson, Chairman of Ishaan, said "The Board believes that the recent trading price of the Company's shares is not fully reflective of the value of the Company's business and future prospects. Therefore, the Company believes that the purchase of Ordinary Shares under the Tender Offer represents an attractive investment for the Company and an efficient means of providing value to Shareholders who do not participate in the Tender Offer. In addition, the Tender Offer provides

Shareholders who wish to realise part or all of their investment in the Company with an opportunity to access liquidity which might otherwise not be available in the market.”

This announcement does not constitute an offer to purchase any securities or the vote in any jurisdiction. The full terms and conditions of the Tender Offer will be set out in the Circular to be posted to Shareholders today. Shareholders are advised to read carefully the formal documentation in relation to the Tender Offer once it has been despatched. The Tender Offer is not being made, directly or indirectly, in or into Canada, Australia, South Africa or Japan and neither this announcement nor the Tender Offer documentation may be distributed or sent in or into or from Canada, Australia, South Africa or Japan.

The Tender Offer is being made available to all Shareholders who are on the Register on the Record Date. Shareholders can decide whether they want to tender all or any of their Ordinary Shares in the Tender Offer. **Shareholders are not obliged to tender all or any of their Ordinary Shares if they do not wish to do so.** You should read the whole of the Circular and not rely solely on the information in this announcement.

The Tender Offer requires the approval of Shareholders at the EGM. The Board is unanimously recommending Shareholders to vote in favour of the Resolutions to be proposed at the EGM as the Board intend to do in respect of their own beneficial holdings of Ordinary Shares amounting in aggregate to 956,657 Ordinary Shares (representing approximately 0.47 per cent. of the current issued Ordinary Share capital of Ishaan).

The Board is making no recommendation to Shareholders in relation to participation in the Tender Offer. Shareholders need to decide individually what is best for them. Tenders may be made in the price range of 20 pence to 30 pence per Ordinary Share inclusive (the “Price Range”), which at 20 pence (the “Minimum Price”) is a premium of 9.6 per cent. and at 30 pence (the “Maximum Price”) a premium of 64.4 per cent. to the middle market closing price of 18.25 pence on Tuesday 24 March 2009, the last practicable date before the publication of this announcement respectively. Only tenders made in two pence increments in the Price Range will be accepted.

Background to the Tender Offer

The Company completed its initial public offering in November 2006, raising net proceeds of £197.7million, of which £133.2 million was used to acquire interests in eight projects in the Indian real estate sector. The remaining net proceeds, other than amounts reserved for payment of the Company’s ongoing fees and expenses, were originally intended to be invested in further real estate development projects in India. In November 2007 the Company announced a £26.2 million investment in a further real estate development project in Navi Mumbai, Mumbai. However, given ongoing challenging market conditions in the Indian real estate market and following the decision in December 2008 not to make any further investments in new projects, the Board has determined that it is now in the best interests of shareholders to distribute excess cash held on the Company’s balance sheet to Shareholders.

In determining the most appropriate way of returning cash to Shareholders, the Board has to act “in the best interests of Shareholders as a whole”. The Board believes that the recent trading price of the Company’s shares is not fully reflective of the value of the Company’s business and future prospects. Therefore, the Company believes that the purchase of Ordinary Shares under the Tender Offer represents an attractive investment for the Company and efficient means of providing value to Shareholders who do not participate in the Tender Offer. In addition, the Tender Offer provides Shareholders who wish to realise part or all of their investment in the Company with an opportunity to access liquidity which might otherwise not be available in the market.

The Board has sought to ensure that as many Shareholders as possible can participate in the return of value whilst allowing Shareholders individually to choose whether to participate in the Tender Offer or not. As a Shareholder you can decide whether you want to tender your Ordinary Shares under the Tender Offer or to keep them.

The Tender Offer will be financed from the Company’s existing cash resources. As at Friday 28 February 2009, the Company had cash available in an amount of £39.4 million. The Board has determined that of this amount, £26.8 million constitute distributable reserves.

Following a return of capital of up to £18.6 million, Ishaan will remain in a net cash position with a strong balance sheet.

The Tender Offer

Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in a Circular which is being sent to Shareholders today.

The Tender Offer is conditional, amongst other things, on the passing of the Resolution to approve the Tender Offer at the EGM.

Other conditions are specified in Part 5 of the Circular. The Tender Offer is only available to Shareholders on the Register on the Record Date and in respect of their Ordinary Shares held on the Record Date.

Shareholders can choose whether they want to tender their Ordinary Shares under the Tender Offer or not. Shareholders are not obliged to tender any of their Ordinary Shares if they do not wish to do so.

All Ordinary Shares purchased under the Tender Offer will be purchased at the same price (the "Strike Price") which will be determined by the method set out in this document. The Strike Price will not be known until after the end of the Tender Offer period and is expected to be announced on Monday 27 April 2009.

Under the Tender Offer, Deutsche Bank will purchase Ordinary Shares within the Price Range.

Shareholders who wish to tender all or any of their Ordinary Shares under the Tender Offer can choose to tender their Ordinary Shares to Deutsche Bank in different ways. Shareholders have a choice whether to submit:

- by way of an "Auction Tender", in which the tendering Shareholders specify a single price or different prices per Ordinary Shares, in increments of two pence only between the Minimum Price and the Maximum Price, within the Price Range; or
- by way of a "Strike Price Tender", in which the tendering Shareholders do not specify a price per Ordinary Share, but agree to have Shares purchased at the Strike Price. For the purposes of determining the Strike Price, Ordinary Shares tendered pursuant to a Strike Price Tender will be deemed to have been tendered at the Minimum Price.

Auction Tenders will be accepted in the range of 20 pence to 30 pence per Ordinary Share inclusive, in increments of two pence only. For the avoidance of doubt Auction Tenders should be even numbers divisible by two.

Successfully tendered Ordinary Shares will be purchased at the Strike Price by Deutsche Bank who in turn will sell the Ordinary Shares to the Company at the same price. Such Ordinary Shares will then be cancelled. The Strike Price will fall within the Price Range of 20 pence to 30 pence per Ordinary Share inclusive. Shareholders do not pay dealing costs on any successfully tendered Ordinary Shares.

The Strike Price will be the lowest price per Ordinary Share within the Price Range that will allow Deutsche Bank to purchase the maximum number of Ordinary Shares successfully tendered pursuant to the Tender Offer. Subject to

- The total cost of the Tender Offer not exceeding £18.6 million; and
- The total number of Ordinary Shares purchased not exceeding 62,000,000.

If the aggregate value of all Ordinary Shares deemed to have been successfully tendered at the Strike Price is £18.6 million or less, all Ordinary Shares successfully tendered will be accepted and purchased (provided that the conditions set out in paragraph 2.1 of Part 5 of the Circular are satisfied). In the event that the Tender Offer is over-subscribed at the Strike Price, then Ordinary Shares will be purchased on a pro rata basis according to the total number of Ordinary Shares successfully tendered at the Strike Price.

If a price above the Strike Price is specified by a Shareholder, the Ordinary Shares offered at that price by the Shareholder will not be purchased under the Tender Offer.

Shareholders are able to tender their Ordinary Shares up until 3 p.m. on the closing date of the Tender Offer, which is Thursday 23 April 2009. In order to participate in the Tender Offer:

- Shareholders holding Ordinary Shares in certificated form must return the tender form provided (the "Tender Form") together with any share certificate(s) and/or other document(s) of title in accordance with the instructions set out on the Tender Form by 3 p.m. on Thursday 23 April 2009.
- Shareholders holding Ordinary Shares in uncertificated form (that is, in CREST) are directed to paragraph 3.3 in Part 5 in the Circular.

Shareholders do not have to tender any Ordinary Shares if they do not wish to do so. Shareholders who choose not to participate in the Tender Offer and who therefore do not tender their Ordinary Shares will not receive any cash proceeds in respect of their Ordinary Shares under the Tender Offer but will benefit from owning a greater percentage of the Ordinary Shares of the Company as there will be fewer Ordinary Shares in issue after completion of the Tender Offer than prior to the completion of the Tender Offer.

The Tender Offer is subject to Shareholder approval which will be sought at the EGM.

Ordinary Shares may be traded in the normal way during the period in which the Tender Offer remains open.

The purchase from Shareholders and the sale of the Ordinary Shares concerned to the Company will be effected via normal market trades, in accordance with the AIM rules (the "AIM Rules"). This will ensure that the purchase of the Ordinary Shares concerned constitutes a market purchase by the Company of its own shares for the purposes of the Isle of Man Companies Act 1992 (the "Act").

The Tender Offer is only available to Shareholders outside Canada, Australia, South Africa or Japan.

Successfully tendered Ordinary Shares will be cancelled and will not rank for any future dividends.

Any rights of Shareholders who choose not to tender their Ordinary Shares will be unaffected.

The Board reserve the right, at any time prior to the announcement of the results of the Tender Offer, to prevent Deutsche Bank from proceeding with the Tender Offer if they conclude that its implementation is no longer in the best interests of the Company and/or Shareholders as a whole.

The Board also reserve the right, with the prior consent of Deutsche Bank, to revise the Price Range or change the aggregate value of the Tender Offer, based on market conditions and/or other factors, subject to compliance with applicable legal and regulatory requirements.

Full details of the Tender Offer, including the terms and conditions on which it is made, are set out in the Circular.

General Authority to repurchase Ordinary Shares

A general authority to buy-back up to 10 per cent. of the Company's issued ordinary share capital was sought and approved by ordinary resolution adopted by the Company at its annual general meeting held on 3 September 2008 (the "AGM"). As at Friday 20 March 2009, being the last practicable date before the date of this document, the Company had bought back 234,000 Ordinary Shares, representing 0.11 per cent. of the Company's issued ordinary share capital.

If the Tender Offer is successfully implemented, the Company's issued Ordinary Share capital will be reduced by up to approximately 30 per cent. As such, the Board is also seeking the General Authority (in substitution for the existing authority) at the EGM to make market purchases of up to 14,489,764 Ordinary Shares representing a maximum of 10 per cent. of Ishaan's issued Ordinary Share capital after completion of the Tender Offer (assuming that the maximum number of Ordinary Shares authorised to be purchased by the Company pursuant to the Tender Offer is purchased by the Company).

Further details regarding the General Authority to repurchase which is being sought are set in the Circular in the section headed "Extraordinary General Meeting". Any Ordinary Shares purchased under this authority will be cancelled.

Overseas Shareholders

The making of the Tender Offer in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom (the "Overseas Shareholders") may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements.

In particular, the Tender Offer is not being made directly or indirectly in or into or by use of the mails or by any means or instrumentality (including, without limitation, facsimile transmission, telex, and telephone) or interstate or foreign commerce, or any facility of a national securities exchange of, Canada, Australia, South Africa or Japan and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within Canada, Australia, South Africa or Japan.

Further details are provided in paragraph 7 of Part 5 of the Circular.

US Shareholders

Shareholders who are located in, or citizens of, the United States should refer to Part 8 of the Circular.

Recommendation

The Board considers that the Tender Offer, the General Authority and the amendment to the Articles are in the best interests of the Shareholders as a whole.

Accordingly, the Board unanimously recommends all Shareholders to vote in favour of the Resolutions as they intend to do in respect of their own beneficial holdings of Ordinary Shares amounting in aggregate to 956,657 Ordinary Shares (representing approximately 0.47 per cent. of the current issued Ordinary Share capital of Ishaan).

The Board is making no recommendation to Shareholders in relation to participation in the Tender Offer itself. Whether or not Shareholders decide to tender all or any of their Ordinary Shares will depend, among other things, on their view of Ishaan's prospects and their own individual circumstances, including their tax position. Shareholders are recommended to consult their duly authorised independent advisers and make their own decision.

Neither the Board nor its investment adviser, Neerav Investment Advisory Services (Dubai) Limited, intend to tender any of their or its Ordinary Shares pursuant to the Tender Offer.

Further Information

Further details of the Tender Offer including the expected timetable are set out in appendices at the end of this announcement.

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Appendix 1 – Expected timetable of principal events

2009

Tender Offer opens	25 March
Latest time and date for receipt of Forms of Proxy	10 a.m. on Wednesday 15 April
Latest time and date for Shareholders on the Register of Members to be entitled to vote at the Extraordinary General Meeting	6 p.m. on Wednesday 15 April
Extraordinary General Meeting	10 a.m. on Friday 17 April 2009
Latest time and date for receipt of Tender Forms ..	3 p.m. on Thursday 23 April
Latest time and date for settlement of Electronic Tenders in CREST	3 p.m. on Thursday 23 April
Record Date for Tender Offer	5 p.m. on Thursday 23 April
Announcement of results of the Tender Offer	Monday 27 April
Despatch of cheques for Tender Offer proceeds in respect of sold certificated Ordinary Shares	Tuesday 28 April
CREST accounts credited with Tender Offer proceeds in respect of sold uncertificated Ordinary Shares	Tuesday 28 April
CREST accounts credited for revised holdings of Ordinary Shares (or, in the case of unsuccessful tenders, for entire holdings of Ordinary Shares)	Tuesday 28 April
Return of share certificates in respect of unsuccessful tenders	Tuesday 28 April
Despatch of balance share certificates for unsold Ordinary Shares	Friday 1 May

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Appendix 2 – Defined terms

“Act”	Isle of Man Companies Act 1992
“AGM”	the Annual General Meeting held on 03 September 2008
“AIM”	a market operated by the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange governing admission to and the operation of AIM
“Articles”	the articles of association
“Board”	the board of directors of the Company
“Circular”	the document setting out the full details of the Tender Offer, including the terms and conditions on which it is being made
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“Deutsche Bank”	Deutsche Bank AG, London Branch
“Extraordinary General Meeting” or “EGM”	the Extraordinary General Meeting of the Company convened for 10 a.m. on Friday 17 April 2009 (and any adjournment thereof), notice of which is set out at the end of this document
“Form of Proxy”	the form of proxy accompanying the Circular, for use at the EGM
“General Authority”	the general authority to make market purchases
“Ishaan” or the “Company”	Ishaan Real Estate plc, incorporated and registered in the Isle of Man with registered number 117470C
“London Stock Exchange”	London Stock Exchange plc
“Maximum Price”	30 pence per Ordinary Share
“Minimum Price”	20 pence per Ordinary Share
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Overseas Shareholders”	a Shareholder who is a resident in, or a citizen of, a jurisdiction outside the United Kingdom
“Price Range”	the range of prices in which Ordinary Shares will be purchased by Deutsche Bank pursuant to the terms of the Tender Offer, being 22 pence to 30 pence per Ordinary Share inclusive, in two pence increments only
“Record Date”	5 p.m. on 23 April 2009

“Register”	the Register of Members of the Company
“Resolutions”	the special resolutions to be proposed at the EGM to authorise the purchase of Ordinary Shares pursuant to the Tender Offer and to authorise the making by the Company of market purchases of Ordinary Shares
“Tender Form”	the tender form accompanying the Circular for use in connection with the Tender Offer by Shareholders who hold Ordinary Shares in certificated form and uncertificated form
“Tender Offer”	the invitation by Deutsche Bank AG to shareholders (other than certain Overseas Shareholders) to tender Ordinary Shares on the terms and subject to the conditions set out in the Circular and also, in the case of certificated Ordinary Shares only, the Tender Form