

NORTHERN EUROPEAN PROPERTIES LTD

For Immediate Release:

NEPR EXPANDS ITS NORDIC PROPERTY PORTFOLIO WITH THE PURCHASE OF PROPERTIES FOR A TOTAL OF €134.8 MILLION

16 February 2007 - Northern European Properties Ltd ("NEPR"), which invests in real estate opportunities in the Nordic and Baltic Regions, announces today the purchase of two property portfolios, with closing 1st March 2007, for a total amount of €134.8 million from LR Nordic Properties AB, a subsidiary of London & Regional Group. The purchases form a key part of NEPR's strategy to build a high yield portfolio with secure, long lease term tenants in the region.

The first portfolio, consisting of 15 industrial and logistics properties, 12 of which are in south and central Sweden, two in Poland and one in Germany, was acquired for €84 million. The yield on the purchase price is 8.1% and the average lease term is 12 years. The transaction is financed with 70% external debt capital. The properties have a total lettable area of about 240,000 sqm and industrial companies such as Finnveden and Bufab are among the tenants.

The second portfolio, consisting of four hotels in Finland, was acquired for €50.8 million. The yield on the purchase price is 6.5% and the average lease term is 15 years. The transaction is financed with 80% external debt capital. The properties have a total lettable area of about 28,000 sqm. The tenants are leading Finnish hotel chains Sokos Hotels and Restel.

"I am delighted to announce the expansion of our portfolio with high yields, high quality properties in a dynamic and competitive property market in the region. We are currently considering a number of transactions in the Baltic region of Russia and our priority is now to finalise these", said Thomas Lindeborg, CEO of NEPR.

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NOTES TO EDITORS:

Northern European Properties Limited ("NEPR") is a Jersey incorporated company which invests in real estate opportunities in the Nordic and Baltic Regions and Baltic Russia. The company has been listed on AIM, a market on the London Stock Exchange, since 15 November 2006. The initial property portfolio of NEPR is a diverse portfolio of 84 properties located in the Nordic Region and Lithuania, with approximately 1.8 million square metres of floor area. NEPR has appointed LR Real Estate Asset Management (LR REAM) to manage these assets and to pursue investment opportunities. www.northerneuropeanproperties.com