

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised pursuant to the Financial Services and Markets Act 2000 who specialises in advising upon investment in shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the Proxy Form to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia, the Republic of Ireland or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain these documents, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read in conjunction with the accompanying Proxy Form and the Notice of Extraordinary General Meeting set out at the end of this Circular.

Notice of an Extraordinary General Meeting of Hansteen Holdings PLC to be held at 1 Berkeley Street, London, W1J 8DJ at 10.00 a.m. on 23 March 2007 is set out at the end of this document. Shareholders are urged to complete and return the enclosed Proxy Form, in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to be received by the Company's Registrars, Capita Registrars, at Proxy Processing Centre, Telford Road, Bicester, OX26 4LD or by hand at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 10.00 a.m. on 21 March 2007. Completion and return of the Proxy Form will not preclude Shareholders from attending the meeting and voting in person should they subsequently wish to do so.

HANSTEEN HOLDINGS PLC

(Incorporated in England and Wales with Registration Number 5605371)

Placing of 53,435,115 New Ordinary Shares

Notice of Extraordinary General Meeting

KBC Peel Hunt Ltd ("KBC Peel Hunt"), which is authorised and regulated by the Financial Services Authority, is acting for the Company and no other person in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to customers of KBC Peel Hunt nor for advising any other person on the contents of this document or any matter referred to herein. In particular, KBC Peel Hunt, in its capacity of Nominated Adviser to the Company, owes certain responsibilities to London Stock Exchange plc which are not owed to the Company or the Directors or to any other person in respect of their decision to acquire New Ordinary Shares. No representation or warranty, express or implied, is made by KBC Peel Hunt as to the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no liability whatsoever is accepted by KBC Peel Hunt for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Directors are solely responsible.

The Placing is conditional, *inter alia*, upon Admission taking place on 26 March 2007 (or such later date as the Company and KBC Peel Hunt may agree). The New Ordinary Shares shall rank in full for all dividends or other distributions declared, made or paid on the Ordinary Shares after the date of this document and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission save in respect for any dividend which may be announced around the time of the announcement of the preliminary statement of the results for the Company for the period from incorporation to 31 December 2006.

The New Ordinary Shares referred to in this Circular have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the Securities Act. There will be no public offer of the New Ordinary Shares in the United States, the United Kingdom or elsewhere. The New Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of this offering. Any representation to the contrary is unlawful.

This Circular is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as "Relevant Persons"). This Circular must not be acted on or relied on by persons who are not Relevant Persons.

Copies of this document will be available free of charge at the registered office of the Company for one month from the date of this document.

CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events	3
Placing Statistics	3
Definitions	4
Letter from the Chairman of Hansteen Holdings PLC	6
Notice of Extraordinary General Meeting	9

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders	28 February 2007
Latest time and date for receipt of Proxy Form	10.00 a.m. on 21 March 2007
Extraordinary General Meeting	10.00 a.m. on 23 March 2007
Admission of the New Ordinary Shares to trading on AIM	26 March 2007
CREST member accounts expected to be credited for the New Ordinary Shares in uncertificated form	26 March 2007
Despatch of definitive share certificates for the issued New Ordinary Shares in certificated form	By 2 April 2007

PLACING STATISTICS

Number of New Ordinary Shares	53,435,115
Percentage of enlarged issued share capital represented by the New Ordinary Shares	29.95 per cent.
Placing Price per New Ordinary Share	131p
Market capitalisation at the Placing Price following completion of the Placing	£233,750,000
Gross proceeds of the Placing	£70,000,000
Net proceeds of the Placing	£68,500,000

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Proxy Form unless the context requires otherwise:

“Act”	the Companies Act 1985 (as amended);
“Admission”	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange as in force at the date of this document or, where the context requires, as amended or modified after the date of this document;
“Board” or “Directors”	the board of directors of the Company;
“Circular” or “this document”	this document dated 28 February 2007;
“Company” or “Hansteen”	Hansteen Holdings PLC;
“CREST”	means the computer-based system established under the Uncertificated Securities Regulations 2001 which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which CRESTCo Limited is the Operator (as defined in the Regulations);
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 1 Berkeley Street, London, W1J 8DJ at 10.00 a.m. on 23 March 2007, notice of which is set out at the end of this document;
“KBC Peel Hunt”	KBC Peel Hunt Ltd;
“New Ordinary Shares”	the 53,435,115 Ordinary Shares to be issued pursuant to the Placing;
“Notice of Meeting”	the notice covering an extraordinary general meeting set out at the end of this document;
“Ordinary Shares”	ordinary shares of 10p each in the capital of the Company;
“Placing”	the underwritten placing by KBC Peel Hunt of the New Ordinary Shares at the Placing Price;
“Placing Agreement”	the conditional agreement dated today, a summary of which is set out in paragraph 3 of the letter to Shareholders set out in this Circular;
“Placing Price”	the price at which the New Ordinary Shares will be issued pursuant to the Placing, being 131p per New Ordinary Share;
“Proxy Form”	the form of proxy accompanying this document for use by Shareholders at the Extraordinary General Meeting;
“Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);

“Resolution”

the special resolution to be proposed at the EGM, as set out in the Notice of Meeting at the end of this Circular;

“Shareholders”

holders of Ordinary Shares as at the date of this Circular.

HANSTEEN HOLDINGS PLC

(Incorporated in England and Wales with Registration Number 5605371)

LETTER FROM THE CHAIRMAN OF HANSTEEN HOLDINGS PLC

Directors:

James Hambro
Ian Watson
Morgan Jones
Stephen Gee
Richard Mully

Registered Office:

1 Berkeley Street
London
W1J 8DJ

28 February 2007

Dear Shareholder

Placing of 53,435,115 New Ordinary Shares Notice of Extraordinary General Meeting

1. Introduction

Further to today's announcement that the Company is intending to raise £70.0 million before expenses, I am writing to you to inform you about the Placing and to convene an EGM at which shareholder approval will be sought for authority to issue shares in order to enable the Placing to take place. The issue of the New Ordinary Shares will represent an increase of 42.75 per cent. in the issued ordinary share capital of the Company.

2. Reasons for the Placing

Hansteen initially raised £123.6 million (net of expenses) at the time of its initial public offering and admission to AIM on 29 November 2005. In our AIM admission document we stated our strategy was to provide investors with consistent, high and realised returns. It was envisaged that this would be achieved through acquisition of properties over time to create a high yielding property portfolio in Continental Europe combined with other more opportunistic and management intensive acquisitions which, while lower yielding, would provide greater capital growth potential.

During the intervening period approximately £150 million of properties have been acquired at average yields of over 8 per cent. There is also a pipeline of additional properties in negotiation which will, if successfully completed, expand the portfolio. In the Directors' view the business plan is very much on schedule.

The Directors believe that there is now increasing investor interest in Continental European property which is driving property values upwards and in particular that significant premium prices are attaching to larger portfolios more suitable for the larger investors. Hansteen now wishes to raise additional equity through the Placing to accelerate the assembly of portfolios commanding such premium valuations.

In addition the Directors see opportunities in certain locations to widen the scope of their acquisitions to include prime logistic investments, vacant properties and distressed properties as well as larger scale sale and leasebacks and opportunistic purchases. The Board may also consider purchases in the UK in the future should there be opportunities which they believe are capable of generating value.

3. Principal Terms of the Placing

KBC Peel Hunt has agreed to use its reasonable endeavours to procure placees to subscribe for 53,435,115 New Ordinary Shares at the Placing Price and to the extent that it does not so procure subscribers, to subscribe itself for the relevant New Ordinary Shares. Accordingly, the Placing is being fully underwritten

by KBC Peel Hunt on the terms and subject to the conditions set out in the Placing Agreement. The Placing is conditional, *inter alia*, upon the passing of the Resolution and Admission.

The New Ordinary Shares, when issued, will rank *pari passu*, with the Existing Ordinary Shares, including the right to receive all dividends and other distributions, save in respect for any dividend which may be announced around the time of the announcement of the preliminary statement of the results for the Company for the period from incorporation to 31 December 2006. These results are expected to be notified to the market on 19 March 2007. Accordingly if a dividend is announced the New Ordinary Shares will trade as a separate line of shares under the ISIN GB00B1SZ5310 and the ticker code HSTH.L until the Existing Ordinary Shares are marked ex-dividend.

Admission is expected to take place and dealings in the New Ordinary Shares are expected to commence on the London Stock Exchange on 26 March 2007.

4. Dis-application of pre-emption rights

The Directors have considered the most appropriate method to conduct the fundraising. This included consideration of a placing and open offer or rights issue. However, after careful consideration the Directors concluded that the benefit of minimising the costs of the fundraising by way of a cash placing without the need to issue a prospectus and incurring the attendant costs would be in Shareholders' best interests. The Company does not currently have in place sufficient existing authorities to enable the allotment of equity securities for cash on a non pre-emptive basis sufficient for the purposes of the Placing. Accordingly, the Board is seeking Shareholders' approval (pursuant to the Resolution) to dis-apply pre-emption rights at the EGM to facilitate the Placing. The Placing Price is at a discount of 4.0 per cent. below the closing middle market price of 136.5 pence per Ordinary Share on 27 February 2007, being the day before announcement of the Placing, which the Directors consider to be fair and reasonable given the size of the Placing.

As the Company is in a close period neither I nor any of the directors will be subscribing for New Ordinary Shares in the Placing.

5. Extraordinary General Meeting

You will find set out at the end of this document a notice of the Extraordinary General Meeting to be held at 1 Berkeley Street, London, W1J 8DJ at 10.00 a.m. on 23 March 2007 at which a special resolution will be proposed as follows:

- in substitution of all existing authorities to the extent not already exercised to grant the Directors a general authority pursuant to Section 80 of the Act to allot relevant securities (within the meaning of Section 80(2) of the Act) of the Company up to an aggregate nominal amount equal to £7,499,999.80 (being the total authorised but unissued share capital of the Company); and
- to dis-apply statutory pre-emption rights in relation to Ordinary Shares with a nominal value of £5,343,511.50 and representing the allotments contemplated in this letter pursuant to the Placing.

6. Action to be taken by Shareholders

A Proxy Form is enclosed for use by Shareholders at the EGM. Whether or not you intend to be present at the EGM, it is important that you complete the Proxy Form in accordance with the instructions printed thereon and return it to the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester, OX26 4LD or by hand to The Registry, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and in any event no later than 10.00 a.m. on 21 March 2007. Completion and return of the Proxy Form will not preclude you from attending the EGM and voting in person should you wish to do so.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. Any message, regardless of whether it relates to the appointment of a proxy or to an

amendment to an instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA10) by 10.00 a.m. on 21 March 2007.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

7. Recommendation

The Directors consider that the Placing is in the best interests of the Company and Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolution, as we intend to do in respect of our own beneficial holdings which, in aggregate, amount to 5,600,002 Ordinary Shares representing approximately 4.48 per cent. of the existing issued share capital of the Company.

Yours sincerely,

James Hambro
(Chairman)

HANSTEEN HOLDINGS PLC

(Incorporated in England and Wales with Registration Number 5605371)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Hansteen Holdings plc (“the Company”) will be held at 1 Berkeley Street, London, W1J 8DJ at 10.00 a.m. on 23 March 2007, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

THAT in substitution for all previous authorities (save to the extent already exercised):

- (a) the directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the “Act”) to exercise all powers of the Company to allot relevant securities (as defined in Section 80 of the Act) up to an aggregate nominal amount of £7,499,999.80, provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or 15 months from the passing of this resolution (if sooner) save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired and such authority shall be in substitution for all authorities previously conferred upon the Directors pursuant to Section 80 of the Act; and
- (b) the directors of the Company be and are hereby empowered pursuant to Section 95 of the Act to allot equity securities for cash pursuant to the general authority conferred upon them by paragraph (a) of this Resolution as if Section 89(1) of the Act did not apply to any such allotment, provided however that the power hereby conferred shall be limited to the allotment of equity securities, with a nominal value of £5,343,511.50, in connection with the Placing as described in a circular to shareholders dated 28 February 2007 and shall expire at such time as the general authority conferred on the Directors by paragraph (a) of this Resolution expires save that before such expiry the Company may make any offer or agreement which would or might require equity securities to be allotted after such expiry and, notwithstanding such expiry, the Directors may allot equity securities pursuant to any such offer or agreement previously made as if the power conferred hereby had not expired.

By order of the Board

Richard Lowes
Company Secretary

Registered Office:

1 Berkeley Street
London
W1J 8DJ

Notes:

- (1) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote on his/her behalf. A proxy need not be a member of the Company. A Proxy Form is enclosed for use by Shareholders.
- (2) To be effective, the Proxy Form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be completed in accordance with the instructions set out on the form and reach the offices of the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester, OX26 4LD or by hand at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours prior to commencement of the Extraordinary General Meeting. The completion and return of a Proxy Form will not preclude a member from attending and voting at the meeting in person.
- (3) Crest members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members and those CREST members, who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. Any message, regardless of whether it relates to the appointment of a proxy or to an amendment to an instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA10) by 10.00 a.m. on 21 March 2007. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.
- (4) As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, members must be entered on the Company's register of members before 5.00 p.m. on 21 March 2007 in order to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

