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**Songbird Estates plc (“Songbird” or the “Company”)
Proposed substantial new equity issue and loan purchase (the “Fundraising”)**

The Company is pleased to announce that it has entered into agreements to raise equity financing and to purchase and repay by 20 October 2009 its £880 million Citi senior loan facilities (the “Citi Facilities”) at a 5 per cent. discount to the outstanding principal and accrued interest.

Qatar Holding LLC (“Qatar Holding”), China Investment Corporation (“CIC”), Morgan Stanley Real Estate Funds (“MSREF”) and GF Investments II, LLC (“GF”), have entered into commitments to subscribe for and underwrite a substantial issue of ordinary shares and preference shares by the Company (the “Share Issue”) so that it will be in a position to repurchase the loan (the “Equity Commitment”).

In connection with the purchase of the Citi Facilities, Qatar Holding, MSREF and GF (“Related Party Shareholders”) and CIC have also committed to deposit £150 million in two tranches into an escrow account held for the benefit of the Company and Citi within the next two working days (the “Initial Payment”), of which £100m has already been deposited, as part of that Equity Commitment. If the Company is unable to complete the Share Issue and therefore finance the purchase of the Citi Facilities, the Related Party Shareholders and CIC have committed to the Company and each other to acquire the Citi Facilities on the same terms as are available to the Company. The opportunity for the Company or the Related Party Shareholders and CIC to purchase the Citi Facilities at a 5 per cent. discount will expire on 20 October 2009.

As disclosed in the 2008 Report & Financial Statements, there was a material risk that the Company would breach the existing Citi loan covenants should a refinancing not occur. As part of its long term strategy, the board has set out to deleverage the Company and create a more stable financial structure going forward.

The Related Party Shareholders are direct or indirect shareholders of Songbird and, together, currently hold directly or indirectly shares representing, in aggregate, 72.2 per cent. of the voting rights attached to the total issued share capital of the Company. As such, certain of the arrangements entered into by those parties constitute a related party transaction under the AIM Rules for Companies. The board of the Company (excluding for these purposes the directors associated with the Related Party Shareholders) considers, having consulted with the Company's nominated adviser, J.P. Morgan Cazenove, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

The Company intends to provide full details of the Share Issue, including the terms of the Share Issue and the rights attaching to the preference shares, with its half yearly results on or around 24 September 2009. The Share Issue, which will be documented in the period prior to 24 September 2009 will be split approximately as to two thirds ordinary equity and one third preference equity. The ordinary share element will comprise new ordinary shares to be issued at 1 pence per share, in a manner which protects the pre-emption rights of existing B ordinary shareholders. The preference share element of the proposed Share Issue will be placed, with Qatar Holding and CIC having committed to subscribe for all such new preference shares.

Following completion of the Share Issue, the Company intends to simplify the existing share capital structure by converting its three classes of existing ordinary shares into a single class of ordinary shares which will all be traded on AIM.

David Pritchard, Chairman, said: "This deal secures the future of Songbird on the best possible basis for our shareholders. It is a strong vote of confidence in Canary Wharf and its future prospects by two substantial long term institutional investors and by existing shareholders. We welcome the commitment of such a strong and supportive group of investors and all our shareholders now have the opportunity to subscribe for shares in a financially transformed Company which will be deleveraged by this transaction".

Dated 28 August 2009

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John Carrafiell is acting as a consultant to the Company only in connection with the Fundraising, and no one else, and will not be responsible to anyone other than the Company for providing the protections offered to clients of John Carrafiell nor for providing advice in relation to the Fundraising.