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**Songbird Estates plc (“Songbird” or the “Company”)  
Increase in shareholding in Canary Wharf Group plc (“Canary Wharf”)**

The Company is pleased to announce that its wholly owned subsidiary, Songbird Finance Limited, has entered into an agreement to purchase 54,007,620 ordinary shares in the capital of Canary Wharf from Commerzbank AG for a consideration of £112.5 million (excluding stamp duty costs) (the “Share Purchase”). These shares represent 8.45 per cent. of the outstanding ordinary share capital of Canary Wharf. Assuming the Share Purchase is completed it will increase Songbird’s interest in Canary Wharf from 60.8 per cent. to 69.3 per cent.

In announcements made on 28 August 2009 and 3 September 2009, the Company outlined plans for a substantial issue of ordinary and preference shares by the Company (the “Share Issue”) in order to fund the purchase of £880 million of senior loan facilities from Citibank N.A. London Branch at a 5 per cent. discount to the outstanding principal and accrued interest.

It is intended that the Company will fund the Share Purchase through a combination of an increase in the size of the ordinary equity element of the Share Issue coupled with a debt facility. It is expected that the ordinary equity element of the Share Issue will be £620 million and the preference share element of the Share Issue will be £275 million. The balance will be funded from a debt facility which may take the form of a shareholder loan from Qatar Holding LLC (“Qatar Holding”), China Investment Corporation (“CIC”), Morgan Stanley Real Estate Funds (“MSREF”) and GF Investments II, LLC (“GF”).

Each of Qatar Holding, CIC and GF has agreed to increase their commitments in relation to the enlarged Share Issue to assist in funding the Share Purchase on the terms of a commitment agreement (the “Commitment Agreement”).

As previously announced, 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.

In connection with the Share Purchase, £20 million has been deposited into an escrow account as security for the obligations of the Company under the Share Purchase. If admission of the Share Issue has not occurred by an agreed time and the Company has not by that time completed the Share Purchase, each of Qatar Holding and GF (together with MSREF, “the Related Party Shareholders”) and CIC has committed to the Company and to each other under the Commitment Agreement to purchase the shares from Commerzbank on the same terms as are available to the Company. The opportunity for the Company or Qatar Holding, GF and CIC to purchase the shares from Commerzbank will expire on 20 October 2009. If the shares are acquired by Qatar Holding, GF and CIC, they have the right to require the Company to buy the shares from them within a specified period on the same terms as they were acquired.

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 under the Commitment Agreement

constitute a related party transaction under the AIM Rules for Companies. The board of the Company (excluding for these purposes any Director of the Company who has an interest in the Company's shares which are held by any Related Party Shareholder) considers, having consulted with the Company's nominated adviser, J.P. Morgan Cazenove, that the terms of the Commitment Agreement are fair and reasonable insofar as its shareholders are concerned.

As announced on 28 August 2009 the Company intends to provide full details of the Share Issue with its half yearly results on or around 24 September 2009.

David Pritchard, Chairman, said: "This transaction significantly increases Songbird's ownership interest in Canary Wharf and further demonstrates the commitment to the Company by a core set of investors and is an important development ahead of the formal launch of the forthcoming equity raising process in which all our shareholders will have the opportunity to participate".

Dated 18 September 2009

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