

NOTICE OF 2011 ANNUAL GENERAL MEETING

11 April 2011

Notice is hereby given that the fourth annual general meeting of New Europe Property Investments plc (“the Company”) will be held **at its registered office** being 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man on **3 May 2011 at 10:00 AM BST**, to address the following business:

Ordinary business

To consider and, if deemed fit, to pass, with or without modification, the ordinary resolutions below:

1. To receive and adopt the reports of the directors and auditors of the Company and the consolidated financial statements of the Company for the year ended 31 December 2010.
2. To confirm that there shall be no dividend declaration by the Company to shareholders in relation to the 2010 financial year in addition to the interim dividends declared by the directors of the Company in August 2010 and February 2011 in relation to that year, resulting in the total distribution for that year having been 17.61 euro cents per share.
3. To re-elect directors of the Company who will retire by rotation in accordance with article 86 of the Articles of Association of the Company:
 - 3.1 Corneliu Dan Pascariu; and
 - 3.2 Dewald Lambertus Joubert,will retire at the Company’s Annual General Meeting and being eligible, they have offered themselves for re-election.
4. To re-elect a director of the Company who had been appointed by the Company’s board of directors since the last Annual General Meeting of the Company: In accordance with article 81 of the Articles of Association of the Company, director Victor Semionov will retire at the Company’s Annual General Meeting and being eligible, he has offered himself for re-election.
5. To authorise the directors of the Company to fix their remuneration.

Special business

To consider and, if deemed fit, to pass the special resolutions below. These resolutions are subject to at least 75% of the votes cast by shareholders present in person or by proxy being cast in favour thereof.

6. To approve and adopt the NEPI plc Share Purchase Scheme (“the new scheme”), a copy of which is enclosed with the Company’s Annual Report and which shall be tabled at the general meeting.
7. To re-appoint Ernst & Young as auditors of the Company and to authorise the Company’s directors to fix their remuneration.
8. So as to remove from the Articles of Association of the Company the need for the Company to declare final dividends and empower the board of directors of the Company to declare final dividends, the shareholders are to consider and, if thought fit, pass, subject to any necessary approvals in terms of the Listings Requirements of the JSE Limited, the following resolution which will be proposed as a special resolution:

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That Article 129 of the Articles of Association of the Company be amended to read as follows: “Subject to the provisions of these Articles, the Board may, subject to the satisfaction of the solvency test, declare that dividends out of the Company’s profits may be paid to members according to their respective rights and interests in the profits of the Company.”

9. As a result of the internalisation of the Company’s investment advisory function certain of its directors who were previously remunerated by the former investment advisor are now being remunerated by the Company. Consequently the limitation in the Company’s Articles of Association that directors’ fees paid to the directors of the Company shall not exceed the aggregate amount of £200,000.00 per annum has become impractical and so as to remove the said limitation from the Articles of Association of the Company, the shareholders are to consider and, if thought fit, pass, subject to any necessary approvals in terms of the Listings Requirements of the JSE Limited, the following resolution which will be proposed as a special resolution:

That Article 95 of the Articles of Association of the Company be amended by the deletion therefrom of the following words: “(not exceeding £200,000 per annum or such other sum as the Company in general meeting shall from time to time determine)”

10. So as to maintain the maximum “headroom” available to the Directors for expanding the Company’s business by allotting equity securities of the Company for cash on a non pre-emptive basis, the shareholders are to consider and, if thought fit, pass the following resolution which will be proposed as a special resolution:

That Article 5.3 of the Company’s Articles of Association be deleted and replaced by: “The provisions of Article 5.2 are dis-applied in respect of any allotments of equity securities of the Company so that, subject to the Listings Requirements of the JSE Limited and the AIM Rules for Companies issued by London Stock Exchange plc, the directors are authorised to issue shares for cash, on the basis that:

- 10.1 this authority will only be valid until the company’s next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;
- 10.2 any shares issued in terms of this authority:
 - 10.2.1 must be of a class already in issue, or must be convertible into a class of shares already in issue;
 - 10.2.2 must be issued to public shareholders, and not to related parties, all as defined in the Listings Requirements of the JSE Limited;
 - 10.2.3 may not in aggregate in any one financial year (taking into account the number of any shares that may be issued in future as a result of the issue of any convertible securities/options in terms of this authority) exceed 15% of the number of shares of that class in issue on the date in question (including any shares that may be issued in future as a result of any existing convertible securities/options), less any shares issued during the financial year in question (including the number of any shares that may be issued in future as a result of the issue of any convertible securities/options in terms of this authority), plus any shares of that class to be issued pursuant to a rights issue which has been announced, is irrevocable and is fully underwritten, plus any shares of that class to be issued pursuant to an acquisition that has been announced, is irrevocable and is fully underwritten;
 - 10.2.4 for the purposes of 10.2.3, shares of a particular class, will be aggregated with any shares that are compulsorily convertible into shares of that class, and, in the case of the issue of compulsorily convertible shares, aggregated with the shares of that class into which they are compulsorily convertible;
 - 10.2.5 may not be issued at a price less than a 10% discount to the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party/ies subscribing for the shares.

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After the company has in terms of this authority issued shares for cash equivalent to 5% or more of the number of shares of that class in issue prior to that issue, the company shall publish an announcement containing full details of such issue/s (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the price of the issue is agreed in writing between the issuer and the party/ies subscribing for the shares and the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share).



By order of the Board,

C.E. Cassell
Company secretary

11 APRIL 2011

Notes to Notice of Annual General Meeting dated 11 April 2011

- 1 A member of the Company who is entitled to attend the Company's Annual General Meeting and vote thereat is entitled to appoint one or more proxies to attend and, on a poll, vote instead of that member.
- 2 A proxy of a member need not be a member of the Company.
- 3 A form of proxy is included with this notice and instructions for its use are shown on the form.
- 4 A duly completed and signed form of proxy must be received by the Company's registrar, Sabre Fiduciary Limited, at the Company's registered office (which is detailed in this notice) by no later than forty eight hours before the time that the meeting is due to commence.
- 5 Completion and return of a form of proxy does not preclude a member of the Company from attending the Annual General Meeting and voting in person.
- 6 Pursuant to regulation 22 of the Uncertificated Securities Regulations 2006 (SD 743/06), the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 10:00 AM BST on 3 May 2011 ("the Register Time and Date"), being not more than two working days before the time fixed for the meeting to commence. Changes to entries on the register after the Register Time and Date shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 7 The Company's register of directors' interests in the share capital and debentures of the Company, together with copies of service agreements under which the directors of the Company are employed, are available for inspection at the Company's registered office during normal business hours from the date of this notice until the date of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

PROXY FORM

Please insert the full name and address of the member in CAPITAL LETTERS and return this form to the Company's registered address at 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man, IM1 4LN for attention of Eddie Cassell, Company secretary, or in electronic format to the e-mail address **eddie@sabre-iom.com**

I/We _____
of _____

being a member/members of New Europe Property Investments plc hereby appoint **the Chairman of the meeting**, or failing him, _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2nd Floor, Anglo International House, Lord Street, Douglas, Isle of Man on **3 May 2011 at 10:00 AM BST** and at any adjournment thereof.

If you wish to appoint your own proxy delete the words "the Chairman of the meeting" and insert the name of your proxy in the space provided in CAPITAL LETTERS. Please indicate with an X in the spaces provided below how you wish your votes to be cast. If you do not specify how you wish any vote to be cast you will be deemed to have authorised your proxy to vote or abstain from voting as he/she thinks fit.

		FOR	AGAINST
ORDINARY BUSINESS			
1	To receive and adopt the reports of the directors and auditors of the Company and the consolidated financial statements of the Company for the year ended 31 December 2010.	<input type="radio"/>	<input type="radio"/>
2	To confirm that there shall be no dividend declaration by the Company to shareholders in relation to the 2010 financial year in addition to the interim dividends declared by the directors of the Company in August 2010 and February 2011.	<input type="radio"/>	<input type="radio"/>
3	To re-elect the following directors as directors of the Company in accordance with Article 86 of the Articles of Association of the Company:		
3.1	Corneliu Dan Pascariu	<input type="radio"/>	<input type="radio"/>
3.2	Dewald Lambertus Joubert	<input type="radio"/>	<input type="radio"/>
4	To re-elect Victor Semionov as a director of the Company in accordance with Article 81 of the Articles of Association of the Company.	<input type="radio"/>	<input type="radio"/>
5	To authorise the directors of the Company to fix their remuneration.	<input type="radio"/>	<input type="radio"/>
SPECIAL BUSINESS			
6	To adopt the NEPI plc Share Purchase Scheme.	<input type="radio"/>	<input type="radio"/>
7	To re-appoint Ernst & Young as auditors of the Company and to authorise the directors of the Company to fix their remuneration.	<input type="radio"/>	<input type="radio"/>
8	That Article 129 of the Articles of Association of the Company be amended as proposed in the notice of the Annual General Meeting.	<input type="radio"/>	<input type="radio"/>
9	That Article 95 of the Articles of Association of the Company be amended as proposed in the notice of the Annual General Meeting.	<input type="radio"/>	<input type="radio"/>
10	That Article 5.3 of the Articles of Association of the Company be replaced as proposed in the notice of the Annual General Meeting.	<input type="radio"/>	<input type="radio"/>

SIGNATURE

DATE