

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) or (in Ireland) authorised or exempted pursuant to the Investment Intermediaries Act, 1995 of Ireland or the Stock Exchange Act 1995 of Ireland.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, you are requested to forward this document, together with the accompanying Form of Proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the buyer or transferee. If you have sold or transferred part only of your holding in Ordinary Shares you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions.

Subject to the Resolution being passed, application will be made to the UKLA for the category of the Company's listing of Ordinary Shares to be transferred from premium listing to standard listing. Following the transfer to standard listing, the Ordinary Shares will continue to be traded on the London Stock Exchange's main market for listed securities.

Real Estate Opportunities plc

(incorporated and registered in Jersey with registered number 79679 on 30 March 2001)

Transfer of listing category on the Official List from premium to standard and Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of the Company to be held at Ogier House, The Esplanade, St Helier, Jersey JE4 9WG at 10.30 a.m. on 19 January 2011 is set out at the end of this document. Shareholders are requested to complete and return their Forms of Proxy to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible but in any event, to be valid, so as to be received not later than 48 hours before the appointed time for the meeting.

A summary of the action to be taken by Shareholders is set out on page 3 of this document and in the notice of Extraordinary General Meeting set out at the end of this document. The return of one or more completed Forms of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you wish to do so (and are so entitled).

Matrix Corporate Capital LLP ("**Matrix**") is authorised and regulated in the United Kingdom by the FSA, and is acting exclusively for the Company and for no one else in relation to the proposal referred to in this document. Matrix will not regard any other person (whether or not a recipient of this document) as its client in relation to such proposal and will not be responsible to anyone other than the Company for providing the protections afforded to respective clients of Matrix or for providing any advice in relation to such proposal, the contents of this document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Matrix for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Matrix has given and not withdrawn its written consent to the issue of this document with the inclusion herein of references to the name Matrix in the form and context in which it appears. A copy of this written consent will be made available for inspection at both the Company's registered office and at the office of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA, in each case during normal hours on each business day from the date of this document until the close of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting from 30 minutes prior to the meeting until its conclusion.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2011

Latest time and date for receipt of Forms of Proxy for use at the Extraordinary General Meeting 10.30 a.m. on 17 January

Extraordinary General Meeting 10.30 a.m. on 19 January

Expected date upon which the transfer of listing category will become effective 8.00 a.m. on 17 February

Each of the times and dates in this timetable is subject to change at the absolute discretion of the Company.

PART 1

Letter from the Chairman Real Estate Opportunities plc

(Registered In Jersey under the Companies (Jersey) Law 1991, as amended, with registered number 79679)

Directors

Raymond Yeoman Frederick Horney (*Chairman*)
Richard Joseph Barrett
Keith Anthony Jenkins
John Philip Jenkinson
Garth Peter Denis Milne
Robert George Tincknell
Martin Willaume Richardson

Registered Office:

Ogier House
The Esplanade
St Helier
Jersey
JE4 9WG

30 December 2010

To Shareholders and, for information only, to holders of ZDP Shares and CULS

Dear Shareholder,

**Transfer of listing category on the Official List
from premium to standard
and
Notice of Extraordinary General Meeting**

1. Background

In the Company's interim results released on 29 October 2010, the Board stated that, having regard to the reduced market capitalisation of the Ordinary Shares and the high administrative costs associated with their premium listing in London, it was considering transferring the listing category on the Official List of the Ordinary Shares from premium to standard, which is equivalent in status to the existing CULS and ZDP Share listings. The Board has now decided to proceed with the transfer to standard listing and is seeking the consent of Shareholders to the transfer at an Extraordinary General Meeting being convened for 10.30 a.m. on 19 January 2011.

On 29 October 2010, the Company announced its consolidated interim results for the six months ended 31 August 2010 showing that, at that date, the Group's borrowings totalled £1.66 billion, the Group's property investment and development portfolio was valued at £1.05 billion, and the deficit on Shareholders' funds was £755 million. Included in borrowings were aggregate bank loans of £975 million due on or before 31 August 2011 and a further £313 million due after that date. Principal of in aggregate £237 million is due on 31 May 2011 to the holders of the CULS and ZDP Shares which were effectively issued at the time of the Company's launch in 2001. Principal of £142 million is also due on 31 May 2011 in respect of the OLN's which were issued at the time of acquisition of Battersea Power Station in 2006. The deficit on Shareholders' funds has arisen primarily because of the fall in value of the Irish property portfolio since January 2008, and the Group currently does not expect to have sufficient liquid resources to repay these amounts in full in 2011.

The interim statement also provided a further update on the restructuring initiatives, first signalled in the Chairman's statement accompanying the annual report and accounts published on 23 June 2010, which are being undertaken with a view to re-positioning the Group to benefit, in due course, from stabilisation of the Irish and UK property markets and the resumption of moderate growth in the wider Irish and UK economies.

In relation to the Irish property portfolio, discussions are continuing with the Group's principal lender regarding the plans for ongoing management of the investment portfolio and the funding of the development portfolio. In due course, asset disposals are anticipated to reduce borrowings, the timing of which will be subject to conditions in the Irish property market, debt to equity transfers may be proposed and the Company has not ruled out the possibility of an equity injection at some point. This is an ongoing process which could take a number of years.

In relation to the UK property portfolio comprising the Battersea Power Station asset, the interim results indicated that outline agreement had been reached with the holder of the OLN, deferring interest and principal until 31 May 2011, and that proposals for the equitisation of the CULS and ZDP Shares were moving forward. On 24 December 2010, the Company released a further announcement with additional details of the proposal to equitise the CULS and ZDP Shares. Specifically, holders of these securities are expected to be asked to forego all of their capital and interest entitlements in return for the issue of 33.3 per cent. of the ordinary share capital in a company being formed to hold the Battersea Power Station asset and related bank and other liabilities (“**BPSSV**”) and 25 per cent. of the ordinary share capital of the Company. If the holders of CULS and ZDP Shares agree to this equitisation at meetings of CULS and ZDP Shareholders planned to take place in early 2011, its implementation will remain subject to a number of other things including the final grant of planning permission for Battersea Power Station which is expected to be received in Spring 2011. Further announcements will be made in due course but, if this equitisation proceeds, it would result in the Group’s retained interest in the UK property portfolio falling from 100 per cent. to 54 per cent. The announcement on 24 December 2010 also stated that, of the remaining equity share capital of BPSSV, 7.7 per cent. is proposed to be issued to Treasury Holdings as a management incentive and 5 per cent. is proposed to be issued to the Company for onward distribution pro rata to all Shareholders.

The interim results also referred to the ongoing global investment road-show being undertaken with the aim of introducing a long term equity partner into a de-merged Battersea Power Station. It is anticipated that if and when this is successfully concluded, it will result in the Group’s interest in the Battersea Power Station asset falling to materially below 54 per cent. At this time it would also be intended that a listing on a suitable stock exchange will be sought for the BPSSV shares which will initially be unlisted.

These initiatives for the Irish and UK property portfolios will involve a considerable amount of work by the Company and its management and advisers and the Group’s lenders and their advisers, and furthermore the Board is conscious that there may be a need for the Company to act quickly to help to secure its future in the face of tight deadlines likely to be imposed by lenders and asset purchasers. Shareholders should also note that the Group will continue to have a deficit of net assets, and while this situation pertains it will effectively be dependent on its lenders for the ongoing provision of working capital. The process of implementing the initiatives whilst the Ordinary Shares have a premium listing could call for the preparation of substantial additional documentation which would be both time consuming and costly, with the added possibility of a series of Shareholder meetings convened to approve asset disposals and similar actions, which would not be necessary with a standard listing. Having regard to all these factors, the Directors believe it would now be in the best interests of the Company and Shareholders as a whole to transfer the Company’s listing category to a standard listing. The Company also intends in due course to cancel the listings of the Ordinary Shares on the Channel Islands Stock Exchange and the Irish Stock Exchange.

The EGM, notice of which is set out at the end of this document, is being convened to pass a Resolution to approve the transfer of the Company’s listing category on the Official List from premium to standard. The Resolution is subject to approval being obtained from not less than 75 per cent. of Shareholders voting in person or by proxy and, if it is not passed, the Company will retain its primary listing.

2. Transfer to standard listing

A standard listing requires the issuer to comply with the minimum regulatory requirements imposed by the EU that apply to all securities that are admitted to trading on EU regulated markets. As an issuer with a standard listing, the Company will remain subject to the Prospectus Rules and the DTRs, however it will not be required to comply with super equivalent provisions of the Listing Rules which apply to companies with a premium listing. Such super equivalent provisions include:

- certain continuing obligations set out in Chapter 9 of the Listing Rules such as providing pre-emption rights to shareholders (which will apply to companies incorporated in Jersey), the Model Code, certain rules regarding employee share schemes and long term incentive plans, certain rules regarding the conduct of rights issues, open offers and placings and certain disclosures in annual financial reports;
- complying or explaining against the Combined Code (although the Company will still be required to make a corporate governance statement as required by DTR 7.2); and

- complying with provisions in Chapters 10 and 11 of the Listing Rules relating to significant and related party transactions.

The super-equivalent provisions provide Shareholders with rights to vote on certain corporate actions, including significant and related party transactions. Upon the transfer to standard listing becoming effective, shareholders will no longer have the opportunity to vote on such corporate actions.

The administrative requirements associated with the Ordinary Shares having a standard listing will be simplified as the Listing Rules for securities with a standard listing are less demanding and stringent than those applicable to securities with a premium listing. In particular, companies with securities admitted to a standard listing will not normally be required to produce documentation and seek prior shareholder approval in connection with the acquisition or disposal of assets which exceed certain size criteria and/or are with a related party. This would be likely to include many of the restructuring initiatives described under "Background" above. Treasury Holdings is a related party and could be ineligible to vote its shares in such transactions, while it will be eligible to vote on the transfer to standard listing. For companies with securities admitted to a premium listing, such documentation can, for example, call for property valuations to be commissioned and accounting information to be prepared and presented. Because of the Company's reduced market capitalisation, the requirement for such documentation could be triggered more easily than would have been the case in the past. In any event, for companies with securities admitted to a standard listing such documentation, if required to be produced, is not typically vetted by the UKLA.

As described above, it is proposed that 5 per cent of the equity share capital in BPSSV will be distributed in specie to Shareholders. To enable the distribution in specie to proceed Shareholders will need to approve an amendment to the Company's articles of association. One effect of the move to standard listing will be that the circular to be sent to Shareholders seeking such approval will not be required to meet the requirements of Chapter 13 of the Listing Rules relating to the content of circulars, and all Shareholders, including Treasury Holdings, will be entitled to vote on the resolution to amend the articles of association.

The higher level of regulation contained in the super-equivalent provisions referred to above has been designed to offer shareholders in premium listed companies additional rights and protections. Accordingly, investors should be aware that any investment in a company that has a standard listing is likely to carry a higher risk than an investment in a company with a premium listing.

The transfer to standard listing will not affect the way in which Shareholders buy or sell Ordinary Shares and, following the transfer, existing share certificates in issue in respect of Ordinary Shares will remain valid. The Ordinary Shares will also continue to be eligible to be held in ISAs and SIPPs. As for a company with a premium listing, a company with a standard listing is still required to hold a minimum of 25 per cent. of its shares in public hands and will continue to be obliged to publish a prospectus when issuing new shares to the public unless such an issue falls within one of the permitted exemptions. Companies with standard listings are also still required to disclose inside information to the market and to comply with the provisions of the DTRs including to make notifications of dealings in shares. They must also prepare annual audited financial reports, interim financial reports and interim management statements in the same way that companies with a premium listing are required to.

A more detailed summary of the differences between the regulatory requirements of companies with a standard listing as opposed to a premium listing is contained at Part 2 of this document. Whilst the Ordinary Shares have a standard listing, they will not be eligible for inclusion in the UK series of FTSE indices.

3. Action to be taken

You will find enclosed with this document a reply paid Form of Proxy for use by Shareholders in connection with the Extraordinary General Meeting to be held at 10.30 a.m. on 19 January 2011. Shareholders are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, not later than 10.30 a.m. on 17 January 2011. Completion of a Form of Proxy will not affect Shareholders' rights to attend and vote at the Extraordinary General Meeting in person, should they wish to do so and are so entitled.

4. Importance of vote

If the Resolution is not passed, the Company would retain its primary listing and this would make it considerably more difficult and costly to implement some or all of the various restructuring initiatives described above. Shareholders are therefore urged to vote in favour of the Resolution and to return Forms of Proxy as soon as possible and in any event so as to be received by no later than 10.30 a.m. on 17 January 2011. **If a Form of Proxy is received after this time, it will not be treated as valid.**

5. Recommendation

The Board, who have been so advised by Matrix, considers that the proposed transfer of listing category on the Official List from premium to standard is fair and reasonable so far as Shareholders are concerned and in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolution, as each of the Directors intend to do in respect of their own beneficial holdings amounting to 225,198,671 Ordinary Shares, representing 67.42 per cent. of the Company's issued ordinary share capital. In advising the Board, Matrix has taken into account the Directors' commercial assessments of the proposal.

Yours faithfully



Ray Horney
Chairman

PART 2

A summary of the differences between standard and premium categories of listing

1. Companies with a standard listing are not eligible for inclusion in the UK series of FTSE indices.
2. Companies with a standard listing are not required to retain a sponsor for certain transactions.
3. Companies with a standard listing are not required to comply with the Listing Principles as contained in Listing Rule 7. The Directors recognise however the fundamental importance of maintaining market confidence and ensuring fair and orderly markets, and further recognise the importance of maintaining adequate procedures, systems and controls to enable the Company to comply with its obligations under the Listing Rules and the DTRs. The Directors therefore intend to continue observing the Listing Principles to the extent the Directors consider it appropriate to do so having regard to the size, nature and resources of the Company.
4. Companies with a standard listing are not required to: (i) control the majority of their assets and to have done so for the last three years and; (ii) carry on an independent business as their main activity.
5. The Combined Code does not apply directly to companies with a standard listing. The Directors recognise, however, the importance of high standards of corporate governance and intend that the Company should observe the requirements of the Combined Code to the extent the Directors consider it appropriate to do so having regard to the size, nature and resources of the Company. Pursuant to DTR 7.2, companies with a standard listing are still required to make a statement in the directors' report covering the governance code to which the issuer is subject in relation to the financial reporting process and certain details of its share capital. The directors of companies with a standard listing are also required to include a description of the internal control and risk management systems and the composition of committees.
6. The Model Code does not apply to a company with a standard listing.
7. A standard listing does not require a company to offer pre-emption rights pursuant to the Listing Rules.
8. A standard listing does not require a company to comply with the provisions of Listing Rule 10 which sets out requirements for shareholders to be notified of certain transactions and to have the opportunity to vote on proposed significant transactions.
9. A standard listing does not require a company to comply with Listing Rule 11 which contains rules intended to prevent a related party from taking advantage of its position in respect of transactions with the listed company, although any such transactions would need to comply with the provisions of Jersey law.
10. Companies with a standard listing are not required to comply with Listing Rule 12 which applies to companies dealing in their own securities. Notwithstanding the fact that Listing Rule 12 would no longer apply to the Company, in the event of the transfer to standard listing becoming effective, the Directors have no present intention for the Company to purchase any of its own Ordinary Shares. Any such purchase would, in any event, continue to be subject to the requirements of the Companies (Jersey) Law 1991, as amended.
11. A company with a standard listing is not required to comply with the more onerous requirements relating to the content of circulars issued to shareholders of companies with a premium listing as detailed in Listing Rule 13.
12. Companies with a standard listing are not required to limit the number of shares pursuant to warrants/options (excluding employee shares schemes) to 20 per cent. of existing issued shares.

DEFINITIONS

In this document the following terms have the following meanings:

“Board”	the board of directors of the Company
“Combined Code”	the UK Corporate Governance Code issued by the Financial Reporting Council dated June 2010 (as updated from time to time)
“Company”	Real Estate Opportunities plc
“CULS”	7.5 per cent. convertible unsecured loan stock in the Company issued pursuant to a trust deed dated 20 June 2001 as amended and supplemented
“Directors”	the directors of the Company, whose names are set out on page 1 of this document
“DTRs”	the Disclosure Rules and Transparency Rules of the UKLA
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company notice of which is set out at the end of this document or any reconvened meeting following adjournment thereof
“Form of Proxy”	the enclosed form of proxy, for use by Shareholders in connection with the Extraordinary General Meeting
“FSA”	the United Kingdom Financial Services Authority
“FSMA”	the United Kingdom Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries
“Listing Rules”	the Listing Rules of the UKLA for the purposes of Part IV of the FSMA
“London Stock Exchange”	London Stock Exchange plc
“Model Code”	the Model Code on directors’ dealings set out in Annex 1 to Listing Rule 9
“Official List”	the Official List of the UKLA
“OLNs”	6.324 per cent. Series A and B unsecured loan notes issued by the Company pursuant to a loan note instrument dated 29 December 2006 as varied pursuant to a standstill agreement dated 10 October 2010
“Ordinary Shares”	ordinary shares in the capital of the Company
“Resolution”	the resolution approving the transfer to standard listing
“Shareholders”	the holders of Ordinary Shares
“UKLA”	the FSA, acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
“ZDP Shareholders”	the holders of ZDP Shares
“ZDP Shares”	zero dividend preference shares of 1p each in the capital of REO Securities Limited, a wholly owned subsidiary of the Company

Real Estate Opportunities plc

(Incorporated and registered in Jersey with registered number 79679 on 30 March 2001)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given of an Extraordinary General Meeting of Real Estate Opportunities plc (the “**Company**”) to be held at Ogier House, The Esplanade, St Helier, Jersey JE4 9WG on 19 January 2011 at 10.30 a.m. for the purpose of considering, and it thought fit, passing the following Resolution. The Resolution will be proposed as an Extraordinary Resolution, which means that, for it to be passed, not less than 75 per cent. of Shareholders voting in person or by proxy must vote in favour.

EXTRAORDINARY RESOLUTION

THAT the proposed transfer of the Company’s category of equity share listing on the Official List of the UK Financial Services Authority and on the main market of the London Stock Exchange plc from a premium listing (commercial company) to a standard listing (shares) (the “**Transfer of Listing**”) be and is hereby approved and the directors of the Company be and are authorised to cause such Transfer of Listing to be effected and to do and/or procure to be done all such acts or things as they may consider necessary or desirable in connection therewith.

By order of the Board

Ogier Fund Administration (Jersey) Limited

Secretary

Dated this 30 December 2010

Ogier House, The Esplanade, St Helier, Jersey JE4 9WG

Notes:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote (including, on a poll) instead of him or her. A proxy need not be a member of the Company. A form of proxy is enclosed.
2. TO BE VALID, the instrument appointing a proxy, together with any power or authority under which it is executed (or a notarially certified copy of such power or authority) must be deposited with, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time specified in this notice for holding the meeting. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend and vote at such meeting.
3. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended), specifies that only those members registered in the register of members as at 10.30 a.m. on 17 January 2011 (or in the event that the meeting is adjourned, on the register of members 48 hours before the time of any adjourned meeting) shall be entitled to attend or vote at the meeting in respect of the ordinary shares registered in their name at that time. Changes to entries on the register of members after 10.30 a.m. on 17 January 2011 (or in the event that the meeting is adjourned, on the register of members less than 48 hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. The lodging of a completed form of proxy does not preclude a member from attending the meeting and voting in person.
5. No director has a service contract with the Company.

