

PATHFINDER PROPERTIES PLC

("Pathfinder" or the "Company")

Related Party Loans

The Company announces that it has arranged unsecured loans of £455,000 and £200,000 respectively from two Directors of the Company, G Lee and E Azouz. These loans, amounting to £655,000 in aggregate, have been made through two companies controlled by Mr Lee and Mr Azouz and will be used to provide additional working capital to the Company. The loans are for an indefinite period and are repayable on demand with interest being charged on the loans at a rate of 8% per annum.

Under the AIM Rules, the loans are classified as a related party transaction. The Directors, other than Mr Lee and Mr Azouz who are interested in the transaction, (the "Independent Directors"), who have consulted with Beaumont Cornish Limited, consider the terms of the transaction to be fair and reasonable insofar as the shareholders of the Company are concerned.

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