

22 May 2009

PATHFINDER PROPERTIES PLC
("Pathfinder" or the "Company")

Trading Update

The Company provides the following update on the business:

- Further to the approval of Shareholders at the Extraordinary General Meeting on 15 September 2008, the Company has completed the Disposals of the Ilford site and Newark Brewery site to acquisition vehicle(s) of Gerard Lee, a director and 16.6% shareholder of the Company. The Ilford site, which was agreed to be sold for £3,500,000 equivalent to the debt of £2,230,000 due to The Royal Bank of Scotland and other development related debt provided by two of the directors of £1,356,273, was completed by means of the transfer of the company holding both the property and the debt (on a non-recourse basis). As a result of the transaction debt of £3,586,273 was repaid. The sale of the Victorian Brewery at the Newark development was similarly completed by the sale of the company holding only the property for the agreed purchase consideration of £500,000. The net proceeds of around £600,000 received by Pathfinder, combined with the receipt of the £900,000 bond from the council, have been used to finance the River Edge and Road Frontage developments at the Newark site and also to pay down the outstanding debt held in relation to the Newark site from approximately £3,600,000 to £2,900,000.
- Pathfinder has therefore progressed the River Edge and Road Frontage developments to a stage sufficient to retain the planning permissions, but the Company is not currently undertaking any further work.
- The Company is reviewing its future as a property development company in the current market, and is considering a range of options with a view to putting a proposal to Shareholder for approval when appropriate.
- The Report and Accounts for the year to December 31 2008 is required to be published by 30 June 2009.

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