

EUROCASTLE INVESTMENT LIMITED
€24,750,000 20 per cent. Perpetual Subordinated Series B Convertible
Securities
(the “Convertible Securities”) convertible into Ordinary Shares of
Eurocastle Investment Limited
(“Eurocastle”)

Capitalised terms used and not defined in this notice have the meaning given to them in the conditions of the Convertible Securities.

Eurocastle confirms that as at the date of this notice, its corporate facility is still outstanding as a result of which it may not make an interest payment under the Convertible Securities on June 30, 2010. Eurocastle further believes that even if its corporate facility were repaid by June 30, 2010, it would be in its best interests to defer the payment of interest under the Convertible Securities in order that it may use available cash for its general corporate purposes including to satisfy its corporate obligations as well as for reinvestment within its real estate portfolio. As a result, Eurocastle is issuing this interest deferral notice.

Eurocastle Investment Limited hereby gives notice that:

- (i) As at the date of this notice, the Interest Payment Trigger Date has not occurred and therefore the provisions of Condition 5(b) (*Mandatory Interest Deferral*) of the Terms and Conditions of the Convertible Securities (the “Conditions”) continue to apply.
- (ii) If the Interest Payment Trigger Date were to occur by the first Interest Payment Date (being June 30, 2010), Eurocastle elects pursuant to Condition 5(c) (*Optional Interest Deferral*) of the Conditions that such payment of interest shall in any case be deferred.

Eurocastle Investment Limited

Dated: 10 June 2010