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Atlas Estates Limited

(incorporated in Guernsey with registered number 44284)

Proposed cancellation of admission to trading on AIM Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of Atlas Estates Limited, to be held at 9.30 a.m. (BST) on 15 October 2010 at the offices of Intertrust Fund Services (Guernsey) Limited, Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB, is set out at the end of this document. Whether or not you intend to attend the Extraordinary General Meeting, you should complete and return the enclosed Form of Proxy.

To be valid, the Form of Proxy must be returned in accordance with its instructions so as to arrive with the Company's Registrars, Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, JE1 1ES, as soon as possible and no later than 48 hours before the time of the Extraordinary General Meeting. Completion and return of a Form of Proxy will not prevent a Shareholder from attending and voting at the meeting in person.

This document should be read as a whole. Your attention is drawn to the letter from your Chairman which is set out on pages 3 to 5 of this Circular and which recommends that you vote in favour of the resolution to be proposed at the Extraordinary General Meeting to be held on 15 October 2010.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Notice of proposed cancellation of admission to trading on AIM	21 September 2010
Notice of EGM	21 September 2010
Latest date for receipt of Forms of Proxy	9.30 a.m.(BST) on 13 October 2010
EGM	9.30 a.m.(BST) on 15 October 2010
Announcement in London and Warsaw of results of EGM	15 October 2010
Cancellation of the admission to trading on AIM of all of the Company's Ordinary Shares	25 October 2010

LETTER FROM THE CHAIRMAN

Atlas Estates Limited

(a closed-ended investment company incorporated in Guernsey and registered with number 044284)

Directors

Andrew Fox *(Non-executive director and Chairman)*

Mark Chasey *(Non-executive director)*

Guy Indig *(Non-executive director)*

Registered Office:

P O Box 119
Martello Court
Admiral Park
St Peter Port
Guernsey
GY1 3HB

21 September 2010

To: *All Shareholders and for information only to holders of Warrants,*

Proposed cancellation of admission to trading on AIM

1. Introduction

The Board of Atlas Estates Limited today announced that it is seeking Shareholder approval for the cancellation of admission to trading on AIM of all of its Ordinary Shares.

The purpose of this document is to set out the background to, and reasons for, the proposed Cancellation in order to convene the necessary extraordinary general meeting to approve the Cancellation and to explain why the Board is recommending that you vote in favour of the Resolution.

Notice of the EGM, which is being convened for 9.30 a.m.(BST) on 15 October 2010, is set out at the end of this document.

2. Background to and reasons for the cancellation.

The Company is a Guernsey incorporated closed-ended investment company investing in real estate in the CEE region. The Company actively invests in a portfolio of real estate assets across a range of property types, targeting countries which possess attractive investment fundamentals. The Company currently maintains a dual listing, with its shares trading on AIM and the WSE.

On 7 May 2010 Fragiolig Holdings Limited, a subsidiary of the Izaki Group, published a document containing a mandatory cash offer for all Ordinary Shares not held by Fragiolig and persons acting in concert with it. That offer document contained the following statement:

“Whilst there is no current intention to do so, if the Offer becomes or is declared unconditional in all respects and subject to any applicable requirements of the London Stock Exchange, Fragiolig may procure that Atlas will make an application to cancel the admission to trading of Atlas Ordinary Shares on AIM.”

The offer was declared unconditional on 12 May 2010 and on 22 June 2010 Fragiolig announced that it and those acting in concert with it held 43,849,609 Ordinary Shares, representing 93.59 per cent. of the Company’s issued share capital.

On the 18 August 2010, the Board received a request from Fragiolig and Atlas International, who collectively hold 81.58 per cent. of the Company’s issued share capital, requesting the Board to

convene an extraordinary general meeting to proceed with the Cancellation.

Having regard to the small proportion of the Company's issued share capital remaining in public hands, the Board and the Izaki Group consider that the cost of maintaining the Company's dual listing on the WSE and AIM is not justified.

The Board is not aware of any immediate intention by Fragiolig or the Izaki Group to procure to cancel the Company's listing on the WSE and it is anticipated that following the Cancellation, it will remain possible for Shareholders who hold their Ordinary Shares in uncertificated form to deal on that market. In order to trade shares on the WSE it will be necessary for any Ordinary Shares held in the UK to be transferred to the Polish depository, KDPW. However, there is no guarantee that the WSE listing will be retained for the longer term.

3. The Cancellation

In accordance with Rule 41 of the AIM Rules, the Company has today notified the London Stock Exchange of the proposed Cancellation. In order for the Cancellation to take effect, the AIM Rules require the consent of not less than 75 per cent. of votes cast by Shareholders at the Extraordinary General Meeting.

The notice of EGM on page 8 sets out the text of the special resolution to be put to Shareholders which proposes that the admission of the Company's Ordinary Shares to trading on AIM is cancelled.

Subject to the requisite Shareholder approval of the Resolution, Cancellation is expected to be effective from 7.00 a.m. on 25 October 2010.

4. Communication with Shareholders following the Cancellation

The Directors are conscious of the need to preserve the flow of information to non-Polish Shareholders. Although, after the Cancellation, the Company will no longer be obliged to make announcements through a UK regulatory information service it will continue to ensure that all regulatory announcements made by the Company will be made available in English on the Company's website at www.atlasestates.com.

Notices of meetings and copies of the annual report and accounts of the Company will continue to be sent to registered shareholders in the usual way.

5. Trading in Ordinary Shares prior to Cancellation

If Shareholders wish to sell their Ordinary Shares on AIM, they must do so prior to the proposed date of Cancellation becoming effective (such Cancellation will occur no earlier than five business days after the EGM). If the resolution proposed at the EGM is passed, it is expected that trading in Ordinary Shares on AIM will cease at the close of business on 22 October 2010 with Cancellation being effected at 7.00 a.m. (BST) on 25 October 2010.

6. Trading in Ordinary Shares following the Cancellation

Following the Cancellation, there will no longer be a market facility for dealing in Ordinary Shares on AIM, however trading of Ordinary Shares in uncertificated form will continue through the deposit of securities maintained by KDPW in connection with the admission to trading of such shares on the WSE.

Shareholders should however note that Polish law requires require that all shares admitted to trading on the WSE are held in uncertificated or "dematerialised" form.

As at the date of this document, 20 Ordinary Shares are held in certificated form. These shares are not admitted to trading on the WSE. In order to sell such Ordinary Shares after Cancellation it will be necessary for these to be dematerialised and then for the Company to seek admission of such shares to the official list of WSE. If Shareholders wish to sell Ordinary Shares currently in certificated form on a public market it will be necessary for such Ordinary Shares to either be sold on AIM prior to close of trading on 22 October 2009 or to be dematerialised and admitted to trading on WSE.

7. Action to be taken

Shareholders will find enclosed a Form of Proxy for use at the EGM. If you are a Shareholder, whether or not you intend to attend the EGM, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it to Computershare Investor Services PLC at the address set out in the Form of Proxy so as to arrive as soon as possible and, in any event, no later than 9.30 a.m. (BST) on 13 October 2010.

Completion and return of a Form of Proxy will not prevent you from attending and voting at the EGM in person, should you wish to do so.

8. Recommendation

The Directors are of the opinion that the Cancellation is in the best interests of the Company and its Shareholders as a whole. The Directors therefore unanimously recommend that Shareholders vote in favour of the Resolution.

Mr. Guy Indig, who is a non-independent Director due to his association with the Izaki Group, abstained from the Board's consideration of the Resolution.

Yours faithfully,

Andrew Fox
Chairman

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the rules published by the London Stock Exchange governing admission to, and the operation of, AIM;
“Atlas International”	Atlas International Holdings Limited, a company affiliated with the Izaki Group;
“Board” or “Directors”	the directors of the Company whose names appear on page 3 of this document;
“Cancellation”	the cancellation of admission to trading on AIM of all Ordinary Shares;
“CEE”	central and eastern Europe other than the Former USSR Countries;
“Company” or “Atlas”	Atlas Estates Limited, a company incorporated in Guernsey with registered number 44284;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3775) as amended) in respect of which Euroclear UK & Ireland Limited is the operator in accordance with which securities may be held or transferred in uncertificated form;
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company convened (or any adjournment thereof) for 9.30 a.m. on 15 October 2010 for Shareholders to vote on the proposed Cancellation;
“Former USSR Countries”	means Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgystan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan;
“Fragiolig”	Fragiolig Holdings Limited, a wholly-owned subsidiary of the Izaki Group;
“FSA”	the Financial Services Authority;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Group”	the Company and its subsidiaries from time to time including any other companies in which any of them own an interest and which own any part of the Company’s portfolio;
“Guernsey Law”	the Companies (Guernsey) Laws 2008, as amended;
“Izaki Group”	a group of independently held companies directly or indirectly controlled by Mr Ron Izaki;
“London Stock Exchange” or “LSE”	London Stock Exchange plc;
“KDPW”	Krajowy Depozyt Papierów Wartościowych SA (Polish National

	Depository of Securities Joint Stock Company) with its registered seat in Warsaw, Poland.
“Ordinary Shares”	the ordinary shares of €0.01 each in the capital of the Company;
“Resolution”	the special resolution seeking Shareholder approval to proceed with the Cancellation, as set out in the notice of an extraordinary general meeting at the end of this document;
“Restricted Jurisdiction”	the United States, Canada, Australia, the Republic of South Africa, Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction;
“Shareholders”	registered holders of Ordinary Shares;
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland;
“UKLA” or “UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;
“uncertificated” or “uncertificated form”	Ordinary Share(s) recorded on the Company’s register of members as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to the jurisdiction of the United States of America;
“US Person”	a US person as defined in Regulation S under the US Securities Act;
“US Securities Act”	the US Securities Act of 1933 (as amended) and the rules and regulations promulgated under that act;
“Warrants”	the warrants to subscribe for Ordinary Shares pursuant to the Warrant Instrument; and
“WSE”	the Warsaw Stock Exchange.

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

ATLAS ESTATES LIMITED

(a closed-ended investment company incorporated in Guernsey and registered with number 044284)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Atlas Estates Limited (the “Company”) will be held at 9.30 a.m. (BST) on 15 October 2010 at the offices of Intertrust Fund Services (Guernsey) Limited, Martello Court, Admiral Park, St Peter Port, Guernsey GY1 3HB for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

SPECIAL RESOLUTION

THAT, pursuant to Rule 41 of the AIM Rules for Companies, the cancellation of admission of the Company's ordinary shares to trading on the AIM market of the London Stock Exchange plc is hereby approved (the “**Cancellation**”) and that the Directors be and are hereby authorised to do all things necessary to give effect to the Cancellation.

By Order of the Board

Intertrust Fund Services (Guernsey) Limited

Company Secretary

Dated 21 September 2010

Notes:

1. A member who is entitled to attend and vote at the Extraordinary General Meeting (“EGM”) convened by the notice set out above is entitled to appoint one or more proxies to attend and speak and, on a poll, vote instead of him or her. A proxy need not be a member of the Company.
2. A form of proxy is enclosed. To be valid this form of proxy, duly executed together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited with Computershare Investor Services (Channel Islands) Limited, Ordnance House, 31 Pier Road, St. Helier, Jersey, JE4 8PW not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote or in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded.
3. The Form of Proxy may be delivered by facsimile transmitted to Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, JE1 1ES on +44 (0) 870 873 5851 and marked for the attention of Sonia Cadwallder provided that the facsimile is actually received (whether or not it appears to the sender to have been received) not later than 9.30 a.m. on 13 October 2010 and also provided that the original Form of Proxy (of which the facsimile is a copy) is received not later than one hour before the time appointed for the meeting or adjourned meeting or for the taking of the poll.
4. To appoint more than one proxy to vote in relation to different shares within your holding, you may photocopy the form of proxy. Please indicate on each copy of the form the proxy's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the appointment of a proxy is one of multiple appointments being made. All such forms should be signed and returned together in the same envelope.
5. Appointing a proxy shall not preclude a member from attending and voting in person at the Meeting.
6. Only those members entered on the Company's register of members not later than 9.30 a.m. (Guernsey time) on 15 October 2010 or, if the meeting is adjourned, members entered on the Company's register of member not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting. Changes to entries on the register of members after 9.30 a.m. on 13 October 2010 or, in the event that the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting shall be disregarded in determining the rights of any person to attend and vote at the meeting.