

Alpha Pyrenees Trust Limited

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1 June 2006

ALPHA PYRENEES TRUST LIMITED

("ALPHA PYRENEES" OR THE "COMPANY")

PROPOSED ACQUISITION OF A PROPERTY IN EVREUX, FRANCE, PROPOSED ISSUE OF 2,500,000

ORDINARY SHARES, PROPOSED ALTERATION OF THE COMPANY'S BORROWING POWERS AND

EXTRAORDINARY GENERAL MEETING.

The Board of Alpha Pyrenees (the "Board") is pleased to announce that the Alpha Pyrenees group has entered into a conditional acquisition agreement for the purchase of a property at ZAC Du Long Buisson, Commune du Vieil-Evreux, Normandy, France (the "Evreux Property"). The tenant is Laboratoire GlaxoSmithKline SAS. The Evreux Property is used as a distribution warehouse for pharmaceutical goods and will provide a property income stream which will enhance the Alpha Pyrenees group's earnings.

The consideration for the acquisition of the Evreux Property is €10,450,000 in cash, representing an initial purchase yield (including "build cost" reimbursement) of 8.4 per cent. per annum before estimated purchase costs. This is consistent with an independent valuation of the Evreux Property as at 1 May 2006.

As referred to in the Company's flotation prospectus dated 23 November 2005, the vendor, SCI Clivaden, is a subsidiary undertaking of Pacific Investments II Limited ("Pacific Investments"), a company controlled by Sir John Beckwith, the chairman and controlling member of Alpha Real Capital LLP ("Alpha Real Capital"), the Company's investment manager. As a result of this relationship, both the acquisition and the related issue of shares are subject to shareholder approval.

At the time of the Company's flotation the prospectus disclosed the intention that Pacific Investments, or a subsidiary undertaking thereof, would subscribe for 2,500,000 ordinary shares in the Company at the placing price of 100 pence at the same time as the Alpha Pyrenees group completed the acquisition of the Evreux Property. Under the terms of the agreement, it is proposed to issue such shares to a subsidiary undertaking of Alpha Real Capital, Sir John Beckwith, members of his family, charitable and other trusts associated with him and employees of Alpha Real Capital. Given that Alpha Real Capital is the Company's investment manager, and Sir John Beckwith's position as a member of Alpha Real Capital, the issue of the shares is subject to shareholder approval.

At the time of flotation, in keeping with the Listing Rules, the Company was required to limit its borrowing powers to 65 per cent. of the Company's gross assets. As referred to in the Company's flotation prospectus, the Listing Rules do allow for property investment companies such as Alpha Pyrenees to seek shareholder approval for a higher level of gearing. As envisaged at the time of flotation, the Directors will put a resolution to the extraordinary general meeting under which the Company will amend its borrowing powers to allow for borrowings of up to 95 per cent. of the Company's gross assets. In practice, the Board currently intends to target borrowings of 75 per cent. of gross assets.

It is expected that the resolutions will be proposed at an extraordinary general meeting to be convened for Monday, 26 June 2006.

Registered office
East Wing
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Admiral Park
St Peter Port
Guernsey, GY1 6HJ

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Upon the acquisition being approved by shareholders, it is expected that completion will take place, following the satisfaction of certain conditions, by late July 2006. The acquisition is not conditional upon shareholder approval of either the allotment of the 2,500,000 ordinary shares or the proposed alteration to the articles of association in connection with the Company's borrowing levels.

The circular convening the extraordinary general meeting and setting out full details of the summary set out in this announcement will shortly be despatched to shareholders.

Contacts:

Phillip Rose, CEO, Alpha Real Capital

020 7591 1609

John O'Malley, Kinmont

020 7493 8488

Kinmont Limited which is authorised and regulated by the Financial Services Authority, is acting exclusively for the Company and no one else in connection with the proposals set out herein and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the proposals.

Neither this announcement nor any copy of it may be taken or distributed into the United States of America or distributed or published, directly or indirectly, in the United States of America. Any failure to comply with this restriction may constitute a violation of US securities law. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States to or for the benefit of US persons unless they are registered under the Securities Act or pursuant to an available exemption therefrom. No public offering of securities is being made in the United States. The distribution of this announcement and information contained herein may be restricted by law in other jurisdictions and therefore persons into whose possession this announcement or information contained herein comes should inform themselves about and observe any such restrictions.

NOTES:

ABOUT ALPHA REAL CAPITAL

Alpha Real Capital is a value-adding international property funds management group with operations in both the French and Spanish real estate markets. Alpha Real Capital was established by Phillip Rose and Sir John Beckwith.

Phillip Rose has 25 years' experience in the real estate, funds management and banking industries in Europe, the USA and Australasia. He has been Head of Real Estate for ABN AMRO Bank, Chief Operating Officer of European shopping centre investor and developer TrizecHahn Europe (where he was responsible for a €1 billion European investment and development programme from 1999-2000), Managing Director of Lend Lease Global Investment where, during his tenure from 1994 to 1999, he was responsible for managing European property investments and Executive Manager of listed fund General Property Trust. He is currently a non-executive director of Great Portland Estates and a member of the Management Committee of the Hermes Property Unit Trust.

Sir John Beckwith has been involved in property investment and other investment for his entire working life. He founded London & Edinburgh Trust PLC ("LET") in 1971 where he was Chairman and Chief Executive Officer and developed it into one of the top ten listed real estate companies in the UK. Following the sale of LET, he established Pacific Investments through which he founded a number of successful asset management businesses, including Liontrust Asset Management and Thames River Capital.

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Alpha Real Capital is the Investment Manager to Alpha Pyrenees.

Alpha Real Capital's European Funds Director, Paul Cable, is Fund Manager, Alpha Pyrenees Trust.

Paul Cable has 25 years experience in the real estate and banking industries in the UK, Europe and the Far East and has been responsible for Sir John Beckwith's property investment activities in France and Spain for the last six years.

Further information is available at www.alpharealcapital.com including contact details for Alpha Real Capital's UK, French and Spanish offices.

ABOUT ALPHA PYRENEES

Alpha Pyrenees is a Guernsey registered closed-ended investment company investing in French and Spanish commercial real estate.

Investment Strategy

Alpha Pyrenees' strategy is to invest in a diversified portfolio of properties in Spain and France, focusing on commercial property in the industrial, logistics, office and retail sectors. Alpha Real Capital believes that there will be capital growth opportunities in the portfolio through income growth, active asset management and yield compression.

Directors

The Directors of the Company, all of whom are non-executive, are responsible for the implementation of the investment policy of the Company and the overall supervision of the Group's activities. The Board consists of:

Richard Kingston (Chairman)
Christopher Bennett
David Jeffreys
Phillip Rose
Serena Tremlett

Richard Kingston is an executive director of Slough Estates Plc, one of the largest London Stock Exchange listed property companies. He is responsible for Group Finance at Slough Estate Plc and has been so for nine years, and is chairman of their continental European real estate activities. He was a non-executive director of Mersey Docks and Harbour Company and is a qualified Chartered Accountant.

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