

PRESS RELEASE

Stockholm, 23 October 2012

East Capital Explorer proposes annual share redemption program

East Capital Explorer AB's Board of Directors has decided to propose an annual redemption program for the period 2013-2015 in which 5%ⁱ of the Company's outstanding shares will be redeemed at Net Asset Value (NAV) each year, if the discount in the share price compared to NAV exceeds 10%.

Paul Bergqvist, Chairman of the East Capital Explorer Board, says: *"The Board wishes to state its belief in the portfolio's NAV while distributing value to the shareholders in the short and medium term. The redemption program will return value in a fair manner and would correspond to a yield on the share of 8% at the current market price."*

The Board of Directors proposes a voluntary redemption program which will give shareholders the flexibility to either realize part of their holding at NAV or to sell their redemption rights and thereby maintain their shareholding.

"We have a strong belief in the portfolio's potential for future performance and profits. However, we believe that the current discount to NAV is unjustified, and the redemption program will be positive for our shareholders at this point in time." says Mia Jurke, CEO of East Capital Explorer.

The proposal is subject to approval by the shareholders. The proposal for 2013 will be made at an Extraordinary General Meeting (EGM) expected to take place in Stockholm on 4 December 2012. Notice to the EGM will be published separately no later than three weeks before the EGM and will contain more detailed information on the proposed redemption program. The following two years, the Board will present a proposal to the Annual General Meeting (AGM) if the discount exceeds 10%. The discount level will be calculated as the average discount during the six months preceding the month when the agenda for the AGM in 2014 and 2015 respectively is determined.

The redemption program, if approved, will replace the Company's dividend policy and the board does not intend to use its authorization for repurchase of shares during this period.

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Financial reporting calendar - East Capital Explorer:

- Monthly Net Asset Value report on the fifth working day after the end of each month
- Interim Report 1 January – 30 September 2012, 9 November 2012
- Capital Markets Day, 9 November 2012
- Year-end Report 2012, 14 February 2013

About East Capital Explorer - East Capital Explorer AB (publ) is a Swedish company, created with the specific aim of bringing unique investment opportunities in Eastern Europe to a broader investor base. The company invests mainly in East Capital's special fund products but it also makes direct investments into private and public companies. East Capital Explorer targets fast growing sectors such as Power Utilities, Financials, Retail and Consumer Goods and Real Estate. East Capital Explorer has appointed East Capital to manage its investment activities. East Capital Explorer is listed on NASDAQ OMX Nordic Stockholm, Mid Cap.

This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act and demands made in the exchange rules. It was released for publication at 07:00 a.m. CET on 23 October 2012.

ⁱ Assuming that the voluntary redemption offer is fully subscribed