

29 December 2011

Caledonian Trust PLC

("Caledonian" or the "Company")

Extension to Loan Notes

The Company is pleased to announce that on 28 December 2011, it reached agreement with Leafrealm Limited ("Leafrealm"), a company which is controlled by ID Lowe, Caledonian's chairman, chief executive and majority shareholder, to extend the repayment dates of two loan note instruments to 4 January 2013. As at 28 December 2011, the Company owed approximately £2.7 million to Leafrealm under these two separate loan note agreements.

The first loan note agreement was entered into on 30 June 2003. The key terms to this loan note were that Leafrealm agreed to make a loan to Caledonian of £1 million, which was unsecured, non-convertible, repayable on 2 July 2004, attracted interest at the rate of 3% over the base rate of the Bank of Scotland, and for which there was no arrangement fee nor administrative charge. This loan note was periodically extended on the same terms in subsequent years.

As the UK economy deteriorated in 2008, the directors of Caledonian decided to create a second loan note instrument on 26 June 2008 for up to £1 million, and of which only £0.35 million was initially issued. This loan note was also unsecured, non-convertible, and generally on the same terms as the first loan note and, on 24 June 2010, it was replaced with a new loan note instrument on the same terms but with an increased facility of up to £2.5 million and a repayment date of 4 July 2012, thus providing the Company with an additional means of raising working capital. As of 28 December 2012, approximately £1.7 million of loan notes had been issued to Leafrealm under this instrument.

Having consulted with Execution Noble & Co Limited, as the Company's nominated adviser, the directors of Caledonian, with the exception of Mr Lowe whose controlled company, Leafrealm, is a party to the loan note agreements, consider that the terms of the extensions of these loan note agreements are fair and reasonable insofar as the Company's shareholders are concerned.

Mr Baynham, a director of Caledonian, commented: "We are glad to have extended these two agreements on the same, beneficial terms. As we disclosed in the Company's results which were announced yesterday, we expect that the two remaining small bank loans aggregating approximately £1.5 million will be repaid in 2012 and that we will become focused on completing and realising some of the properties in the Company's development portfolio."

For further information please contact:

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