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**EUROPEAN COMMERCIAL REAL ESTATE LIMITED  
ANNOUNCES COMPLETION OF QUALIFYING TRANSACTION AND PRIVATE  
PLACEMENT**

**Toronto, Ontario** (January 31, 2017) European Commercial Real Estate Limited (the “**Corporation**”) (TSXV: ERE.P), a capital pool company (as defined in Policy 2.4 (the “**CPC Policy**”) of the TSX Venture Exchange (the “**TSXV**”) Corporate Finance Manual), is pleased to announce that it has closed its previously announced Qualifying Transaction, as defined in the CPC Policy. As disclosed in the Corporation’s press release dated November 18, 2016 (the “**QT Press Release**”) and in its filing statement dated January 23, 2017 (the “**Filing Statement**”), the Corporation’s Qualifying Transaction involved the acquisition of an initial commercial office property located at Bismarckstraße 101 in Düsseldorf, Germany (the “**QT Property**”). Further information regarding the QT Property and the Qualifying Transaction is available in the Filing Statement, which is accessible under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

Düsseldorf is the capital city of the German state of North Rhine-Westphalia. The city of Düsseldorf has a population of approximately 600,000 people and is the seventh most populous city in Germany. The QT Property was originally built in 1969 and refurbished in 2001. The building comprises approximately 5,263 square meters of leasable space and is over 99% occupied, primarily by medical tenants, with an average remaining lease term of approximately six years.

The Corporation acquired the QT Property for an aggregate purchase price of approximately €11 million, subject to customary adjustments. The purchase price for the QT Property was financed by approximately €7.5 million in secured mortgage financing with a German bank with the balance of the purchase price satisfied in cash from the Corporation’s existing funds and the proceeds of the Private Placement (as defined below).

The Corporation has submitted final documentation with respect to the Qualifying Transaction to the TSXV and, subject to the TSXV’s final approval, anticipates that it will be listed as a Tier 1 Real Estate Issuer.

Following the acquisition of the QT Property, the Corporation intends to carry on business as an owner and operator of commercial office properties located in Europe and, at an appropriate time, expects to effectively convert the Corporation into a real estate investment trust focused on commercial office properties located in Europe. There can be no assurances that the Corporation will convert into a real estate investment trust in the future and no representation is made to that effect.

The Corporation continues to focus on the acquisition of commercial office properties consistent with its strategy and currently is looking at potential acquisitions located in both Germany as well as Belgium. There can be no assurances that any such acquisitions by the Corporation will occur.

In connection with the Qualifying Transaction, the Corporation concurrently closed the issuance, on a private placement basis to exempt purchasers, of an aggregate of 31,000,000 Common Shares at a price of \$0.10 per Common Share for gross proceeds of \$3,100,000 (the "**Private Placement**").

On January 31, 2017, Thomas Schwartz acquired, on a private placement basis under the Private Placement, directly and indirectly, 150,000 Common Shares for total consideration of \$15,000 (\$0.10 per share) and was granted 605,000 incentive stock options pursuant to the Corporation's stock option plan (the "**Options**") representing in aggregate 0.87% of the Corporation's outstanding Common Shares on a partially diluted basis. After the acquisition, Mr. Schwartz, owned, directly and indirectly, 11,600,000 Common Shares and 1,405,000 Options, representing in aggregate 14.88% of the outstanding Common Shares on a partially diluted basis.

On the same date, Phillip Burns acquired, on a private placement basis under the Private Placement 250,000 Common Shares for total consideration of \$25,000 (\$0.10 per share) and was granted 1,000,000 Options representing in aggregate 1.44% of the Corporation's outstanding Common Shares on a partially diluted basis. After the acquisition, Mr. Burns, owned 11,400,000 Common Shares and 3,000,000 Options, representing in aggregate 16.18% of the outstanding Common Shares on a partially diluted basis.

On the same date, David Ehrlich was granted 605,000 Options representing in aggregate 0.70% of the Corporation's outstanding Common Shares on a partially diluted basis. After the grant, Mr. Ehrlich, owned 6,150,000 Common Shares and 1,405,000 Options, representing in aggregate 8.64% of the outstanding Common Shares on a partially diluted basis.

On the same date, Ian Dyke was granted 630,000 Options representing in aggregate 0.73% of the Corporation's outstanding Common Shares on a partially diluted basis. After the acquisition, Mr. Dyke, owned 6,150,000 Common Shares and 1,630,000 Options, representing in aggregate 8.88% of the outstanding Common Shares on a partially diluted basis.

On the same date, funds controlled by Vision Capital Corp. ("**Vision Capital**") acquired, on a private placement basis under the Private Placement 15,000,000 Common Shares for total consideration of \$1,500,000 (\$0.10 per share) representing in aggregate 27.27% of the Corporation's outstanding Common Shares. After the acquisition, Vision Capital, owned 15,000,000 Common Shares, representing in aggregate 17.44% of the issued and outstanding Common Shares.

The Common Shares and Options referred to above were acquired independently by each of Mr. Schwartz, Mr. Burns, Mr. Ehrlich, Mr. Dyke and Vision Capital (collectively, the "**Acquirors**") for investment purposes. Each of the Acquirors may increase or decrease their respective ownership or control in securities of the Corporation depending on, among other factors, market conditions and other relevant factors.

Portions of this press release is being issued pursuant to National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* which requires a reports of each of the Acquirors to be filed under the Corporation's profile on SEDAR

(www.sedar.com) containing additional information with respect to the foregoing acquisitions. A copy of the related early warning reports for each of the Acquirors in respect of the acquisitions described above will be filed on www.sedar.com.

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*The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Forward-looking statements in this news release include, but are not limited to, the ability of the Corporation to complete a Qualifying Transaction or the Private Placement, the conversion of the Corporation into a real estate investment trust and the acquisition of properties by the Corporation across Europe. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although the Corporation believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward looking statements will prove to be correct. Except as required by law, the Corporation disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise. The reader is referred to the Corporation's initial public offering prospectus and the Filing Statement for a more complete discussion of risk factors relating to the Corporation and their potential effects, copies of which may be accessed through the Corporation's profile on SEDAR at www.sedar.com.*

*Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.*

*Investors are cautioned that, except as disclosed in the Filing Statement in connection with the Qualifying Transaction, any information released or received with respect to the Qualifying Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*The TSXV has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this press release.*