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**EUROPEAN COMMERCIAL REAL ESTATE LIMITED
ANNOUNCES AGREEMENT TO ACQUIRE GERMAN PROPERTY**

Toronto, Ontario (March 22, 2017) European Commercial Real Estate Limited (the “**Corporation**”) (TSXV: ERE) is pleased to announce that it has entered into an agreement (the “**Acquisition Agreement**”) to acquire a 172,838 square foot (16,057 square meters) office property in Landshut, Germany (the “**Acquisition Property**”), part of the greater Munich metropolitan region for approximately €30.2 million from an arm’s length party. The Acquisition Property is 100% leased to a subsidiary of E.ON SE, a Global 500 Company with an investment grade credit rating, and is well served by a comprehensive road and public transportation network.

The Acquisition Property comprises two building complexes with four phases, ranging from three to four storeys, erected between 2002 and 2012 and has 107 internal and 118 external parking spaces. The contractual lease with the subsidiary of E.ON SE has a weighted average lease term of 8.3 years. Certain portions of the Acquisition Property are sublet to Draexelmeier SE, one of the world’s largest automobile parts manufacturers.

In January 2017, the Acquisition Property was valued at €30.6 million by an experienced third party valuator specializing in commercial real estate. The acquisition of the Acquisition Property is expected to be financed by way of an approximate €18.0 million secured mortgage from a German bank with the balance by way of public or private offerings of common equity and/or debt.

Further, to assist the Corporation with its growth and to facilitate payment of the deposit on the Acquisition Property, Thomas Schwartz and Phillip Burns, each a Promoter and Director of the Corporation, provided to the Corporation a loan (the “**Loan**”) in the aggregate principal amount of approximately €1.5 million. The Loan will mature on March 22, 2020 and is unsecured and repayable at any time by the Corporation, or any successor thereto, with no pre-payment penalties.

Along with the Corporation’s previous acquisition of an office property located in central Düsseldorf, Germany, completed in January 2017, the Acquisition Property will form part of the Corporation’s portfolio of properties managed by Maple Knoll Capital Ltd. (“**Maple Knoll**”). Maple Knoll is a London, England-based investment manager, asset manager and advisor, and provides asset management and advisory services to the Corporation and its subsidiaries. Founded in 2013 and led by Phillip Burns (chief executive officer of the Corporation) and Ian Dyke (chief financial officer of the Corporation), Maple Knoll’s primary focus is on exploiting real estate investment opportunities throughout Europe on behalf of its partners and clients. As the Corporation’s asset manager, Maple Knoll provides strategic, advisory, asset management, project management, construction management and administrative services necessary to manage the day-to-day operations of the Corporation. Maple Knoll also has significant capital markets experience and its principals have been actively involved in raising nearly US\$2 billion of equity or hybrid securities in the public markets and have executed nearly €10 billion in debt transactions.

About European Commercial Real Estate Limited

The Corporation's business is the ownership of and investment in commercial properties in Europe. It currently owns and operates one commercial property in Düsseldorf, Germany, which constituted the Corporation's "qualifying transaction" under the TSX Venture Exchange rules, and it has a second commercial property in Landshut, Germany, a suburb of Munich, under contract. The Corporation's strategy is to aggregate a bespoke portfolio of high-quality, non-prime, core assets in key European markets designed primarily to deliver long-term, secure income with additional potential for capital appreciation.

For more information please contact:

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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 the Acquisition, the terms of any financing may not be on favourable terms to the Corporation and the loss of any deposit in connection with the failure to complete, or raise sufficient financing to complete, the acquisition of the Acquisition Property. 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.

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