



Silicon Valley's Developer™
*We build the buildings for the high tech
companies that build the internet.™*

Press Release

For Immediate Release
July 14, 2007

MISSION WEST PROPERTIES, INC. COMMENCES ACQUISITION NEGOTIATIONS FOR AN ALL CASH TRANSACTION

CUPERTINO, CALIFORNIA, July 15, 2007 --- Mission West Properties, Inc. (AMEX: MSW) (Mission West) announced today that it has begun negotiations with a leading real estate private equity fund for the acquisition of all of Mission West's outstanding common stock at \$13.55 per share in cash, with the holders of limited partnership units in Mission West's operating partnership to receive the equivalent of \$13.55 per unit in cash or remain in a surviving operating partnership as part of the overall deal, which would be valued at approximately \$1.8 billion. The proposed acquisition is subject to the completion of the prospective buyer's due diligence review and the negotiation and execution of a definitive agreement by the parties. Furthermore, if the parties conclude a definitive agreement, completion of the transaction will be subject to material closing conditions such as obtaining acquisition financing, resolution of tax issues, regulatory reviews and approvals as required by law, the approval of Mission West's stockholders, and other customary closing conditions for transactions of this nature.

Pending completion of the acquisition Mission West expects to continue to pay regular quarterly distributions of \$0.16 per share and per unit with a pro rated distribution for the quarter in which the closing occurs. This distribution would be in addition to the merger consideration paid per outstanding share of common stock.

Mission West Properties, Inc. operates as a self-managed, self-administered and fully integrated REIT engaged in the management, leasing, marketing, development and acquisition of commercial R&D properties, primarily located in the Silicon Valley portion of the San Francisco Bay Area. Currently, the Company manages 107 R&D properties totaling approximately 7.7 million rentable square feet. For additional information, please contact Investor Relations at 408-725-0700

FORWARD LOOKING STATEMENTS:

Certain statements in this press release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements concerning plans, objectives, goals, strategies, expectations, intentions, projections, developments, future events, performance or products, underlying assumptions, and other statements which are other than statements of historical facts. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends", "plans," "anticipates," "contemplates," "believes," "estimates," "predicts," "projects," "potential", "continue," and other similar terminology or the negative of these terms. Because these forward-looking statements involve risk and uncertainty, there are important factors that could cause our actual results to differ materially from those stated or implied in the forward-looking statements. Such factors include, among others, factors that could prevent or delay the closing of the transactions described in this release, including, without limitation, factors about Mission West's financial condition and results of operation, national and local economic conditions, market fluctuations in rental rates, financing conditions, concessions and occupancy, reduced demand for office space, failure of market conditions and occupancy levels to improve certain geographic areas, defaults or non-renewal of leases by customers and increased rates and occupancy costs, in addition to the uncertainties and risks associated with a potential acquisition and the significant possibility that Mission West may not conclude a definitive agreement for the potential acquisition discussed above. Given these uncertainties, readers are cautioned not to place undue reliance on such statements. All forward-looking statements are based on information available to us on the date hereof and we assume no obligation to update or supplement any forward-looking statement. Additional information concerning factors that could cause results to differ can be found in our filings with the SEC including our report on Form 10-K for the year ended December 31, 2006 and our Form 10-Q for the quarter ended March 31, 2007.