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Press Release

For Immediate News Release
August 12, 2007

Mission West Properties Announces That Three Parties That Do Not Require Substantial Outside Debt Financing Are Doing Initial Due Diligence On Possible Acquisition. Conversations with previous Buyer are continuing but closure is unlikely due to continuing debt market disruptions.

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Cupertino, CA – Mission West Properties, Inc. (AMEX: MSW) reported today that negotiations with the potential Buyer announced on July 14, 2007 are continuing but closure is unlikely do to the withdrawal of their primary and secondary lenders from the market. The potential Buyer had completed substantially all of their due diligence and had agreed to the terms of the definitive merger agreement when they were notified by their lender, one of the top five U. S. banks, that they were withdrawing from the market and would not issue their previously agreed upon financial commitment to the Buyer. The Buyer has acted in good faith and made every effort to find alternative solutions, but in this very difficult debt market has been unable to do so.

Upon notification of the withdrawal of the Buyer's bank, Mission West immediately contacted three other potential acquirers that have internal sources of financing and who had expressed interest in Mission West. Mission West is continuing to have on going discussion with these companies and they are in the process of doing financial due diligence to determine if they can meet the pricing conditions set forth by Mission West.

The Company is continuing to lease buildings, aggressively pursue new tenants and run its business in the normal manner with little or no disruption as a result of the potential sales transaction. The Company continues to believe based on new lease and higher rents that revenues and earnings will continue to increase for the remainder of this year and 2008.

Company Profile

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 110 properties totaling approximately 7.8 million rentable square feet, which includes approximately 894,000 rentable square feet (or 17 buildings) that are in the process of being rezoned for residential development. For additional information, please contact Investor Relations at 408-725-0700.

The matters described herein contain forward-looking statements. Such statements can be identified by the use of forward-looking terminology such as “will,” “anticipate,” “estimate,” “expect,” “intends,” or similar words. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control, which may cause material differences in actual results, performance or other expectations. These factors include, but are not limited to, the ability to complete acquisitions under the Berg Land Holdings Option Agreement with the Berg Group and other factors detailed in the Company's registration statements, and periodic filings with the Securities & Exchange Commission.