



Strategic
Opportunity
REIT

FOR IMMEDIATE RELEASE

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KBS Strategic Opportunity REIT Eliminates Internalization Fees

NEWPORT BEACH, Calif. (Oct. 4, 2012) – The board of directors of [KBS Strategic Opportunity REIT, Inc.](#), a public, non-traded real estate investment trust located in Newport Beach, Calif., is pleased to announce that the REIT will not pay any internalization fees or compensation to its advisor, [KBS Capital Advisors LLC](#), or one of its affiliates, should the REIT enter into any internalization transaction. The decision was made upon the recommendation of KBS Capital Advisors and approved by the board of directors of the REIT as being in the best interest of the REIT and its shareholders.

Typically, at certain points in the life cycle of a non-traded REIT, including prior to listing its shares on a public exchange as its liquidity event, all management, acquisition and other functions previously performed by the REIT's external advisor are absorbed by the REIT, making it "self-managed." Such internalization potentially could result in internalization fees paid by the REIT in exchange for the personnel, infrastructure and other assets of the advisor. The elimination of these fees can be a substantial cost savings to a REIT and its shareholders.

"By design, the REIT's prospectus does not specify the strategy the REIT will pursue for its liquidity event, which allows the REIT's management and its board of directors to choose the best option for shareholders when the time comes. Thanks to our sponsors' institutional background, we believe that we have the ability to successfully liquidate portfolios by selling assets individually," said Keith Hall, chief executive officer of KBS Strategic Opportunity REIT. "However, in the event the REIT determines that listing its shares on a public exchange is in the best interest of shareholders, we will be able to pursue that strategy without having to consider the impact of internalization fees."

KBS Strategic Opportunity REIT invests in and manages a diverse portfolio of real estate-related loans, opportunistic real estate, real estate-related debt securities and other real estate-related investments. KBS Strategic Opportunity REIT is sponsored indirectly by Peter Bren, Keith Hall, Peter McMillan III and Charles J. Schreiber, Jr., and is advised by KBS Capital Advisors LLC, an affiliated entity which is indirectly owned and controlled by KBS Strategic Opportunity REIT's sponsors.

About KBS

KBS Capital Advisors is an affiliate of KBS Realty Advisors, a private equity real estate company and SEC-registered investment advisor founded in 1992. Since its inception, KBS and its affiliated companies have completed transactional activity of approximately \$25 billion via 14 separate accounts, six commingled funds, five sovereign wealth funds and five non-traded REITs. For information, visit www.kbscapital.com.

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including the selection and potential success of KBS Strategic Opportunity REIT's potential liquidity events. These statements are subject to known and unknown risks, uncertainties and other factors which may cause KBS Strategic Opportunity REIT's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.