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FOR IMMEDIATE RELEASE

**Court Confirms Orleans Homebuilders, Inc. Plan of Reorganization;
Company to Emerge from Chapter 11 by Year End**

**Company Launching \$155 Million in Exit Financing
To Support Plan and Ongoing Working Capital Needs**

Bensalem, Pa., Dec. 1, 2010 --/PRNewswire-FirstCall/ -- Orleans Homebuilders, Inc. (the "Company", or "Orleans") (Pink Sheets: OHBIQ.PK) and certain affiliated debtors today reported that the United States Bankruptcy Court for the District of Delaware has confirmed the Company's Modified Second Amended Joint Plan of Reorganization (the "Plan").

The Plan is expected to become effective by year end, at which time Orleans will emerge from Chapter 11 protection. Distributions will be made after that time in accordance with the Plan to satisfy creditor claims.

"We have reached an important milestone that signals Orleans will be ready to emerge from Chapter 11 protection with strong operations and less than half of the debt the company had just nine months ago," stated Mitchell B. Arden, Senior Managing Director and Shareholder of Phoenix Management, who has been serving as the Company's Chief Restructuring Officer. "The success of Orleans' reorganization is a testament to the hard work of our employees who have continued to build and sell Orleans homes, the support of our customers who recognize the value and quality of an Orleans home, the support of our Plan sponsors, who have shared the vision of Orleans' management team, and the around-the-clock effort and responsiveness of the Company's counsel at Cahill Gordon & Reindel LLP. Of course, this could not have been achieved without the continuing support of our vendors and contractors, the vast majority of whom have stayed with us since the filing took place."

Orleans is launching the syndication of its anticipated exit financing package of approximately \$155 million, which consists of a \$30 million revolving credit facility and \$125 million syndicated term loan. Orleans has entered into a commitment letter for JPMorgan Chase Bank, N.A. to provide the revolving credit facility, and for JP Morgan Securities LLC to act as sole lead arranger and bookrunner for the syndication of the term loan. Orleans anticipates that the new financing, which remains subject to the negotiation and execution of definitive documentation, will satisfy the outstanding amounts under the debtor-in-possession financing facilities and certain other allowed claims, fund

emergence-related disbursements, and provide for the working capital needs of Orleans after emergence from Chapter 11 protection.

The Company and most of its operating subsidiaries filed voluntary petitions to commence the Chapter 11 process on March 1, 2010. The filing did not include certain of the Company's subsidiaries, including its mortgage services subsidiary, Alambry Funding Inc., which provides mortgage brokerage services for customers and financial institutions, but does not underwrite any customer mortgages.

Information about the reorganization, including copies of the Plan, the Court Order confirming the Plan, the Order approving the agreement related to the exit financing, and links to other Court filings can be found at www.orchestration.com.

About Orleans Homebuilders, Inc.

Orleans Homebuilders develops, builds and markets high-quality single-family homes and townhouses. Its operations in Pennsylvania and New Jersey date back more than 90 years. The company serves a broad customer base including first-time, move-up, luxury, empty-nester and active adult homebuyers. The company currently operates in the following 11 distinct markets: Southeastern Pennsylvania; Central and Southern New Jersey; Orange County, New York; Charlotte, Raleigh and Greensboro, North Carolina; Richmond and Tidewater, Virginia; Chicago, Illinois; and Orlando, Florida. The company's Charlotte, North Carolina operations also include adjacent counties in South Carolina. The company employs approximately 200 people.

Forward-Looking Statements

Certain information included herein and in other company statements, reports and SEC filings is or may be forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements concerning the timing of the emergence of the Company from Chapter 11; availability and terms of exit financing; required bankruptcy court approvals; payments to trade creditors, employees, customers, or other creditors; and anticipated liquidity. Any forward-looking information involves important risks and uncertainties that could significantly affect actual results and cause them to differ materially from expectations expressed herein and in other company statements, reports and SEC filings. These risks and uncertainties include the company's ability to operate under the terms of the anticipated exit financing; the company's ability to obtain court approval with respect to motions filed and other relief requested in connection with the bankruptcy cases; the ability of the company to consummate its current proposed Plan of Reorganization, or any other Plans, with respect to the Chapter 11 proceeding; satisfaction of closing conditions related to the exit financing, including negotiation of mutually agreeable documentation; the ability of the company to obtain and maintain normal terms with vendors and service providers and to maintain contracts critical to its operations; the ability of the company to continue to attract buyers of its homes; the ability to continue normal business operations; the potential adverse impact of the Chapter 11 proceedings; the ability of the company to attract, motivate and/or retain

key executives and employees; access to liquidity; local, regional and national economic conditions; the effects of governmental regulation; the competitive environment in which the company operates; fluctuations in interest rates; changes in home prices; the availability of capital; the availability and cost of labor and materials; and weather conditions. Additional information concerning factors the company believes could cause its actual results to differ materially from expected results is contained in Item 1A of the company's Annual Report on Form 10-K/A for the fiscal year ended June 30, 2008 filed with the SEC and subsequently filed Quarterly Reports on Form 10-Q, as well as the Current Reports on Form 8-K and press releases filed with the Securities and Exchange Commission on August 14, 2009, October 6, 2009, November 5, 2009, December 9, 2009, December 23, 2009, February 1, 2010 February 19, 2010, March 3, 2010, March 11, 2010, March 22, 2010, April 20, 2010, April 22, 2010, April 27, 2010, May 25, 2010, June 11, 2010 and June 25, 2010.

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