

ENGRO CHEMICAL PAKISTAN LTD.

March 10, 2008

The General Manager
Karachi Stock Exchange (Guarantee) Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi.

The Secretary
Lahore Stock Exchange (Guarantee) Ltd.
19, Khayabane Aiwane Iqbal
Lahore

The Secretary
Islamabad Stock Exchange (Guarantee) Ltd.
Stock Exchange Building
Blue Area - Islamabad

Dear Sir,

For the last one week or so, news of Engro Chemical Pakistan Limited, forming a joint venture with Ferphos of Algeria is appearing in the international and national media. In this regard we would like to inform you of the factual position which is as under:

Engro Chemical Pakistan Limited is interested in forming a Joint Venture with FERPHOS, the National iron ore & Mining Company of Algeria, for establishing a Phosphatic Fertilizer Complex in Algeria after conducting a detailed feasibility study. The Complex will consist of one 3000 Metric ton per day unit of DAP, three 4500 Metric ton per day units of Sulphuric Acid, three 1500 Metric ton per day units of Phosphoric Acid and the associated Utilities facilities. It is expected to be constructed in a period of around 4 years after the completion of successful feasibility study by the joint venture.

Engro Chemical Pakistan Limited had participated in an open and transparent international tendering process that took place in May 2007 and secured the top position as FERPHOS's preferred partner for creation of this joint venture. However, the official communication of this was not made as certain approvals from the government of Algeria were awaited. In Feb 2008, the Algerian Council for State Participation (Relevant Algerian Government Body for taking decisions on Foreign Investments) approved the creation of the Joint Venture between FERPHOS and a Foreign Partner (as evident from the local Algerian print media), however the name of the Foreign Partner has not been disclosed at this stage.