

ENGRO CHEMICAL PAKISTAN LTD.

July 10, 2009.

Mr. Muhammad Ghufraan
Deputy General Manager - Companies Affairs
Karachi Stock Exchange (Guarantee) Ltd.
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Stock Exchange Road
Karachi.
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SUB: MATERIAL INFORMATION

Dear Sir,

Reference your letter no. KSE/C-297-7836 dated July 9, 2009. The news item enclosed with your letter refers to a meeting held over a month ago between representatives of Engro Chemical Pakistan Limited (ECPL), Engro PowerGen (Private) Limited (EPGL) (a 100% owned subsidiary of ECPL) and the Government of Sind (GoS). This meeting was in connection with a proposal submitted last year by EPGL to the GoS as part of an international competitive bidding process advertised by the GoS for joint development of a coal mining project in Block 2 of the Thar Coal Field. This meeting was one of a series of ongoing meetings with regard to the above proposal.

EPGL and GoS now plan to negotiate, finalise and execute a Joint Venture Agreement (JVA) after the execution of which they shall form a Special Purpose Vehicle company. The Company will then firstly conduct a Feasibility Study to determine the feasibility of the mining project. If it is found to be feasible, then the partners, through the Company, will embark on the project. EPGL also plans to set up a power plant based on the coal to be mined by the Company.

We will inform the Stock Exchanges once the JVA is finalized.

Very truly yours

ANDALIB ALI
General Manager - Legal
& Company Secretary