

ENGRO CHEMICAL PAKISTAN LTD.

August 12, 2009.

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SUB: JVA WITH THE GOVERNMENT OF SINDH -
THAR COAL – POWER PLANT

Dear Sirs,

In response to international competitive bidding invited by the Government of Sindh (GoS), Engro PowerGen (Private) Limited (EPL), a 100% owned subsidiary of Engro Chemical Pakistan Limited, had submitted its bid for development of a coal mining project in Block 2 of Thar coal field in partnership with the GoS, alongwith the construction by EPL of a mine mouth coal based power plant.

After evaluation by the Thar Coal & Energy Board, the GoS selected EPL as its preferred partner for the coal mining project. In a meeting yesterday, the Sindh Cabinet approved the joint venture between the GoS and EPL. A joint venture agreement will be signed soon.