



Shell Gas (LPG)

26 November 2007
FIN 11-C

The General Manager
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Announcement of Rights Shares

Dear Sir,

The Board of Directors of Shell Gas LPG (Pakistan) Limited at their meeting held today, Monday, 26 November 2007, have decided to raise further capital of Rs. 194,057,520 (Rupees One hundred and ninety four million, fifty seven thousand five hundred and twenty only) comprising 19,405,752 ordinary shares of Rs. 10 each, to be offered to the Members of Shell Gas LPG (Pakistan) Limited, as right shares, at par in the ratio of 6 shares for every 1 shares (600%) held by the Members whose names appear on the Register of Members as on 24th December 2007. The right shares shall rank pari passu with the existing shares in all respects.

The purpose of the Rights Issue is to inject funds for Working Capital, supporting future growth of the Company's business, particularly in a situation where the price of LPG stock is expected to remain high, whilst market condition do not enable the Company to pass on these cost increases to its customers. Furthermore, the Rights Issue will enable the Company to continue to meet its cash flow requirements corresponding to the increased product prices. The Right issue will also strengthen the capital base of the Company and enable it to support its growth targets.

The proposed Rights Issue will improve the liquidity of the Company with corresponding improvement in financial ratios and reduction in interest expense. Increase in equity will also enable the Company to effectively deliver its growth targets and incur capital expenditure in order to sustain this growth.

The financial projections required under rule 5 of the Companies (Issue of Capital) Rules, 1996 are set forth hereinbelow.

	PROJECTIONS (in Rs. millions)		
	Calendar Years		
	31 December 2008	31 December 2009	31 December 2010
Net Sales	2,046	4,449	5,367
Operating (loss)/Profit	(59)	142	220
Financial Charges	25	9	5
(Loss)/Profit Before Tax	(84)	133	215

