



POWER LTD

S.G. Power Limited

B-40, S.I.T.E., Karachi, Pakistan

Tel(021)4545978 Fax# (021)4936232

Email: info@sglyne.com internet: www.sglyne.com

Dated, 14/07/2010

Mr. Haroon Ansari
GM Operations,
The Karachi Stock Exchange (Guarantee) limited,
Stock Exchange Building, Stock Exchange Road,
Karachi-74000, Pakistan.

Subject:- Show Cause Notice Under KSE Listing Regulation No. 30(2)

Dear Sir,

Please refer to the Show Cause Notice under KSE Listing Regulation No. 30(2) issued on June 22, 2010 on account of the default under listing Regulation No. 30 (2) of the Exchange.

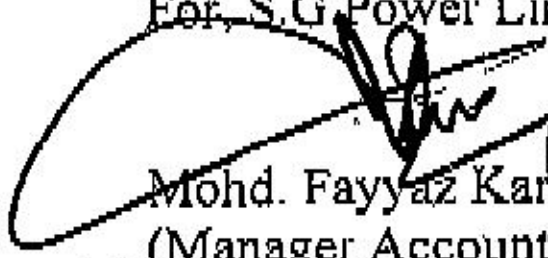
Incompliance thereof we would like to submit that since the last dividend was paid in financial year 2004 the Company could not paid dividend till the year 2009 due to the adverse economic recession faced by the Company. The only customer of the Company (S.G.FIBER LIMITED, the associated undertaking) to whom it supplies electricity has discontinued its operation since December 2006 due to adverse economic recession and unfavorable market conditions faced by the polyester yarn manufacturing companies.. The management of the company had no option other than to shut down the operation so that to avoid the business loss.

The management is very optimistic that soon the adverse economic and market condition will improve and our company will also over come its crisis and the production will recommence.
In view of the above submission and the prevailing circumstances being faced by the Company, you are hereby requested that the aforesaid Show Cause Notice Under Listing Regulation No. 30(2) may kindly be withdrawn.

Your cooperation in this regard would be highly appreciated.

Yours truly,

For, S.G Power Limited


Mohd. Fayyaz Karim
(Manager Accounts)