

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

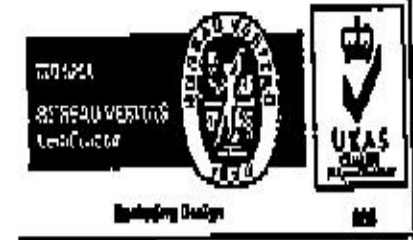
KSE/N-2837

N O T I C E

May 05, 2009

Reproduced hereunder the letter received from **BALOCHISTAN GLASS LIMITED** for information of members of the Exchange.

(Copy of the same is also available on our Website www.kse.com.pk).

**Balochistan Glass Limited**

April 30, 2009

Mr. Muhammad Ghufan,
Deputy General Manager-Company Affairs,
Karachi Stock Exchange (G) Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **SHOW CAUSE NOTICE ON NON PAYMENT OF DIVIDEND**

Dear Sir,

Refer to your letter dated Mach 20, 2009 bearing reference no. KSE/Gen-3112 and my meeting with you and other committee members on April 29, 2009 regarding the above subject, we would like to inform you that company has not issued dividend because BGL has suffered heavy operational losses during the past years.


The directors & sponsors of the company are supporting the company in this hard phase and injected more than Rs. 850.00 million so far in the company to ensure the smooth operations. Company is also in the process to issue preference shares of Rs. 342.00 million to strengthen the equity of the company. All three units of BGL was operating at 50-60% efficiency and they need major BMR of Rs. 250-300 million for which sponsors has already committed up to Rs. 103.30 million from their personal resources and are willing to offer additional outside project security for Rs. 150-200 million financing which is under negotiation with different banks. We hope that BMR plan will be completed by end of August, 2009 and then our plants will be ready for production at full capacity yielding reasonable profit from September, 2009 onward. The unit wise major abstract of the BMR plan as informed to you as under:

- The present furnace of Unit-II will be repaired during December, 2008 to June 2009. The furnace will be repaired in such a way to produce flint, green and Amber glass. Presently, unit-II is producing the flint glass only. The furnace will be ready for production in August 2009
- Unit-III has two furnaces of 40-ton capacity each. In May this year we have closed down one of its furnace for major repair, which was previously producing the amber glass. The other furnace of this unit was producing the table ware glass and Flint Pharma. Now the management has decided to re-fire the furnace in July, 2009 and now this furnace will also produce the tableware glass. New press machines have been ordered by the company which will arrive in July 2009.
- Unit-I will be converted on Pharma, as soon as, Unit-II comes into production i.e. then green glass will also be supplied from Unit-II.

After successful implementation of BMR plan we expect that company will be able to generate sufficient profit to meet the need of all the stakeholders of the company. We expect that the company will start to earn reasonable profits from the year 2010 and then we will be in a position to pay dividend to our shareholders.

We request from your good self that keeping in view all the above conditions and future plans of the company, please allow us one year time so that we can comply with the regulations of the exchange and normal trading of the shares be allowed because it also in the benefit of our shareholders and to complete the future BMR of the company.

Best Regards,


Muhammad Shamil Javed ACA