

NATIONAL CLEARING COMPANY OF PAKISTAN LIMITED

October 14, 2008

PRESS RELEASE

The financial markets around the world are facing a shortage of liquidity and the securities markets have suffered steep falls globally. Similarly securities markets in Pakistan have also suffered a steep fall in a short time and as a result thereof the stock exchanges have fixed a floor in respect of the stock prices as a market stabilization measure. On account of the liquidity shortage in the financial markets in Pakistan the financiers in the CFS Mk-II Market have shown their inability to provide their committed funding.

Securities & Exchange Commission of Pakistan, the Stock Exchanges and the National Clearing Company of Pakistan Limited held extensive consultations with the Authorized Financiers including Banks, Financial Institutions, Broker Financiers, Mutual Funds and other investors to establish that certain measures are required to protect the integrity of the securities markets in Pakistan. As such, the following decisions were taken with immediate effect:

1. Extend the maturities of all outstanding CFS Mk-II contracts by 22 working days existing on the close of business on October 9, 2008. All other terms of contract shall remain the same.
2. Enhance security margins on outstanding CFS Mk-II positions by 10%.

These steps will enhance risk management and ensure orderly markets on the removal of floor based price mechanism at the stock exchanges.