

Reproduced hereunder **PRESS RELEASE** dated October 22, 2008 issued by the **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN-ISLAMABAD** regarding **MARKET STABILIZATION MEASURES** for information of all concerned

PRESS RELEASE
FOR IMMEDIATE RELEASE

Market Stabilization Measures.

ISLAMABAD – OCTOBER 22, 2008: A meeting was held between the Securities and Exchange Commission of Pakistan (SECP) and the Board of Directors of the three stock exchanges i.e. KSE, LSE & ISE, under the chairmanship of Mr. Raziur- Rahman Khan Chairman SECP. Various proposals were discussed and considered relating to the smooth and orderly functioning of the stock market after lifting of the floor on October 27, 2008.

Chairman, SECP briefed the participants of the meeting on the modalities of the new Rs. 20 billion open end fund being established by the Government of Pakistan and managed by NIT. SECP today gave the formal approval for establishing the required fund. The NIT is in the process of finalizing the fine details for smooth operation of the said Fund. The Fund is expected to provide a soft landing to the market on its opening on October 27, 2008. The fund will invest in seven state owned entities namely Oil and Gas Development Company Limited, Kot Addu Power Company Limited, Pakistan Petroleum Limited, Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Pakistan State Oil Company Limited and National Bank of Pakistan.

In addition to the market operation of the fund, the fund is being provided with a Rs. 30.0 billion GOP guarantee to enable it to write put options on the seven state owned entities detailed above. Technical adviser is being appointed to advise NIT on pricing the put option. The put option facility will be made available to foreign investors invested in the market place as at August 27, 2008.

The participants of the meeting while considering a proposal put forward by 103 members of the Karachi Stock Exchange for the closure of CFS market were of the general consensus that the CFS Market should not be discontinued immediately to avoid any ensuing liquidity crises and until there are alternate products available in the market place. It was unanimously agreed that the risk management of the product be further improved to remove the negatives that still exist in the system.

In order to further strengthen the CFS and Deliverable Futures Market and to reduce the risk therein the following additional risk management measures are proposed to be adopted from October 27, 2008 or soon thereafter in order to plug areas of weaknesses prior to opening the markets: