



THE BANK OF NEW YORK MELLON

5.2009

Advisement regarding Land Valuation and Sales Test from BCC1

1. Land valuation: The valuation of land and the increase between Nov 06 and Nov 07, is in line with local as well as regional market and macro-economic trends witnessed between these two valuation dates. The increase can wholly be attributable to very active and attractive real estate market and valuations in Oman prevalent at that time.

Valuation done by CBRE is as per RICS valuation standards 6th Edition. In case you require further clarifications I suggest you may contact CBRE in your capacity as trustee and seek clarifications from CBRE, so that there is no apparent misrepresentation of facts. We have already provided a copy of CBRE valuation report to you.

Incidentally, we are in the process of appointing the valuer to do the valuation as of second anniversary date i.e. 6th Nov. 2008 and the report should be with you in due course. The annual valuation is a requirement under the Inter-company Loan agreement.

2. Every step is being taken by BCC to ensure that residential units are off-loaded in the market, buyer interest in maintained in the project and the development maintains its current pace. We are taking above steps in conjunction with certain permitted actions within BCC loan documentation that will ensure that we will be able to prevent default. Incidentally, at this juncture EOD is at best a speculation and it will be too early to second-guess an event that may or may not happen.