

06 March 2010

To : The Bank of New York
101 Barclay Street
New York, NY 10286
United States of America

Attention : Mr. Anthony Bausa / Mr. David Kerr
Corporate Trust Administration – Global Structured Finance

Ref : BC/A3/BoNY/RR/10/LTR1011

Subject : Marine Project Cargo Insurance – Al Madina A' Zarqa (the "Blue City Project Development")

Dear Sirs,

We refer to the above captioned subject as an arrangement, pertaining to project insurance, within overall BCC Phase 1 Financing documentation. Kindly note that the 4th installment of the Marine Cargo Insurance policy fell due for payment on July 10, 2009. While we normally make such payments within 3 months of the due date, however in this instance and due to the current financial position and the status of the project, the payment cannot be made at this time.

We have now been informed by our broker that, the insurer/underwriter will instigate the cancellation of the policy if payment is not received on or before 15 March 2010.

While keeping you notified of this development, we also seek your advise on the above subject, to ensure that the interests of the Noteholders as well as the project remain fully protected.

Yours faithfully,
For and on behalf of Blue City Company 1. SAOC



Richard P. Russell, P.E
Managing Director & CEO

CC : Issuer – Blue City Investments Limited



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المدينة الزرقاء

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