

15 July 2010

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

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

Ref. BC/A3/BoNY/RR/10/LTR1076

Subject : Blue City Company 1 S.A.O.C ("BCC1") – Restructuring Request

Dear Sir,

We propose to discuss multiple phases of restructuring with the objectives to avoid Omani bankruptcy of the various entities of the Blue City Group and to improve the recovery/return prospects for all creditors and further lay the grounds for important decisions to be taken by the creditors in form of consents to restructuring or failing which, enforcement actions.

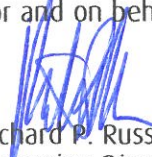
As a first step to commence the process to avoid Omani bankruptcies and to create a positive environment to improve recovery prospects for the creditors, we propose the following actions:

1. A standstill agreement to be signed by the relevant creditors.
2. A formal meeting to be called for the Class A, B and C Note holders (a legal suit has been filed against unlawful compensation with respect to Class D Note holder to seek cancellation of these Notes and thus, we will not be calling for a meeting of Class D Note holders).
3. We will shortly circulate a restructuring presentation for these meetings and provide a copy of the proposed plan on our public website.
4. The restructuring presentation will require cash reserves available to the Note holders being partially applied for the project development and will seek investors interested in purchasing the project assets.

We believe these measures, coupled with the recent finality of the shareholders dispute by the Supreme Court, will assist in improving the recovery values of the creditors. We seek a meeting with you and if possible, Essdar Investments Limited, to take this forward and to finalize a schedule for meetings to be called for the Note holders.

We thank you for your assistance and attention to this matter.

Yours faithfully,  
For and on behalf of Blue City Company 1 S.A.O.C



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

cc : Blue City Investment Limited



المدينة الزرقاء

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