



THE BANK OF NEW YORK MELLON

Blue City Company 1 SAOC
P.O. Box 3619
112 Ruwi
Sultanate of Oman

Attention: The Directors

Date: 25 January 2010

Dear Sirs,

Blue City Project

We refer to your letter dated 25 January 2010 in which you attached the notice of a meeting of the Board of Directors of Al Sawadi Investment and Tourism Co. LLC (the **Company**) to be held on 3 February 2010 to consider the resolution to file a petition for dissolution of the Company and its direct and indirect subsidiaries, namely the Borrower, Blue City Company 2 S.A.O.C., Blue City Company 3 S.A.O.C., Blue City Company 4 S.A.O.C., Blue City Company 5 S.A.O.C., Blue City Company 6 S.A.O.C. and Blue City Company 7 S.A.O.C. (the **Subsidiaries**).

In light of the seriousness of such a step and your position as Borrower under the Intercompany Loan Agreement dated 27 October 2006 (the **ILA**), we request that you promptly advise (and in any event prior to close of business (London time) on Wednesday 27 January 2010) on the following questions in relation to these proposed dissolutions:

1. What is the procedure for the dissolution of the Company and each of the Subsidiaries (as companies incorporated in Oman) and the expected (and required) timeline?
2. Do the dissolutions require an order from the court?
3. Is it necessary to consult with the creditors?
4. What is the liquidator's role and what are the liquidator's powers?
5. Does the appointment of a liquidator under Omani law affect the rights of a secured creditor?

Please also note we are still awaiting the most recent IMC Financial Covenants Confirmation Notice, which is required to be delivered pursuant to Clause 21.4 (*Financial Covenants Confirmation Notice*) of the ILA, which provides that "the IMC will, promptly after any Financial Covenant has been finally determined or, if later, promptly after the forecast as at the relevant Calculation Date has been finally determined, deliver a Financial Covenants Confirmation Notice to the Borrower, the Issuer and the Phase 1 Offshore Security Trustee".



We note that Pricewaterhouse Coopers in its role as Independent Model Consultant (the **IMC**) have sent the "Report on Compliance with Financial Covenants included in Loan Agreement" dated 28 December 2009 to Blue City Investments 1 Limited. However this refers to their review for the financial quarter ending on 6 February 2009 and we require the Financial Covenants Confirmation Notice for the financial quarter ending on 10 November 2009. We request that you contact the IMC on receipt of this letter and that you request that the IMC provides this confirmation notice forthwith.

Yours faithfully



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for and on behalf of
The Bank of New York Mellon

Project : Blue City Phase 1-Oman	
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Contribution	Action
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