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MERIX INTERNATIONAL VENTURES LTD

Mr. Antanas Petrosius
Credit Suisse
1-5 Cabot Square
London E14 4QJ
United Kingdom

23 October 2008

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Dear Antanas,

Refer meeting in London with your colleagues and further telephonic discussions we have been having on restructuring our Loan with Credit Suisse.

We summarize the position of our various loans as it stands today:

- **CREDIT SUISSE LOAN**

- We have a loan from Credit Suisse against Halyk Bank of Kazakhstan GDR's, principal amount was 157 million USD, we have paid 132 million and balance left is 25 million USD, which we are in requesting you to restructure..
- We are requesting Credit Suisse to please restructure the loan. We intend to pay 50% of outstanding loan by 31st December 2008 and balance by 30th June 2009.
- We are also agreeable to give personal guarantee of Mr. Timur Kulibaey

- **BNP PARIBAS LOAN**

- We have an outstanding loan of US\$ 114,472,863.
- And a margin money balance of US\$ 29,716,000
- We intend to pay an installment of US\$ 4,472,863 on or before 30th October 2008
- Post this payment we will need to pay a balance of US\$ 80,284,000 Only (124,472,863.- 14,472,863-29,716,000)
- We propose to pay this gradually over a period of time till June 2009 in six equal monthly installments.
- The funds for this 80 million US\$ repayment to BNP and 25 Million USD to you (Credit Suisse) will come out of dividends/and/or loans from our operational companies as detailed below

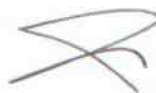
- **KSS KAZAKHSTAN:**

- In this company at holding level we have 92.5 % equity distributed equally between Serene Universe Ltd. (a company 100% owned by Arvind) and Merix Intl. Ventures



Ltd.(a company 100% owned by TK), with balance equity of 7.5% shared by Goldman Sachs (5%) and Credit Suisse (2.5%), the private equity investment was done at a valuation of US\$ 1 Billion.

- KSS Kazakhstan has a net worth of close to 100 Million US\$
- KSS is expecting an EBITDA of 100+ Million USD in year 2008 and it has a very healthy order book of around 1.8 billion USD
- KSS will be declaring a dividend in 2008 and the same will be used by us to repay bank loan. We propose to pay around 40 million from KSS. This dividend will be paid sometime in Feb/March 2009.
- KSS has bank borrowings against projects and the same are self liquidating in nature, however it has around 40 million of debts against equipment valued at 100 million +
- Incidentally we may mention that KSS is getting an advance of US\$225 Million from one of its customers which is going to increase liquidity of KSS considerably.
- **Euro Asian Oil AG:**
 - This trading company of the group trades almost 6 million tones of Kazakh Crude every year through ports of Batumi/Primorsk/Novorisk.
 - This company has a net worth close to 50 million USD.
 - This year post 2008 closing we intend to declare substantial dividend to the tune of 10-15 million USD from the company to shareholders and will use the dividend to repay the funds. We propose to have this dividend in two installments first in December 2008 and second in March 2009.
- **Sino Global Oil Pte Ltd:**
 - This trading company of the group trades almost 5 million tones of Kazakh Crude every year to China.
 - This company is debt free except trade finance which is self liquidating. It has a net worth close to 10 million USD.
 - This year post 2008 closing we intend to declare substantial dividend to the tune of 7-8 million USD from the company to shareholders and will use the dividend to repay the funds. We propose to have this dividend in two installments first in December 2008 and second in March 2009.
- **Vitol Central Asia**
 - This 51% JV with Vitol.



- This JV trades Kazakh crude (pipeline) to Black Sea port.
- Volume is in excess of 6 million tones is debt free except trade finance which is self liquidating. It has a net worth close to 60 million USD.
- Profit from this JV (our share) have been to the order of 25-30 million each year.
- We will get our share of around 10-12 million this year, which we will pay to banks for liquidating loan. We propose to have this dividend in two installments first in December 2008 and second in March 2009.
- **Sun Drilling:**
 - This is our group company owning 11 land rigs.
 - We expect an EBITDA of more than 30 Million USD this year.
 - We propose to take about 10 million USD from Sun drilling and pay back.
- **MMG:**
 - Our JV with Mittals (Starleigh) indirectly owns 28% shares in MMG.
 - We are in the process of getting about 480 million USD dividend.
 - This dividend will be used to pay off liability of shareholders to various banks.
 - We will get close to 30 million from this dividend shortly and will use this to pay BNP loan. This will be received by 7th November 2008

From the above we see that we will be able to generate/have access to Funds in excess of 110 million dollars till next June whereas our liability will be around 80+25 million dollars.

We will continue to pay interest as usual.

WE look forward to receiving your restructuring proposal soon.

Yours Sincerely,



JN Gupta
Authorized Signatory