THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-588 ***N O T I C E*** ***February 04, 2009***

*Reproduced hereunder the letter received from **PROGRESSIVE INSURANCE COMPANY LIMITED** for information of members of the Exchange.*

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Progressive Insurance Company Limited

Ref No. 019/2009
February 4, 2009

Muhammad Ghufran.
DGM Companies Affairs
The Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building,
Stock Exchange Road.
Karachi.

Sub: Issuance of Letter of Right Shares of Rs. 76.5 millions

Dear Sir,

Please refer to your letter No. KSE/ C-542 dated January 16, 2009 on the above captioned subject.

We would like to mention that the management of the Company to improve paid up capital/equity of the Company opted for the issuance of Right Shares of 76.5 millions in the month of September 2008 and against all expectation the applications received from the share holders of the company for the Right Subscription Application was very poor and a total sum of Rs.18,000/ (Rupees Eighteen thousand) collected on this account. We thought that the reasons for the very low subscriptions were uncertain political, economical and dreadful market conditions.

We would like to state that we have been continuously in touch with the underwriter to execute their commitment to subscribe the deficit of the under subscribed Right Shares but the underwriter looking to the stock market and economic conditions of the country, however we are very much optimistic that very soon issue will be resolved.

We expect that above explanations and clarifications would satisfy you and you will realize our limitations in the failure of proper reporting or to response to your various communications. We hope you would be taken a very lenient view of our limitations on the issue of Right Shares.

Thanking you in anticipation and assuring you our best corporation at all times, the under signed shall be indebted to you for this act of kindness and sympathy and pray to the Al-Mighty Allah that he may anchor you at the harbor of success and command (Ameen)!

Yours truly,

Minhaj Ahmed
Company Secretary

Copy to:
The Joint Director (Enforcement)
Securities & Exchange Commission of Pakistan
Islamabad & Karachi.

Mr. Shariq Naseem
Manager Operations