

PRESS RELEASE

Islamabad, August 21, 2006: The Board of Directors of Karachi Stock Exchange in its meeting held on August 17, 2006 reviewed the interim market measures taken by it earlier on June 14, 2006 and recommended to withdraw the prohibition placed on short selling in futures contracts effective September 2006 futures contract, subject to the approval of SECP while continuing other temporary measures.

The said decisions of the KSE Board came to the notice of the Commission through newspapers of August 18, 2006 and subsequently through a facsimile from KSE management later the day. Thereafter, SECP Chairman had a meeting with the KSE Board of Directors on August 19, 2006 to discuss the said matter along with other pending issues. During the meeting it was mutually agreed that KSE would be furnishing comprehensive rational for the Board decisions taken in relation to the temporary market measures as the same necessitate the approval of the Commission.

However, upon non- receipt of the requisite information, SECP issued a letter to KSE on August 21, 2006 confirming SECP's understanding with KSE.

This press release is being issued to clarify and place on record the true facts and to contradict incorrect statements appearing in the media in this respect.