



Indiana Economic Development Corporation
One North Capitol, Suite 700
Indianapolis, Indiana 46204

Tel: 317.232.8800
Fax: 317.232.4146
www.iedc.in.gov

May 17, 2013

Mr. Feisal Beig
Fatima Group
E-100, Khayaban-e-Jinnah
Lahore Cantt.
Pakistan

Project ID: 415539

Dear Mr. Beig:

As you are aware, on January 15, 2013, the Indiana Economic Development Corporation ("IEDC"), suspended its role in the above-referenced project in light of testimony before the U.S. Senate Foreign Relations Committee by Lt. Gen. Michael Barbero, the director of the U.S. Department of Defense's Joint Improvised Explosive Device Defeat Organization ("JIEDDO"). Lt. Gen. Barbero had testified that Fatima Group ("Fatima") was less than cooperative with JIEDDO's efforts in Central and South Asia. After learning of these concerns Governor Pence immediately requested the IEDC suspend the commitment of incentives to this project, saying economic development is important but the safety and security of our forces is more important. Governor Pence directed a careful evaluation of Indiana's involvement in the project.

Since that time the State of Indiana has been in regular contact with federal officials and your company to convey our desire to see Fatima fully cooperate with JIEDDO and identify constructive steps to protect U.S. forces. JIEDDO and other federal authorities expressed hope about these steps in addressing the issues raised in General Barbero's testimony.

We appreciate your efforts to reduce the misuse of fertilizer products in the region. However, we are not in a position to lift our suspension absent absolute assurances concerning the steps you have taken. We note in particular that a critical step included your research on a more inert and less explosive reformulated calcium ammonium nitrate. Unfortunately, despite the passage of several months, validation by federal authorities of this new formula has not yet occurred and may not occur for some time. We understand that the structure of your financing demands a quick resolution of these issues. The interests of U.S. personnel in the region demand that we proceed diligently and methodically. While we remain hopeful that the steps taken by your company will yield positive results, we are not in a position to offer unqualified support given the lack of testing and validation. As such, we believe it in the best interest of the state to withdraw our offer of incentives, as initially conveyed on November 30, 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric R. Doden". The signature is fluid and cursive, with a large initial "E".

Eric R. Doden
President