

From: Bhattal, Jasjit [jbhattal@lehman.com].

Sent: 9/1/2008 9:09 AM.

To: Whitman, Brad [bwhitman@lehman.com]; Cho, Kunho [kunhocho@lehman.com]; McDade, Bart [bmcdade@lehman.com]; McGee III, Hugh E [hmcgee@lehman.com].

Cc:

Bcc:

Subject: Re: Khaki letter.

Letter faxed under my letterhead about 45 minutes ago.

----- Original Message -----

From: Whitman, Brad
To: Cho, Kunho; McDade, Bart; McGee III, Hugh E; Bhattal, Jasjit
Sent: Mon Sep 01 21:06:54 2008
Subject: Re: Khaki letter

Tom got back this morning. No comments.

----- Original Message -----

From: Cho, Kunho
To: McDade, Bart; McGee III, Hugh E; Bhattal, Jasjit; Whitman, Brad
Sent: Mon Sep 01 06:10:30 2008
Subject: Khaki letter

Tentatively, ES would like to fly to NY arriving on Wednesday at 3pm and start the mtg at 5pm.

I also have modified the draft letter to reflect the cultural nuances.

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<Draft letter>

Mr. Euoo Sung Min
Chairman and CEO
The Korea Development Bank
Fax#: 822-787-6016

Dear E.S.,

Thank you for sending the materials which we received today. After reviewing your package we find too many of the terms of your proposal unacceptable.

As you are aware, we are working on several initiatives to fortify the value of our firm, and this includes discussions with a number of other strategic partners. As has been expressed from the outset, we continue to believe that a potential strategic partnership with KDB & other members of a Korean consortium would be valuable. However, after reviewing today's proposal, it is our intention to continue pursuing alternative paths.

In light of our discussions earlier this week, a number of points of difference in today's package are difficult for us to reconcile. As suggested during our conversation yesterday, I would agree that an in-person meeting in New York could be beneficial in narrowing these differing points of view.

Sincerely yours,

Jasjit Bhattal

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