

BY HAND

9<sup>th</sup> January 2007

President Chandrika Bandaranaike Kumaratunga  
No. 27, Independence Avenue  
Colombo 7.

Dear Madam,

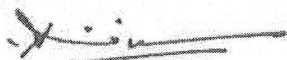
I enclose for your kind information, copy of my Letter of 5.1.2007 forwarded, at his request, to Hon. Wijeyadasa Rajapakse P.C., M.P., Chairman, COPE, on the issues pertaining to the Sale of 90% Shares of Lanka Marine Services (Pvt) Ltd., (LMSL) to John Keells Holdings Ltd., for a consideration of Rs. 1,200,000,000/-. You, as then President, by Note to Cabinet dated 7.8.2002, due to several implications, had opposed this divestiture.

Even before approval by Cabinet, confirmed and notified by the Secretary to the Cabinet on 21.8.2002, the questionable award had been made to John Keells Holdings Ltd., on 12.7.2002, and a 'monopoly clause' surreptitiously included on 2.8.2002 violating Government policy and Cabinet Decision, causing a loss to the Government; with the Agreements being signed on 20.8.2002. The DFCC Bank, who questionably had been exclusively appointed, has now reneged on its early valuation of Rs. 1,200,000,000/-, and has reported a 'business valuation' of Rs. 2,400,000,000/- in the context of the 'monopoly' afforded to LMSL; *which monopoly the Appeal Court in August 2005 held as unlawful.*

Nevertheless, your signature had been obtained on an Instrument of Grant on 19.1.2005 to transfer 8A 2R 21.44P Government Land to LMSL, on the false stated representation that Rs.1,199,362,500/- as having been received by the Government, and as having been paid by LMSL, *whereas no such payment had been received or paid.* This has been notwithstanding then Secretary, Ministry of Lands having previously confirmed that you as then President had approved the transfer of this Land, *only upon the recovery of the purchase consideration*, which warrants action on your part.

The Land transfer, unknown to PERC, apparently had been initiated in November 2004 with the President's Office, by then Secretary, Ministry of Power & Energy, Mr. P. Weerahendi, who I have reason to believe would have so acted at the behest of Secretary to the Treasury, Dr. P.B. Jayasundera, inasmuch as he had previously required me, as then Chairman PERC, to initiate the transfer of this Land, which I did not take action upon, *since I questioned the absence of a valuation from the Chief Valuer for this Government Land.*

Yours sincerely,



Nihal Sri Ameresekere