

20th May 2005

William Pike
Managing Director/Editor-in-Chief
The New Vision
PO Box 9185
Kampala
UGANDA

Dear Sir,

Re: Article of 18th May: 'Did Askar Security.....'

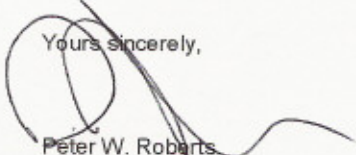
Our attention has been drawn to the above article, which publishes incorrect data on this company and creates a misleading impression about its activities and policies.

- a. In the twelfth para, you refer to Erinys International as a 'joint UK/South African security firm'. In fact Erinys International is a British-managed company, registered in BVI. Its activities in Iraq are managed by a subsidiary - Erinys Iraq Ltd. There is an Erinys subsidiary registered in South Africa, but that subsidiary is concerned solely with risk evaluation and investment advice for companies investing in Africa and has no role in Iraq.
- b. Also in para 12 you state that Erinys International has the 'job of guarding oil sites and pipelines in Iraq for which it is being paid millions a day'. The true facts are on record and are that Erinys Iraq (not International) was awarded a contract in August 2003 to protect Iraqi oil installations. This contract was initially for one year at a total value of \$39.5 million, but was subsequently expanded in scope and was revalued to \$69 million. At the end of the year's contract in August 2004, the Ministry of Oil extended the contract until the end of December 2004. At the end of December 2004, the Oil Protection Force built up by Erinys Iraq, together with all its operating assets, was handed over 100% to the Iraqi authorities and Erinys Iraq has no further role in the management of that force.
- c. In para. 13 you state that 'Africans will do the same job for far less money than Americans or Britons'. In para. 14 you state that Africans are paid 'less than half the going rate of hiring an American or Briton'. This may be the normal expectation of Africans, but Iraq shows that, where Africans can bring equivalent expertise to bear, they can command equivalent rates of pay. We cannot speak for other companies, but can assure you and your readers that Erinys Iraq pays its South African employees the same as it pays Americans and Britons in Iraq.
- d. Also in para.13 you report that one of 'Erinys International's employees Jacques 'Oosie' Oosthuizen was killed on May 3rd'. In fact Jacques Oosthuizen, who was an employee of Erinys Iraq, was killed in an attack on 10 November 2004.

Erinys is always happy to give its comments before publication of any stories about its operations, so that you and your readers are given accurate facts, rather than, as is the case in the current story - which seems to be partly based on an inaccurate SAPA article - reworked and inaccurate downloads from the Internet and from less scrupulous news agencies.

Please contact us with any queries.

Yours sincerely,



Peter W. Roberts
Chief Counsel