

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**KSE/N-70****NOTICE****January 05, 2009**

Reproduced hereunder letter received from ALTRN ENERGY LIMITED for information of members of the Exchange



Mr. Haroon Askari
The General Manager Operations
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Ref No: AEL/KSE/020109
Date: January 2, 2009

Subject: **Show Cause Notice – Declaration of Dividends**

Dear Sir,

Please refer to your letter No. KSE/Gen - 11507 dated December 17, 2008 regarding the subject-cited above. The interest of the Karachi Stock Exchange (KSE) in the affairs of our company, particularly in safeguarding the interest of our shareholders is highly commendable. The Board of Directors of the Company has always shown high respect to the applicable Rules and Regulations. As far as your query regarding the declaration of dividends is concerned, our response is as follows:

Altern Energy limited (AEL) was a dead IPP, which has been taken over by Descon Group in 2006. Descon group is engaged in diversify range of businesses, headed by Mr. A Razak Dawood. The new management of the Company is renowned for its utmost professionalism supported by highly skilled group of professionals and businessmen.

Since the take over, the new management had been in the process of rehabilitating the complex. The whole complex has been installed with new state-of-the-art plant and machinery. The plant and equipment had to be backed by similarly modern electrical and mechanical installations. For all these activities, huge capital was required, which the new management managed with thorough professionalism and hard work. Resultantly, AEL was declared commissioned by WAPDA on September 20, 2008.

Since its commissioning, AEL has been contributing into minimizing the effects of power short fall in the country by providing electricity to the National Grid. But, Since December 01, 2008, the plant has been shut due to non-availability of Gas from Sui Northern Gas Pipelines Limited (SNGPL).

Due to the fact that no operational activity was going on in the plant since January 11, 2005, the Company had been incurring losses. The Company incurred a net loss of Rs. 97,524 millions during the financial year ended June 30, 2008 (A copy of the published financial statements is being enclosed herewith for your reference). Since its commissioning in September 2008, the Company has started to earn revenue but it is likely to sustain losses for the current year ending June 30, 2009.