



ALTERN ENERGY LIMITED

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Mr. Muhammad Ghufraan
Deputy General Manager – Company Affairs
Karachi Stock Exchange (Guarantee) Limited
Stock Exchange Building
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Karachi.

Ref No: AEL/KSE/240610

Date: June 24, 2010

ATTN: MR. GHUFRAAN Page 1 of 2.
Dy. GM
FAX # 021-2410825

Subject: **Placement Of Company On Non-Compliant Segment Of The Exchange On Account Of Default Of The Listing Regulations**

Dear Sir,

Please refer to your letter No. KSE/Gen – 4042 dated June 04, 2010 regarding the subject-cited above. In this regard, we would like to emphasize that:

Altern Energy Limited (AEL) was a dead IPP, which had been taken over by Descon Group in 2006. After take-over, AEL went into a complete rehabilitation process during period of two years from 2006 to 2008. As a result, the Company was declared 'commissioned' by WAPDA on September 20, 2008. Since its commissioning, AEL has been dispatching energy to the national grid, contributing its share to minimize the effects of nation-wide energy crisis.

The Company incurred a net loss of Rs. 239.930 millions during the financial year ended June 30, 200 (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, 2010.

Section 249 of the Companies Ordinance 1984 states that:

"No dividend shall be paid by a Company otherwise than out of the profits of the Company."

Under the current circumstances, it would not be appropriate to place the Company on the default Counter as it would jeopardize the interest of the stakeholders i.e. shareholders, creditors, and financial institutions.

