



## ALTERN ENERGY LIMITED

### Descon Headquarters:

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Ref:AEL/BOD/14

18 August 2020

General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Karachi

### Altern Energy Limited – Disclosure of Material Information

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1 of PSX Regulations, we hereby inform you that Rousch (Pakistan) Power Limited (“**RPPL**”), a subsidiary of Power Management Company (Private) Limited (which in turn is a subsidiary company of Altern Energy Limited – “**AEL**”), having a Power Plant established under the 1994 Power Policy, and the Committee for Negotiation with Independent Power Producers (the “**Committee**”), as set up by the Government of Pakistan, have recently executed a Memorandum of Understanding (“**MOU**”).

Pursuant to the terms of this MOU: (1) existing capacity payments and variable O&M shall be reduced by 11%, (2) USD exchange rate and US CPI indexations shall be discontinued on 50% of the reduced capacity payment, on the exchange rate prevailing as on 12.08.2020 without any local or international currency indexation or inflation adjustment for the future, (3) in lieu of the tariff reductions, any heat rate sharing by any IPP per its existing arrangement shall cease to exist, (4) parties to look into the possibility of termination of the plant considering its commercial and technical viability, (5) without prejudice to the terms of its generation license, RPPL to actively support and participate in the Government of Pakistan’s (“**GOP**”) scheme to create competitive power markets, via the Competitive Trading Arrangement, once the Arrangement is implemented and becomes fully operational, (6) payment of the receivables of RPPL is an integral part of the MOU as key consideration, (7) Power Purchaser and the GOP shall devise a mechanism for payment of the outstanding receivables within agreed time period which shall be reflected in the final agreement to be signed, (8) Power Purchaser shall ensure adherence to its contractual obligations, and (9) the GOP and Power Purchaser shall work towards resolution of the matter relating to the Expert’s Determination given in favour of RPPL.

The terms of the MOU are subject to the approval of the Federal Cabinet, RPPL’s Board of Directors and other necessary corporate approvals. Once the Federal Cabinet and Board of Directors of RPPL have approved the terms of the MOU, the Committee and relevant independent power producers shall agree upon and document the details and procedures of these understandings, along with RPPL’s project specific issues, preferably within 30 days, after which the same shall be submitted to relevant counterparties, to be followed by legal documentation to amend the tariffs and relevant agreements.

In light of the above, you are hereby requested to disseminate the information to the members of the Exchange accordingly.

Thank you,  
For and on behalf of Altern Energy Limited

  
**Salman Ali**

Company Secretary

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