



DOST STEELS LIMITED

101 Chapal Plaza, Hasrat Mohani Road, Karachi - 74000
Phones : (92 21) 2429339 Fax : (92 21) 2423252
Web : www.doststeels.com E : ho@doststeels.com

July 9, 2008

General Manager
Karachi Stock Exchange (Guarantee) Ltd
Stock Exchange Building,
Stock Exchange Road,
Karachi - 74000.

Fax # 2415763/2437560

Dear Sir,

Material Information – Dost Steels Limited (DSL)

In order to facilitate to our valuable shareholders, we are pleased to disseminate the following material information and ongoing activities which have currently been conducted by the management:

- The Chief Executive Mr. Jamal Iftakhar along with the legal advisor Mr. Irfan Tayebaly visited the main supplier Siemens VAI Metals Technologies srl, Italy on 26th 27th May 2008 and negotiated and signed a Memorandum of Understanding to form the basis of commissioning of the bar mill. The MOU will now be followed by the Addendum to the contract that will extend the contract validity.
- The company's sponsors have also arranged a sum of PKR 290 million for retirement of all the remaining 10% Letter of Credits and cost of overruns of the project from their own sources. This will facilitate the plant commissioning to take place within the 3rd quarter 2008.
- The visit of the erection surveyor is expected to take place from the 21st July 2008 at the mills site at Bhaipheru, where no load trials would be done on all plants/machines so that commissioning dates, resources and duration can be scheduled.
- Management has decided to increase in Authorized Capital of the Company from Rs. 700,000,000/- (Seven Hundred Million) to Rs. 1,500,000,000/- (One Billion Five Hundred Million).

This information is being provided in accordance with the Rules of the Karachi Stock Exchange (Guarantee) Limited for dissemination of material information. You may circulate the same among the members of the Exchange.

Thanking you,

Yours faithfully,
For Dost Steels Limited

Athar A. Khan
Company Secretary