

Ref: SECK/KSE/14
Dated: 13 March 2014

Mr. Muhammad Ghufan
Deputy General Manager
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi
Fax: 111 – 573 – 329

Subject: **Disclosure of Material Information – K-Electric to set up Pakistan's first ever 660 MW Green Field Coal-Fired Plant with Harbin Electric International, China**

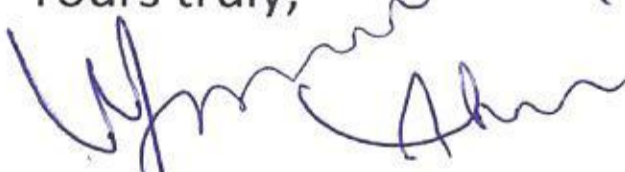
Dear Sir,

Pursuant to the requirement of Code of Corporate Governance (CCG) and the Listing Regulations of the esteemed Exchange, we are pleased to announce that the Company is on its way to facilitate setting up a 660 MW Green Field Coal-Fired Power Plant, which will be an achievement in itself as it is going to be the first in the history of Pakistan on the basis of Built-Operate-Transfer. For the purpose, KE and Harbin Electric International (HEI) of China signed a Memorandum of Understanding in Harbin, China for the co-development of the 660 MW green field coal fired power plant. This project will be developed, constructed and operated on a BOT (Built Operate and Transfer) basis which will be the first project ever conceived in the country by any private utility company.

The coal-fired power plant will enhance KE's generation capability by 660 MW in a short span of time. KE and HEI will also jointly work towards the financial close of this project. This nexus between KE and HEI will not only open doors for new foreign investment in Pakistan but will actually pioneer KE in delivering the Green Field Coal-Fired Plant. This plant will be operated and maintained by the Chinese company (HEI) for a limited time, and will be then transferred to K-Electric (KE).

Trust this will meet the requirement of Listing Regulations and CCG.

Yours truly,



Syed Moonis Abdullah Alvi
Company Secretary

Copy to: 1. The Secretary, Lahore Stock Exchange Limited, Lahore	Fax: 042 – 3636 8485
2. The Secretary, Islamabad Stock Exchange Limited, Islamabad	Fax: 051 – 111 473 329
3. The Securities & Exchange Commission of Pakistan, Islamabad	Fax: 051-9218592/9204915
4. The Registrar, Joint Stock Companies, SECP, Karachi	Fax: 021 – 99213278
5. Central Depository Company of Pakistan Ltd.	Fax: 021 – 3432 6034
6. CDC Share Registrar Services	Fax: 021 – 3432 6053