



Ref: SECK/KSE/14

Dated: 04 April 2014

Mr. Muhammad Ghufraan
Deputy General Manager
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
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Subject: Disclosure of Material Information - NEPRA approves KE's Licensee Proposed Modification for Coal Conversion Project

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 another milestone achieved by the Company which will further help in generating additional units in days to come.

National Electric Power Regulatory Authority (NEPRA) has approved the Licensee Proposed Modification (LPM) which was sent by KE regarding its coal conversion project. This is the first such initiative of its kind in Pakistan where the company is moving towards cheap fuel

According to this LPM application that KE had sent, 2 units of Bin Qasim Power Station 1 will be converted from Furnace Oil to Coal. The Units 3 and 4 of BQPS 1 are of 210 MW each and the two would be leased out to an IPP called K-Energy, which was formed by the project investors.

These project investors will be undertaking investment of over USD 350 million through which new boilers and ancillaries will be constructed, along with coal handling equipment. These will be then synchronized with K-Electric's leased units.

The EPC Contract for this Project had already been executed with Harbin Electric International, China back in November 2013. The LPM approval is the first major step which shall be followed by tariff approval from NEPRA. KE believes in moving towards alternate sources and cost-effective generation of electricity.

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
2. The Secretary, Islamabad Stock Exchange Limited, Islamabad
3. The Securities & Exchange Commission of Pakistan, Islamabad
4. The Registrar, Joint Stock Companies, SECP, Karachi
5. Central Depository Company of Pakistan Ltd.
6. CDC Share Registrar Services

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