

KESC SHOWCASING MEGA PROJECTS AT UAE EXPO 2011



Karachi Electric Supply Company participated in the “Magnificent 7 - UAE EXPO 2011,” organized by the UAE Consulate at the Karachi Expo Centre between Nov. 30 and Dec. 2, 2011. The event was aimed at highlighting the contributions made by UAE multinationals towards the socio-economic development of Pakistan and to further promote business ties between the two countries by exploring additional avenues and opportunities of mutual cooperation and collaboration in the potential sectors. The event was visited by the Prime Minister of Pakistan, Syed Yusuf Raza Gilani and the UAE Trade Minister, along with many other high profile personalities to strengthen the bridge between Pakistan and the UAE.



KESC successfully used the forum and showcased its current under-development projects. The opening ceremony provided an opportunity for the top management to come in contact with the UAE Trade Minister and senior delegates. Mr. Tabish Gauhar, CEO KESC, spoke at the conference and made a presentation titled “KESC – Past, Present and Future” to the audience comprising government dignitaries, investors and other stakeholders. KESC fully capitalized on its Gold Sponsorship throughout the event by means of a powerful and attractive display of branding at stalls and showcasing of 3

different special projects, using an effective and versatile range of marketing and communication tools.

Three project that were showcased:

- 1) The Bio Gas Project – offering potential of power generation capacity of up to approximately 22MW through recycled biodegradable waste which will contribute to a cleaner and greener environment.
- 2) Thar Coal Project - Tapping Thar coal for initial power generation capacity of 300MW (Overall 1200MW).
- 3) Bin Qasim Power Plant II (560MW) - A unique and significant addition to KESC’s power generation capability in terms of capacity, thermal efficiency and the magnitude of capital injection by Abraaj Group.

KESC attracted an audience of approximately 3,500 individuals comprising top businessmen, foreign delegates and key stakeholders from various corporate concerns, who interacted with the special projects team. The event was an overall success and also helped KESC in achieving its strategic objectives.



KESC SIGNS \$200 MILLION COAL CONVERSION PROJECT WITH BEE HONG KONG



Karachi Electric Supply Company has embarked on the first of its kind project in Pakistan, with the aim to convert its 1,260 MW (210 MW x 6 units) Bin Qasim Power Plant into a Coal-fired generation plant. This project will have a step-wise execution, the phase-one of which will see the conversion of 2 units, with a generating capacity of 420 MW. Replacing residual fuel oil (RFO) based boilers with coal fired technology would help KESC in attaining fuel security by diversifying its existing fuel mix, better utilization of existing fleet and most importantly aid in reducing cost of power generation; ultimately providing the consumers relief by lowering of the end user tariff.

KESC is gearing itself to take the pioneering role for coal conversion in the country and is currently in the process of finalizing its feasibility study through a reputed US based consultant, 'Knight Piesold', having extensive world-wide experience in coal based projects. The first phase of the feasibility study has been completed, demonstrating technical and economic viability of the project. The second phase of the feasibility study, which involves detailing of the engineering design work flow is now underway. In the near future, KESC will also be approaching NEPRA for relevant approvals related to this project.

To set the above in motion, KESC has signed a USD 200 Million, Joint Development Agreement (JDA) with 'Bright Eagle Enterprises' (BEE), a Hong Kong based investment company sponsored by Chinese and Korean investors. For the purpose of this project, Bright Eagle Enterprises has teamed up with leading energy companies from China, namely China Resources Power (a multi-billion dollar state owned power plant, owner and operator) and China National Technical Import and Export Corporation.



Commenting at the signing ceremony, Mr. Ping Chen, Chairman of Bright Eagle Enterprises, also the Chairman of Sun TV Hong Kong, and Tide-time said "we are delighted to work with KESC on its oil to coal conversion project and remain committed to its successful completion. We applaud KESC management's innovative approach to reduce the cost and increase the availability of electricity to Karachi. Bright Eagle is proud to be associated with this project which will help the people of Karachi".

Marking the event, the CEO - KESC, Mr. Tabish Gauhar stated; "This ground breaking initiative will set the course for the country's power sector that is heavily dependent on RFO. Conversion to coal is the only sustainable option and KESC's lead in this area will set an example for others to emulate".

24 HOURS
118
RESPONSE CENTRE

A JOURNEY TOWARDS GREEN ELECTRICITY GENERATION



Karachi Electric Supply Company, as part of its fuel diversification, green electricity generation and sustainable development vision, is planning the development of one of the world's largest Bio Waste-to-Energy projects of its kind near the Landhi cattle colony in Karachi.

The Landhi Biogas project will not only generate up to 22MW of green power but will also be producing up to 300 tons/day (tpd) of organic fertilizer as a useful byproduct. This organic fertiliser has special application in such eroded soil which has lost its utility and where standard urea fertilizer are not effective.

The eco-friendly energy unit will also earn a significant amount of carbon credits, thereby making it economically viable. For this sustainable, renewable energy project, up to 4,200 tons of bio-degradable waste will be collected on a daily basis, largely from cattle farms in Landhi (feedstock) and organic food waste from industries, food outlets and wholesale markets (co-substrates) throughout Karachi.

KESC has signed an agreement with biogas technology providers M/s Highmark Renewable (HRR Canada) for onsite technical studies (Phase I) leading to project plant design, which now stands completed. Currently, KESC is moving into Phase II of the project. This phase entails activities covering land development and developing waste collection mechanisms, Gold standard carbon credits, formation of strategic partnerships and financial close.

KESC is also looking for ways to engage private and public sector entities for provision of benefits to the residents and workers of the Landhi Cattle Colony.

Please follow the link below to view a comprehensive documentary on Landhi Biogas Project:

<http://www.youtube.com/user/kescofficial>

EMBARKING ON RENEWABLE ENERGY RESOURCE



Pakistan has about 186.6 billion tons of coal reserves in the province of Sindh alone. Thar holds one of the largest coal reserves in the world, covering an area of 10,000 square km. Thar Coal resources have the potential of generating 100,000 MW of electricity over a period of 100+ years. These reserves can also be used to produce Crude Oil, pipeline quality Methane Gas, Diesel, Methanol, Ammonia and Urea. The electricity produced by Thar Coal is expected to cost less as compared to expensive furnace oil and will also ensure fuel availability through an indigenous resource.

One of KESC's AZM is to embark on a fast track program to overcome the existing and projected energy shortage. One such endeavour by KESC is the coal-sbased project at Thar.



KESC has signed a Memorandum of Understanding (MoU) with Oracle Coalfields, a public limited company incorporated in the UK. It is currently engaged in coal exploration at Block VI at Thar. KESC has declared its intention to develop a Coal Fired Power Plant of initial capacity of 300 MW (Overall 1200 MW at the mine mouth of Block VI). KESC has floated a Request for Proposal (RFP) to prospective consultants and is in process of evaluating and short-listing the prospects. The Power plant will be established under an SPV structure with project finance mostly supported by multilateral agencies and foreign and local lenders. KESC has initiated dialogue with potential investors and simultaneously with NTDC for the development of transmission infrastructure for transmission of electrical power from the proposed power plant. With a vision to propagate a better socio-economic situation in the far-flung areas, KESC foresees contributing to the social development of the Thar area as a Corporate Social Responsibility initiative.

KESC CELEBRATES 2ND ANNUAL SAFETY LEADERS AWARD 2011



Karachi Electric Supply Company announced 2nd Annual Safety Leaders Award to acknowledge departments which outperform others in achieving safe working conditions for employees and workplace. The award is in line with the company policy to promote a safety culture and move towards the vision of “zero fatalities”. KESC CEO Mr. Tabish Gauhar distributed awards among the winning departments and sections in a ceremony at the utility’s head office on 19th January, 2012 organized by Mr. Amir Zafar, Director Corporate HSEQ.

Mr. Irshad Ali, Director Power Generation, received the Safety Leader Trophy on behalf of Bin Qasim Power Station, while Mr. Abdus Sami, DCOO received Safety Leaders Award for Distribution Region IV. Mr. Ejaz Rasheed, General Manager, Transmission Network (Grids); Ajmal Pervaiz, Director, Inventory Management; Abu Kasim Nayeem, General Manager Transformer Workshop; and Tariq Khan, General Manager Works and Real Estate, received awards on behalf of their departments which were adjudged Safety Leaders.

Besides sustained training, routine system checks and audits, safety competition amongst departments is carried out on an annual basis and the “Safety Leader Trophy” is awarded to the rightful leader in recognition of their sustained safety performance.

The award system promotes healthy competition amongst various departments, including power plants, grid stations, distribution regions and business units, which follow maximum safety precautions and environment protection measures for creating an accident-free environment in the company.

MENTORING PROGRAM COMPLETES 2ND CYCLE

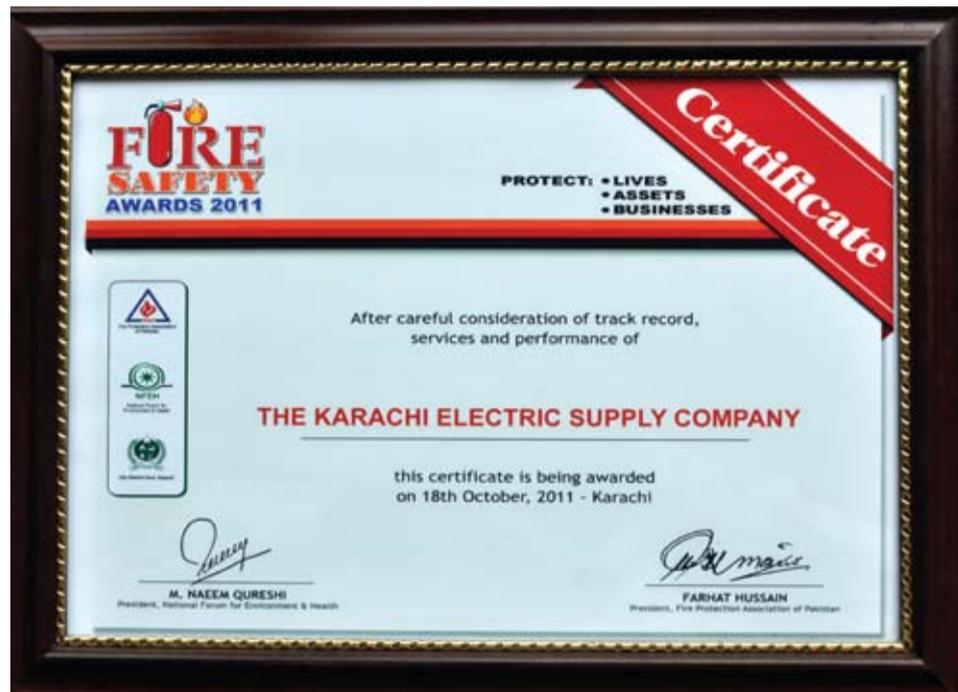


KESC and TCF “Rahbar” partnership program commenced in October 2011. TCF “Rahbar” is a Mentor Program aimed at the development of unprivileged youth as responsible individuals and as productive members of society. A group of 21 volunteers from the company participated in the program. KESC has completed 2 successful cycles and ranks among the top three Corporate Organizations collaborating for the cause. “Rahbar” was a 10-week program held every Saturday. The idea was to present young minds with a sequential correlation of “thought to destiny” relationship and a realization towards Career Guidance, Life Skill Training, Communications, Value System and Personal Grooming.

During the program, students were taken to hospitals, hotels, industries and technical institutes as part of exposure trips. In addition, Hero Speaker sessions were also arranged with individuals who had done well after under going dreadful conditions.

These activities helped as an add-ons to the personalities and uplifted their confidence level as they were shown practical relevance of the whole activity. KESC, being a socially responsible organization continues to be at the forefront and carries out various initiatives that benefit the deserving segments of society. The CSR initiatives taken by KESC not only help to spread the message of our organization but also provide a platform to people who want to go the extra mile to give back to society.

TESTIMONIAL OF OUR PROGRESS



Karachi Electric Supply Company received the inaugural “Fire & Safety Award 2011,” on the basis of demonstrating an effective Fire and Safety Management system. The coveted award recognized the advancements made by KESC in adopting and implementing a robust Fire and Safety Management System throughout its network.



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