Date: 28 August 2016

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road, Karachi
Fax No. 021-3241 0825

Dear Sir,

Re: **Material Information – Potential Divestment**

In accordance with Sections 96 and 131 of the Securities Act, 2015, Clauses 5.6.1(a) and 5.19.13(c) of the Rule Book of the Pakistan Stock Exchange Limited, we are enclosing herewith a Form disclosing material information.

Yours Sincerely,
K-ELECTRIC LIMITED

Muhammad Rizwan Dalia
Director Finance & Company Secretary

Copy to:

1. The Securities & Exchange Commission of Pakistan, Islamabad Fax: 051-9218592/9204915
2. The Registrar, Joint Stock Companies, SECP, Karachi Fax: 021 – 99213278

K-ELECTRIC
Energy That Moves Life

DISCLOSURE FORM
IN TERMS OF SECTIONS 96 AND 131 OF THE SECURITIES ACT, 2015

Name of Company: K-Electric Limited (**K-Electric**)

Date of Report: 28 August 2016

Name of Company as specified in its Memorandum: K-Electric Limited

Company's registered office: KE House, 39/B, Sunset Boulevard, Phase II, Defence Housing Authority, Karachi.

Contact information: Muhammad Rizwan Dalia, Director Finance & Company Secretary, K- Electric

Disclosure of inside information by listed company:

K-Electric has received today the following notification from its majority shareholder, KES Power Limited

"We would like to notify that Abraaj is evaluating the possibility of divesting (directly or indirectly) its shareholding in K-Electric which will be subject to a prescribed sale process, due diligence and execution of binding documentation (including receipt of applicable regulatory approvals and satisfaction of other conditions precedent). We will keep you informed of material developments."

A copy of the aforesaid letter from KES Power Limited is attached.

Pursuant to the requirements of the Securities Act, 2015, the Company has duly caused this form/statement to be signed on its behalf by the undersigned hereunto duly authorized.

For and on behalf of
K-Electric Limited

Muhammad Rizwan Dalia
Director Finance & Company Secretary

KES POWER LIMITED.

Registered Address: PO Box 309, Ugland House,
Grand Cayman, KY1 – 1104
Cayman Islands

28th August, 2016

Chief Executive
K-Electric Limited
2nd Floor, KE House
Plot # 39/B, Sunset Boulevard
Phase IV, Defence Housing Authority
Karachi

Re: Material Information – Potential Divestment

Dear Sirs:

We write further to our earlier notification wherein we informed that the Abraaj Group (**Abraaj**) is evaluating various strategic options in relation to its equity investment in K-Electric Limited.

In this regard, we would like to notify that Abraaj is evaluating the possibility of divesting (directly or indirectly) its shareholding in K-Electric which will be subject to a prescribed sale process, due diligence and execution of binding documentation (including receipt of applicable regulatory approvals and satisfaction of other conditions precedent). We will keep you informed of material developments.

This is for your information.

Yours Sincerely,
KES POWER LIMITED

Murtaza Hussain
Company Secretary, KES Power Limited