



MUGHAL IRON & STEEL INDUSTRIES LIMITED

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Date: 15-05-2015

The Managing Director,
Karachi Stock Exchange,
Karachi

Subject: Dissemination of Material Information

Dear Sir,

I take pride to share material information about our recent endeavors and achievements towards our organizational objectives as following;

Mughal Steel Signs Technical Conceptual Design Consultancy and Supervision Project Management Agreement for 55 MW Coal Fired Power Project with UJV of Czech Republic, a leading European nuclear and thermal power project management consultancy company. The said power plant shall be established under Mughal Energy Limited, a wholly owned subsidiary of Mughal Iron and Steel Industry Limited.

Once installed, the proposed power plant shall be able to completely meet the power needs for the existing capacity of the company. The new power plant design is envisioned to be environment friendly with significant low emissions employing the state of art technology setting remarkable thermal efficiency unlike of conventional low heating conditions, setting a benchmark on thermal efficiency previously unknown for such size. It shall also provide an unmatched competitive advantage to Mughal Steel for having the ability to run its operations on cheaper, economical and undisturbed captive power supply on round the clock basis. It may be mentioned that Mughal Steel already has a 9 MW captive gas fired power plant for its existing manufacturing facility, besides being directly connected with WAPDA's 132KVA transmission line with its captive grid station.

The purpose of establishing an independent entity under the name of Mughal Energy Limited is to signify Mughal's future diversification in power and energy sector. It is pertinent to note that coal fired power generation enjoys tax holidays in the wake of government's promotion for decentralized generation and distribution to avoid heavy line losses.

You are please requested to share the same with your respective markets.

Thanks and regards

Yours Faithfully,
For Mughal Iron & Steel Industry Ltd

M. Shakeel Ahmad
(Chief Operating Officer)