Mr. Wasim Anwar Bhinder,
Registrar,
NEPRA Tower, Attaturk Avenue (East),
Sector G-5/1,
Islamabad.

Ref # KE/RA&GR/NEPRA/2026/773
August 4, 2026

SUBJECT: MODIFICATION OF KE GENERATION LICENCE [GL/04/2002] BIN QASIM POWER STATION III (BQPS III)

Dear Sir,

KE ("the Company") has been issued Generation License No. GL/04/2002 on November 18, 2002 (**"Generation License"**) under Section 15 and 25 of the NEPRA Act, 1997 (as amended). In the past, Generation License has been modified by NEPRA from time to time, as per the requests made by KE, with the latest modification ("Modification XI") granted vide NEPRA letter #NEPRA/R/DL/LAG-05/36655-61 dated September 15, 2021.

The Gas Turbines of BQPS III are presently connected and commissioned on the RLNG supply system, with RLNG (supplied by PLL) as the primary fuel and HSD as the alternate fuel under the Generation License. Based on positive discussions with Sui Southern Gas Company Limited (SSGC) and the Ministry of Energy (Petroleum Division) regarding the availability of indigenous gas, KE has initiated a project to enable BQPS III to operate on indigenous gas supplied by SSGC. This will lower the cost of fuel, reduce dependency on imported fuel, and enhance operational flexibility including during the event RLNG is unavailable under force majeure conditions.

Accordingly, through the subject application, KE hereby seeks approval of the Honorable NEPRA Authority for addition of Indigenous Gas as a primary fuel, alongside RLNG, and inclusion of SSGC as a fuel supplier (for indigenous gas and RLNG) for BQPS III in KE's Generation License, along with related costs and adjustments required in capacity and efficiency.

The proposed modification is in the best interest of consumers as it will result in a significant reduction in fuel cost, reduce dependency on imported fuel, and improve operational flexibility and the reliability of power supply.

In the light of above, this application is being submitted under sub-regulation (2) of the Regulation 10 of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021 (**"Regulations"**) for addition of Indigenous Gas as a primary fuel, alongside RLNG, and inclusion of SSGC as a fuel supplier (for indigenous gas and RLNG) for BQPS III in KE's Generation License. In relation, hereto, this is to certify that the following documents enclosed in support with this modification application are prepared and submitted in conformity with the provisions of the Regulations, and that the Company undertakes to abide by the terms and provisions of the Regulations.

a) Text of Proposed Modification
b) Statement of Reasons and Specifications in support of Modificatio
c) Statement showing the Impact on Tariff and Quality of Service
d) Certified True Copy of Board Resolution
e) Affidavit

Additionally, please find enclosed cross cheque of **Rs. 2,606,556.80** (net of withholding tax of Rs. 424,323) having Cheque No. 13536880 dated July 27, 2026, of Habib Bank Limited (HBL) being the license modification's fee calculated in accordance with Schedule II of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

KE humbly requests the Honorable NEPRA Authority for earliest approval of the requested modification.

Sincerely,

Syed Muhammad Taha
Chief Executive Officer

Enclosures:

- Documents as mentioned at serial (a) to (e) above.
- Cheque dated July 27, 2026, for the license modification fee

ADDITION OF INDIGENOUS GAS AS A PRIMARY FUEL AND SUI SOUTHERN GAS COMPANY LIMITED (SSGC) AS A GAS FUEL SUPPLIER FOR INDIGENOUS GAS AND RLNG FOR BIN QASIM POWER STATION III

A. Text of Proposed Modification

Bin Qasim Power Station III (BQPS III) Gas Turbines are connected and commissioned to the RLNG supply system from PLL. Based on positive discussions with Sui Southern Gas Company Limited (SSGC) and Ministry of Energy (Petroleum Division) on availability of indigenous gas, KE has initiated a project at BQPS-III to enable BQPS III to operate on indigenous gas and RLNG supplied by SSGC. This will help lower the cost of fuel and reduce dependency on imported fuel.

As per KE's existing Generation License, primary fuel for BQPS III is RLNG with PLL as fuel supplier. Therefore, through this modification, KE seeks approval from NEPRA for addition of (i) Indigenous Gas as Primary fuel, and (ii) SSGC as a gas fuel supplier for BQPS III in the Generation License for Indigenous Gas and RLNG.

B. Statement of Reasons and Specification in Support of Modification

To achieve the above-mentioned objectives, below short and long-term technical options are planned.

i. **Short-term emergency solution:** ***Construction of pipeline connection between Gas Compressors of BQPS-II and Gas Turbines of BQPS-III***

This will serve in case of emergency/force-majeure situations related to RLNG supply, based on the approval from NEPRA.

SSGC gas pressure delivered to the BQPS complex is approximately 5 bar, while the BQPS-III units require around 30 Bar for full load unit operation. To bridge this gap, compressors from BQPS-II can be utilized with care and precaution. These compressors are currently integrated with BQPS II to meet the required pressure. Under the proposed scheme, these compressors will be connected with BQPS III to enable its operation on indigenous gas.

These compressors are essential to increase the pressure of the incoming gas to the level required by BQPS-III, thereby ensuring reliable and efficient functioning of the unit(s) on SSGC gas. Therefore, a pipeline of approximately two (02) km will be laid within the boundary of BQPS complex.

Further, it is submitted that the maximum throughput of BQPS-II compressors is around 100 MMSCFD, whereas the requirement of BQPS-III for baseload operation is around 130 MMSCFD for both Units. Accordingly, SSGC gas will be utilized at BQPS III plant during emergency / force-majeure situations related to RLNG supply only, considering the technical limits. This solution will enable indigenous gas utilization at BQPS III for temporary / emergency situations and will be followed by Long term solution for reliable operations as explained below.

ii. **Long term solution:** ***Construction of dedicated gas supply system for BQ-III from SSGC Distribution network***

Under this option, New Gas Compressors (3X50%) will be installed along with other accessories connected to the piping network to enable its independent operation on indigenous gas in long term.

Further, discussions with SSGC for Gas Supply Agreement (GSA) are also on going for long term supply, which would also include certain minimum off take obligation and KE will update NEPRA on this in due course.

Key Benefits of the Proposed Modification

The benefits of the proposed modification are entailed below:

- Reduced dependency on imported fuel
- Potential reduction in generation cost
- Improvement in operational flexibility if RLNG is not available under force-majeure conditions, as witnessed in the recent geo-political crisis.

Accordingly, KE requests NEPRA to include Indigenous gas as primary fuel and SSGC as a fuel supplier for Indigenous gas and RLNG, in KE's generation license for its BQPS III power plant.

C. Impact on Tariff

i. Cost of project

The estimated cost of the project is as follows:

S. No.	Major Cost Heads	USD Mn	
Short term emergency solution			
1	Engineering + Technical Study	0.25	Timeline for completion of this project is 1st quarter of FY-27
2	Material Supplies	1.56	
3	Service Cost	0.48	
	Sub-total	**2.29**	
Long term solution			
	Installation of Gas compressors along with associated costs	30.00	Cost is based on high level estimates and will be firmed up in due course and KE will update to NEPRA accordingly. The completion timeline would be around 12 to 15 months as compressors have long lead time.
Total project cost		**32.29**	

ii. *Energy Purchase Price (EPP)*

Addition of indigenous gas for BQPS III plant will result in significant reduction in fuel costs and will benefit consumers. Difference in rates are tabulated below for ease of reference:

Description	Net HHV Efficiency[1]	Tariff - PKR / KWh[2 3 4] (RLNG normal scenario)	Tariff - PKR / KWh (RLNG Spot scenario) [2 3 4]
EPP cost per unit – PLL RLNG	53.4%	21.15	40.69
EPP per unit – Indigenous gas	51.4%	8.58	8.58
Reduction in fuel cost		**(12.57)**	**(32.11)**
Increase in capacity charge for investment required (USD 32.29 Mn)		0.09	0.09

iii. *Impact of annual reduction in cost (based on normal RLNG cost scenario)*

Description	On full load excluding winter months	On current load profile (37% utilization – excluding winter months)
Reduction in EPP (RLNG normal cost)	Rs 63,649 million	Rs 23,831 million
Addition in Capacity cost – levelized (based on USD 32.29 Mn cost)[4]	Rs 741 million	Rs 741 million
Net reduction for Consumers / Tariff Differential Subsidy	**Rs 62,908 million**	**Rs 23,090 million**
Impact on overall KE's tariff[5]	Rs 4.00/kWh	Rs 1.47/kWh

iv. *Impact on Efficiency and Capacity*

Considering gas compressors will be used for SSGC gas, allowed efficiency and capacity of BQPS III; will have to be updated. KE would request to allow efficiency and capacity with compressors for BQPS III, based on heat rate test to be conducted after completion of project. However, consumers will be in net benefit as cost of fuel will significantly reduce, as shown above.

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[1] Net HHV Efficiency is without degradation. Degradation would apply as per curve.

[2] PLL RLNG normal cost – USD 11.6392 / MMBTU (PKR 3,245 / MMBTU), PLL Spot cargoes cost – USD 22.6108 / MMBTU (PKR 6,303/MMBTU) & Indigenous gas – PKR 1,225 / MMBTU

[3] Same gross load & Heat rates have been considered on both fuels, 2 compressors load added in case of Natural gas i.e. 17 MW. Actual efficiency on indigenous gas may be determined after heat rate test

[4] Capacity charge is based on levelized tariff and PKR 279/USD, KIBOR 12.02%, SOFR 3.63%, NCPI of 293 and US CPI of 334 which will be subject to indexation.

[5] Based on 15,743 GWh billed units

D. Impact on Quality of Service and the Performances by KE of its Obligations Under the License

The addition of indigenous gas at BQPS III will primarily reduce fuel costs, as it will be supplied at lower rates compared to existing sources. This cost advantage will enhance operational flexibility and supply availability through an alternate fuel source, thereby enabling KE to meet its licensed obligations more effectively.

Therefore, the requested modification would benefit consumers as it would ensure that the generation capacity continues to be available and maintained. While there will be an increase in auxiliary consumption due to load of compressors, there will be no adverse impact on supply, rather it will be beneficial for consumers in terms of lower cost.

Accordingly, it is humbly submitted that there will be no adverse impact on the quality of service provided by KE. The Company certifies that it has been fully diligent and dedicated to the performance of its services and aspires to ensure uninterrupted and reliable supply of power to its consumers.

Approval requested

KE would request NEPRA to allow this modification along with in principle approval on cost and related changes in efficiency and capacity as it would benefit consumers. KE will file tariff modification to make the project cost to be part of Plant's Regulatory Asset Base along with change in efficiency and capacity due to compressors.

Further, KE would request NEPRA to allow interim approval for cost of short-term solution along with efficiency and capacity based on available compressors, and operation on indigenous gas during emergency / force majeure situation relating to RLNG supply only, considering the technical limits and considerations.

Schedule-I outlining the required modifications (highlighted) to the Generation License parameters is enclosed herewith for your reference.

K-ELECTRIC LIMITED

Schedule - I

Details of Generation Facility/Power Plant-VI (Bin Qasim Power Station III)

A. Plant Configuration

(i).	Plant Size Installed Capacity (Gross ISO)	942.32 MW		
(ii).	Type of Technology	Combined Cycle Power Plant		
(iii).	Number of Units/Size (MW)***	Gas Turbine & Steam Turbine	471.16 MW (Unit No. 1) †††	
		Gas Turbine & Steam Turbine	471.16 MW (Unit No. 2) †††	
(iv).	Unit Make & Model	Gas Turbine		Siemens SGT5-4000F
		Steam Turbine		Siemens SST5-3000
(v).	Commissioning/COD	Unit No. 1		Unit No. 2
		May 10, 2023*		March 9, 2023*
(vi).	Expected Useful Life of Each Unit of Plant – VI from Commissioning Date/COD	Unit No. 1		Unit No. 2
		30 Years From COD		30 Years From COD
(vii).	Expected Useful Life of Each Unit of Plant-VI at the time of Grant of Original Generation Licence (No.GL/04/2002. Dated November 18, 2002)	Unit No. 1		Unit No. 2
		Not Included		Not Included
(viii).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-I (dated May 13, 2008)	Unit No. 1		Unit No. 2
		Not Included		Not Included
(ix).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-II (dated March 17, 2009)	Unit No. 1		Unit No. 2
		Not Included		Not Included
(x).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-III (dated May 13, 2009)	Unit No. 1		Unit No. 2
		Not Included		Not Included
(xi).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-IV (dated August 22, 2013)	Unit No. 1		Unit No. 2
		Not Included		Not Included
(xii).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-V (dated March 13, 2015)	Unit No. 1		Unit No. 2
		Not Included		Not Included
(xiii).	Expected Useful Life of Each Unit of Plant – VI at the time of	Unit No. 1		Unit No. 2

	issuance of Modification-VI (dated April 02, 2015)		
		Not Included	Not Included
(xiv).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-VII (dated February 28, 2018)	Unit No. 1	Unit No. 2
		Not Included	Not Included
(xv).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-VIII (dated March 13, 2019)	Unit No. 1	Unit No. 2
		Not Included	Not Included
(xvi).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-IX (dated December 07, 2020)	Unit No. 1	Unit No. 2
		30 Years From COD	30 Years From COD
(xvii).	Expected Useful Life of Each Unit of Plant – VI at the time of issuance of Modification-X (dated February 19, 2021)	Unit No. 1	Unit No. 2
		30 Years From COD	30 Years From COD

*COD dates on RLNG

**Single shaft machine cannot be operated on open cycle on continuous basis

†††This is Gross ISO Capacity, whereas indicative Gross Output at Mean Site Conditions for BQPS-III/Plant-VI on RLNG is 918.4 MW (i.e. 2 x 459.2 MW)

B. Fuel Details

i.	Primary Fuel	RLNG / Indigenous gas		
ii.	Alternate Fuel	HSD		
iii.	Fuel Source (Imported/Indigenous)	Imported/Indigenous		
iv.	Fuel Supplier	RLNG	HSD	Indigenous gas
		Pakistan LNG Limited / SSGC	PSO/BYCO	SSGC
v.	Supply Arrangement	RLNG	HSD	Indigenous gas
		Pipeline	Tankers	Pipeline
vi.	No of Storage Tanks for Main/Alternate/Back-up Fuel	RLNG	HSD	Indigenous Gas
		Not Applicable	1 day tank, 2 tanks of BQPS-II	Not Applicable
vii.	Storage Capacity of each Tank	RLNG	HSD	Indigenous Gas
		Not Applicable	1 day tank = 3200 m^3 2 tanks of BQPS-II = 2 x 5000 m^3	Not Applicable
viii.	Gross Storage of Tanks	RLNG	HSD	Indigenous Gas
		Not Applicable	13200 m^3	Not Applicable

C. Emission

		RLNG	HSD	Indigenous Gas
i.	SO_2	Nil	Based on fuel	≤ 700 ppmv [1]
ii.	NO_x	≤ 50 ppmv	≤ 74 ppmv	≤ 61ppmv [1]
iii.	CO	≤ 80 ppmv	≤ 80 ppmv	≤ 80 ppmv [1]
iv.	PM_{10}	N/A	N/A	N/A [1]

[1] These numbers are indicative and will be finalized after testing & commissioning.

D. Cooling System

i.	Cooling Water Source/Cycle	Sea Water / Once Through

E. Plant Characteristics

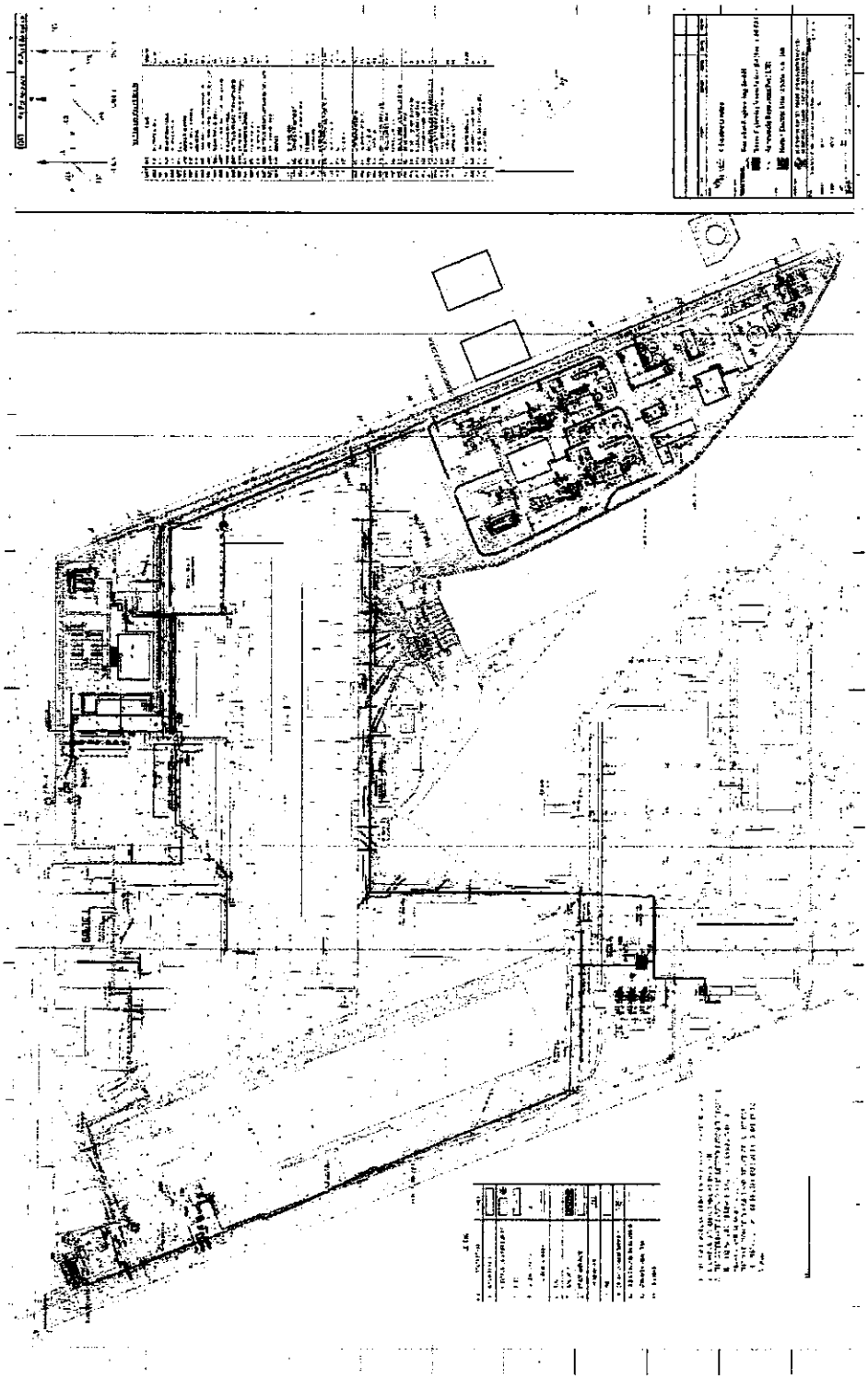
i.	Generator Voltage	18.5 kV +- 5%	
ii.	Frequency	50 Hz	
iii.	Power Factor	0.8 lagging / 0.95 leading	
iv.	Automatic Generation Control	Yes	
v.	Ramping Rate[1]	Slow	7 MW per minute
		Normal	13 MW per minute
		Emergency	30 MW per minute
vi.	Time required to Synchronize to Grid and loading the Units to full load[1]	Hot	219 minutes
		Warm-1	349 minutes
		Warm-2	449 minutes
		Cold	609 minutes

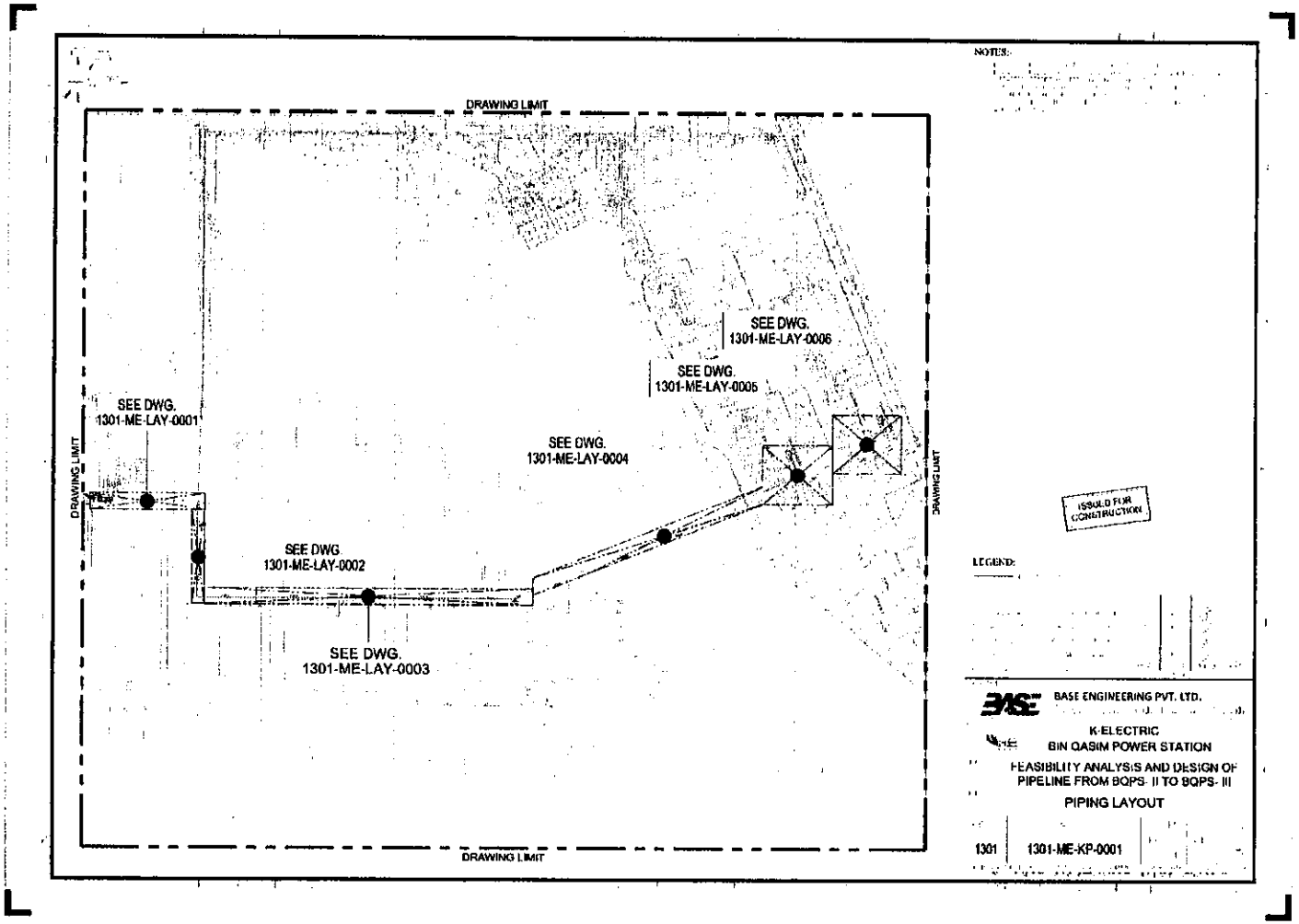
[1] These numbers are on PLL RLNG. For SSGC indigenous gas / RLNG the numbers will be updated after testing and commissioning.

F. Interconnection Arrangements

i.	Interconnection & Transmission Arrangement for Plant-VI	220kV Gas Insulated Substation of 63kA, 4000 Amperes Rating Bus Bar. I. 220kV Double Circuit Short Lines with Series Reactors II. 220kV Single Circuit Pipri West Line 1; III. 220kV Single Circuit Pipri West Line 2; IV. 220kV Single Circuit Pipri West Line 3; and V. 220kV Single Circuit ICI/Pipri West Line 4

Layout of Plant-VI




DRAWING LIMIT
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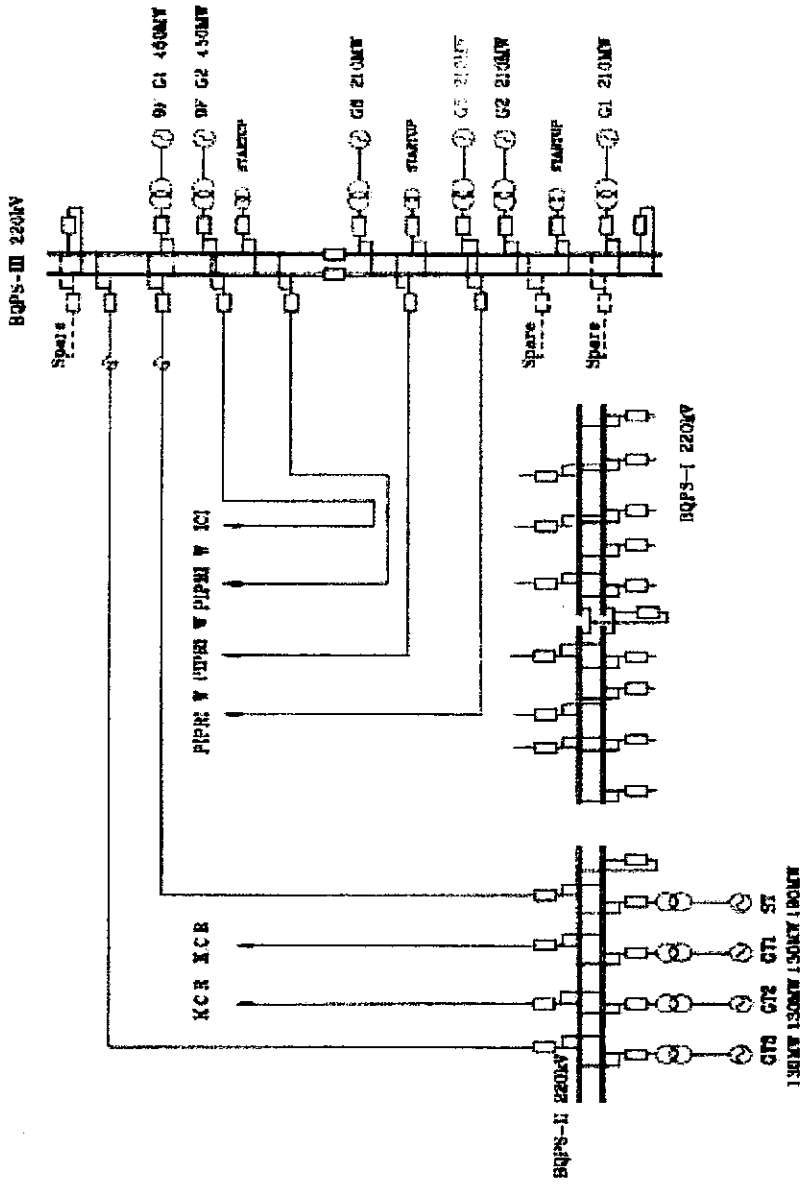
1301-ME-LAY-0005
SEE DWG.
1301-ME-LAY-0006
DRAWING LIMIT
DRAWING LIMIT
DRAWING LIMIT
NOTES:
ISSUED FOR CONSTRUCTION
LEGEND:
BASE ENGINEERING PVT. LTD.
K-ELECTRIC
BIN QASIM POWER STATION
FEASIBILITY ANALYSIS AND DESIGN OF PIPELINE FROM BQPS- II TO BQPS- III
PIPING LAYOUT
1301
1301-ME-KP-0001

Single Line Diagram (Electrical) of Power Plant-VI



CERTIFIED TRUE COPY OF BOARD RESOLUTION
PASSED BY THE BOARD OF DIRECTORS OF K-ELECTRIC LIMITED
THROUGH CIRCULATION ON 20 MARCH 2026

RESOLVED THAT in exercise of powers vested through section 187 and 188 of Companies Act, 2017 and Article 76(ii) and (vi) of KE's Articles of Association, Syed Taha be and is hereby appointed as the Chief Executive Officer (CEO) of the Company in place of Adeeb Ahmad with effect from 15 April 2026.

Certified by

Rizwan Pesnani
Chief Risk Officer & Company Secretary

Certified True Copy (CTC) of Resolution(s)
Passed by Board of Directors of K-Electric Limited (KE)
in their 1267th meeting held on Tuesday, 30 June 2026 at 11:00 a.m. in KE's Board Room,
3RD Floor, KE House, 39-B, Sunset Boulevard, Phase-II, DHA, Karachi

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APPROVAL OF FILING OF LICENSEE PROPOSED MODIFICATION (LPM) IN GENERATION LICENSE OF BQPS-III TO INCLUDE INDIGENOUS GAS AS PRIMARY FUEL

RESOLVED THAT K-Electric Limited (hereinafter referred to as 'the Company') be and is hereby authorized to file an Application for modification in its Generation License No. GL/04/2002 for addition of Indigenous Gas as Primary fuel and Sui Southern Gas Company Limited (SSGC) as fuel supplier for Bin Qasim Power Station III (BQPS-III) (hereinafter referred to as 'the Application') with the National Electric Power Regulatory Authority (NEPRA) and seek other incidental approvals, pursuant to NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.

RESOLVED FURTHER THAT the Board hereby approves the conversion of the BQPS-III power plant to operate on indigenous gas and the Chief Executive Officer (CEO) of the Company be and is hereby authorized to apply to NEPRA for capital expenditure associated with the conversion.

RESOLVED FURTHER THAT the CEO be and is hereby authorized to sign and file the Application with NEPRA, execute all deeds, documents, instruments, and take all necessary actions incidental or related thereto, including appearing before NEPRA and admitting execution thereof, on behalf of the Company.

RESOLVED FURTHER THAT the CEO be and is hereby authorized to delegate his powers to any officer(s) of the Company as he may deem fit for the aforesaid purposes.

Rizwan Pesnani
Chief Risk Officer & Company Secretary

E-STAMP
(Islamabad Capital Territory)

ICT-C4479F7D0D7BED7E

PSID-1012300032632249889

Rs 100/-

One Hundred Rupees Only

Purpose	: AFFIDAVIT - 4
Applicant	: Zia Ur Rehman [37405-3881603-5]
Representative From	: K Electric Limited
Address	: Islamabad
Issue Date	: 04-Aug-2026, 11:51:28 AM
Delisted On/Validity	: 19-Aug-2026
Paid Through Challan	: 2026D007705A6DDB
Reason	: IN FAVOR OF (NEPRA)

نوٹ: یہ ٹرانزیکشن تاریخ اجرا سے پندرہ دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ کیو آر کوڈ سے کی جا سکتی ہے۔

Please Write Below This Line

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

AFFIDAVIT of Mr. Syed Muhammad Taha s/o Syed Muhammad Ahmed Alavi having CNIC No. 42101-8488847-9 Chief Executive Officer, K-Electric Limited (the "Company"), a company incorporated under the laws of the Islamic Republic of Pakistan, having its registered office at KE House, 39-B, Sunset Boulevard, Phase II, Defence Housing Authority, Karachi.

I, the above named deponent, being the duly authorized representative of the Company solemnly affirm and declare that the contents of the Licensee Proposed Modification of the Generation License filed by K-Electric Limited vide Letter Ref No. KE/RA&GR/NEPRA/2026/773 dated August 4, 2026, including all supporting documents are true to the best of my knowledge and belief and that nothing has been concealed.

SYED MUHAMMAD TAHA

Karachi dated August 4, 2026

ATTESTED
TARIQ IQBAL MAHER
Advocate High Court