

PRESS RELEASE

Engro realizes promise of indigenous power production for Pakistan

Thar coal mining and power projects declare Commercial Operations Date (COD)

KARACHI – June 27, 2019: Engro Powergen Thar (Private) Limited (EPTL) – a majority owned Company of Engro Energy – and Sindh Engro Coal Mining Company (SECMC) – a joint venture of Engro Energy with the Government of Sindh and other corporate partners – have successfully declared the Commercial Operations Date (COD) of the first phase of the Thar coal project.

SECMC successfully unearthed the first layer of coal in June 2018 and has also completed the 60-day testing period of steady state production of on-specification coal. This culminates the first phase of the mining project. On the other hand, Engro Powergen Thar Private Limited – the Company tasked to construct 2x330 MW mine mouth power plants has also declared its Commercial Operations Date (COD). The EPTL plant demonstrated the proof of concept earlier by synchronizing both the power units in March and April respectively. The Company has since been involved in extensive testing of both the power units and has successfully completed all relevant inspections and commissioning of the plant thereby achieving COD.

The COD milestone of both the mining and the power projects is a significant achievement given that the Thar dream has been an elusive reality for millions of Pakistanis for over 27 years. The mining project of SECMC and the EPTL power plant began approximately 3 years ago in 2016 – after the financial close of the project – led by Engro Energy and in collaboration with other commercial partners including Government of Sindh; Thal Limited; HBL; HUBCO; SPIC and China Machinery Engineering Corporation (CMEC) for the mine project; and HBL, CMEC and Liberty for the power plant. Developed in a record time, as per schedule and within projected costs, the Thar Coal projects are part of the early harvest component of the China Pakistan Economic Corridor (CPEC) framework – making it truly a project of national and strategic significance.

Commenting on the occasion, Ghias Khan – President, Engro Corporation – said: “The declaration of the Commercial Operations Date (COD) of the Thar coal mine and power projects is a monumental achievement. This showcases not just the ability of Engro to deliver on mega projects that are good for Pakistan but also underscores the success of public-private partnership models to deploy inclusive development in the country. At this juncture, I would like to congratulate the Government of Sindh and the Federal Government, along with all our partner organizations, for their catalytic role and support in helping us deliver on our commitments of the Thar coal projects.”

Ahsan Zafar Syed – the Chief Executive Officer of Engro Energy and EPTL said: “Today the Thar coal project has come full circle as we fulfill the promise to the nation of providing indigenous electricity.

Since the synchronization earlier in April we have been involved in extensive testing of the systems to ensure that we delivered quality and did not compromise on the safety of the project. I am pleased that our efforts have resulted in delivering engineering excellence on our pioneering coal fired power plant and has brought us closer to our promise of providing Pakistan with low-cost, affordable and abundant energy.”

Syed Abul Fazal Rizvi – the CEO of SECMC congratulated the nation on the achievement and said: “The successful culmination of phase one of the mining project – ahead of schedule, well within projected costs and with a stellar safety record – is indeed a remarkable feat., We are now working diligently to pursue phase two of the mining activity as per our expansion plans where we intend to economize the mine and double the production capacity to 7.6 million tons per annum (MPTA) for the additional 2x330MW power plant scheduled to come online in 2021.”

It is important to note that SECMC and EPTL have also delivered on various social commitments under the aegis of Thar Foundation. Together with its partners, Thar Foundation aims to make Islamkot taluka in Tharparkar an SDG compliant model tehsil and various initiatives are in the final stages of their completion such as the new resettled Senhri Dars village; construction of the Thar Foundation Hospital in Islamkot; primary and secondary school units; RO plants infrastructure; innovative bio-saline and aquaculture (fish-farming) experiments. Through its agenda of inclusive development, Thar Foundation is working towards benefitting the local communities and is enhancing their prosperity and reducing poverty in the region.

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