



# 75 YEARS OF EXCELLENCE

# 2025

RESILIENT LEGACY.  
DYNAMIC FUTURE.



ANNUAL REPORT 2025





# ROOTED IN VALUES, DRIVEN BY VISION

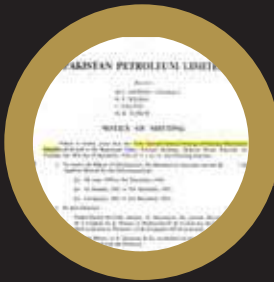
**For 75 years, we've been the bedrock of Pakistan's energy security. Now we're channelling that legacy to pioneer.**

Celebrating 75 years of pioneering leadership in Pakistan's energy sector, this year's annual report reflects on PPL's enduring legacy of excellence. From discovering the country's first natural gas reserves to sustaining energy security for generations, PPL's journey is a testament to resilience, adaptability, and visionary growth. As we honour our past, we also look ahead, leveraging innovation and sustainability to fuel the next era of progress. This report is not just a chronicle of milestones but a reaffirmation of our commitment to powering Pakistan's future with the same dedication that has defined us for 75 years.

# MAJOR EVENTS: 75 YEARS LEGACY

**1950**

PPL established



**1952**

Discovery at Sui, Balochistan



**1955**

Sui Gas Processing Plant commissioned; first gas supply to Karachi



**1959**

Discovery at Mazarani & Kandhkot, Sindh



**1960**

First dividend declared



**1974**

BME was established



**2013**

Two wholly-owned subsidiaries established: PPL Europe E&P Limited & PPL Asia E&P B.V.



**2013**

First discovery at Gambat South, Sindh



**2005**

PPL drills Pasni X-2: first offshore well drilled by a local E&P company as operator in Pakistan



**1997**

Government of Pakistan purchased Burmah Castrol PLC shares in PPL



**1978**

Discovery at Adhi, Punjab



**2015**

First discovery of oil at Dhok Sultan, Punjab



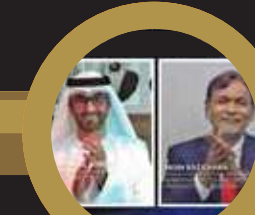
**2018**

First discovery at Shah Bandar, Sindh



**2021**

Agreement signed for Offshore Block 5, Abu Dhabi



**2022**

PPL entered into Reko Diq project



**2025**

Sui D&PL signed



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## BOARD OF DIRECTORS

MR. SHAHAB RIZVI  
Chairman  
Independent, Non-Executive Director

MR. SIKANDAR ALI MEMON  
Chief Executive Officer /  
Managing Director

MR. ABID SATTAR  
Independent, Non-Executive Director

MR. AFTAB AHMAD  
Independent, Non-Executive Director

MR. IMRAN AHMED  
Non-Executive Director

MR. IMTIAZ A.H. LALIWALA  
Independent, Non-Executive Director

MIAN IMTIAZUDDIN  
Independent, Non-Executive Director

MR. QUMAR SARWAR ABBASI  
Non-Executive Director

MR. SHAKEEL QADIR KHAN  
Non-Executive Director

MR. ZAFAR ABBAS  
Non-Executive Director

## COMPANY SECRETARY

MR. ALI JAFFAR

## CHIEF FINANCIAL OFFICER

MR. MOHAMMAD KHALID ABDUL  
REHMAN

## REGISTERED OFFICE

Pakistan Petroleum Limited  
4<sup>th</sup> Floor, P.I.D.C. House,  
Dr. Ziauddin Ahmed Road  
P.O. Box 3942, Karachi-75530  
UAN: +92-21-111-568-568  
Fax: +92-21-35680005 & 35682125

## ISLAMABAD OFFICE

Gerry's Centre, Justice Abdul Rasheed  
Road, 7<sup>th</sup> Avenue, Sector G-6/1, Islamabad  
UAN: +92-51-111-568-568

## SHARES REGISTRAR

FAMCO Share Registration Services  
(Private) Limited  
8-F, Next to Hotel Faran, Nursery Block-6  
P.E.C.H.S., Shahra-e-Faisal, Karachi.  
Tel: +92-21-34380101-05  
Fax: +92-21-34380106  
Email: info.shares@famcosrs.com

# COMPANY INFORMATION

## FIELD LOCATIONS

Sui Field  
Sui, Dera Bugti Agency, Balochistan

Kandhkot Field  
District Kashmore, Sindh

Adhi Field  
Tehsil Gujjar Khan, Rawalpindi, Punjab

Mazarani Field  
Mazarani, Larkana, Sindh

Hala Field  
Sanghar, Sindh

Gambat South Field  
Sanghar, Sindh

Shah Bandar Field  
Sujawal, Sindh

Dhok Sultan Field  
Tehsil Jhand, District Attock, Punjab

## REGISTRATION NUMBER

CUIN: 0000378

## AUDITORS

KPMG Taseer Hadi & Co.  
Chartered Accountants

## BANKERS

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al Habib Limited  
Bank of Punjab  
Dubai Islamic Bank  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial and Commercial Bank of China  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

## LEGAL ADVISORS

Messrs. Surr ridge & Beecheno

## WEBSITE

[www.ppl.com.pk](http://www.ppl.com.pk)

VISION

EMPOWERING  
SUSTAINABLE  
GROWTH THROUGH  
INTEGRATED  
ENERGY  
SOLUTIONS AND  
BEYOND.



# MISSION

TRANSFORM INTO A  
DYNAMIC ENERGY  
AND MINERALS  
COMPANY FOCUSED  
ON INNOVATION AND  
STRATEGIC  
DIVERSIFICATION.

## OUR STRENGTH

## CORE VALUES

### F I R S T

#### **FAIRNESS**

Foster ethical, impartial, and inclusive practices across all levels of the organization

#### **INNOVATION**

Continuously seek smarter and technology driven solutions

#### **RESPECT**

Embrace diversity, nurture talent, and promote a culture of collaboration

#### **SUSTAINABILITY**

Committed to protect the environment, support local communities, and empower future generations

#### **TRANSPARENCY**

Ensure accountability and openness in our actions and decisions

# AT A GLANCE

2024-2025



## OPERATIONAL HIGHLIGHTS

- 11** Exploration Wells
- 04** Development Wells
- 08** Discoveries
- 550** Line km 2D Seismic acquired



## FINANCIAL HIGHLIGHTS

- 243** Rs. In Billion Sales Revenue
- 92** Rs. In Billion Profit After Tax
- 32** Rs. In Billion Capital Expenditure
- 3.7** USD Operational cost per BOE



## PRODUCTION HIGHLIGHTS PPL NET SHARE

- 632** MMscfd equivalent
- 561** MMscfd of gas
- 10,115** Barrels of Oil/ NGL/Condensate per day
- 266** Tonnes of LPG per day
- 228** Tonnes of baryte per day

Above also include share in partner-operated areas.

# CALENDAR OF MAJOR EVENTS

## 2024-2025

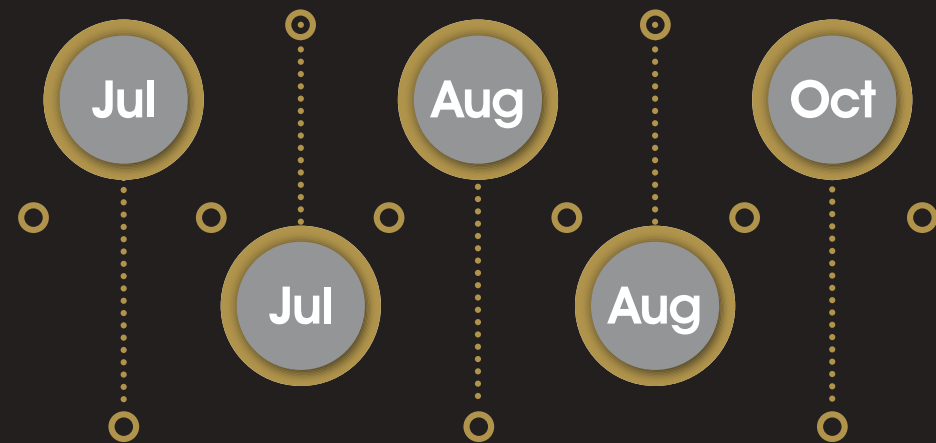
Discovery of hydrocarbons from exploration well Razgir-1 in Tal block.

PPL bagged 2nd Prize in ICAP Digital Technology Awards 2024, in the category of "Use of Technology in Accounting – Large Organizations".

Received Best Performance Excellence Award in the Petroleum Sector from FPCCI.

AGM approved final cash dividend of 25%.

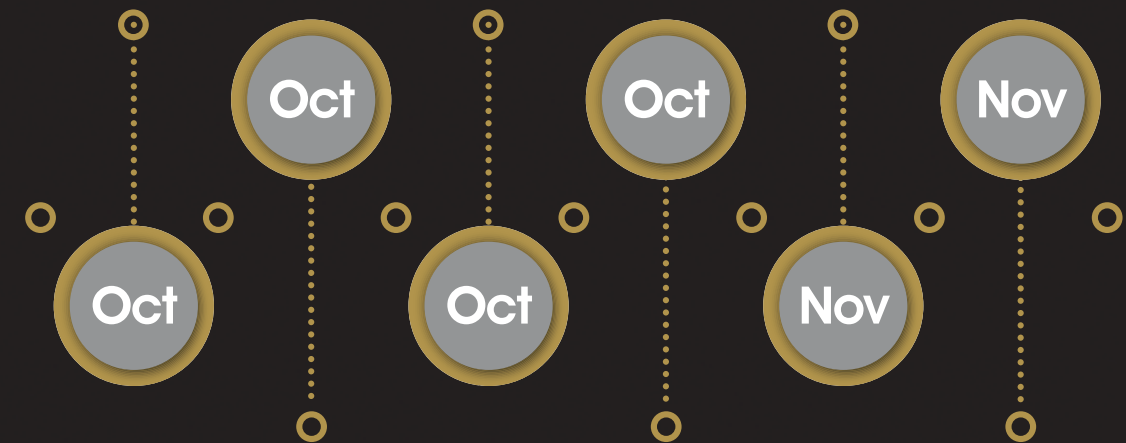
Received Corporate Philanthropy Award for 19th consecutive year.



Gas discovery from exploration well Tor-1 in Latif block.

Two additional hydrocarbon discoveries from exploration well Razgir-1 in Tal block.

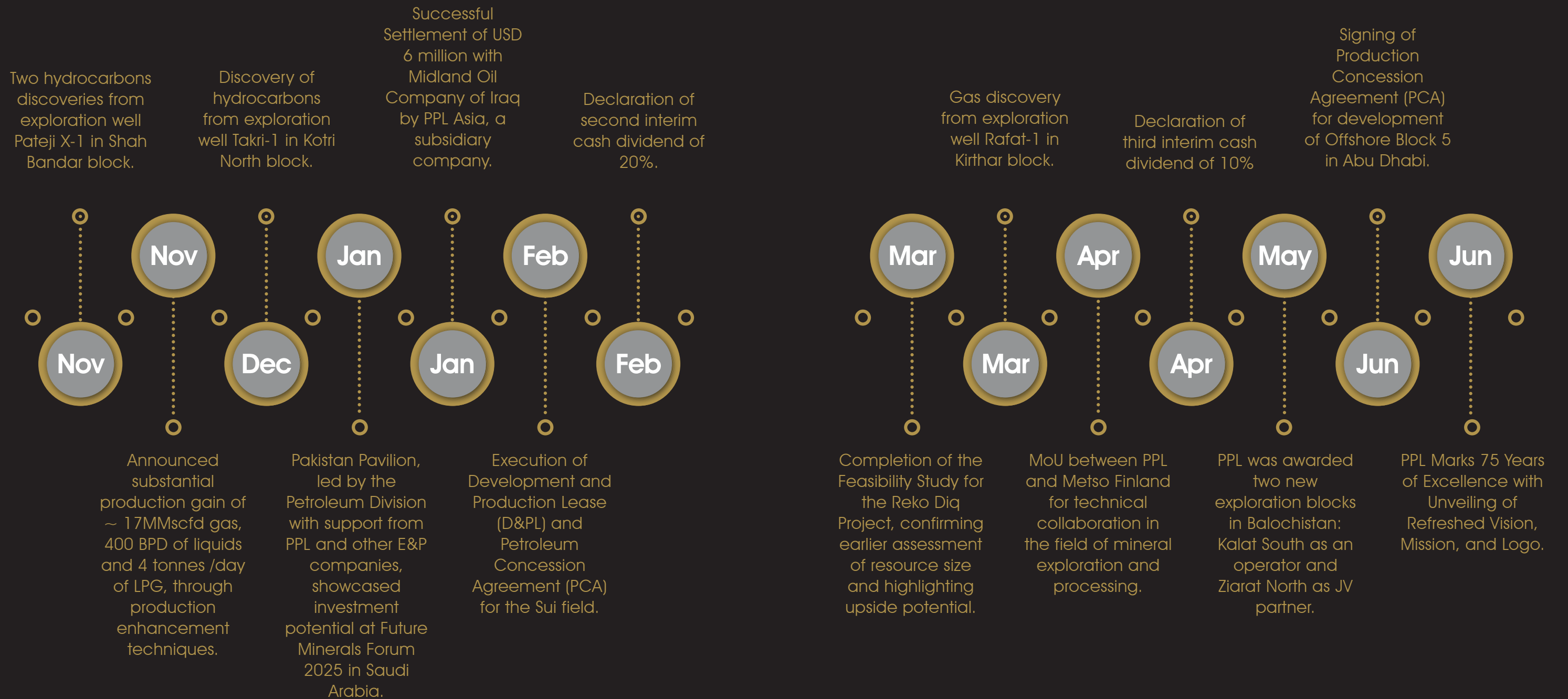
PPL secured 3rd position in Fuel and Energy category at Best Corporate & Sustainability Report Awards for its Annual Report 2023.



Certificate of Excellence from the Management Association of Pakistan (MAP) in the category of Oil and Gas Exploration companies.

Announced first interim cash dividend of 20%.

Received Silver Award from the South Asian Federation of Accountants (SAFA) for Annual Report 2023 in the Public Sector category.



LEGACY IN  
ACTION:  
PEOPLE WHO  
POWER  
PROGRESS.



# CHAIRMAN'S REVIEW



## DEAR SHAREHOLDERS,

It is with a sense of pride and gratitude that I present the Chairman's Review for the year ended 30th June 2025. This year marked a period of significant operational progress and strategic realignment for our company, as we navigated a dynamic and often challenging global energy landscape.

## OPERATIONAL HIGHLIGHTS

We continue to navigate a complex global landscape marked by geopolitical instability, shifting trade dynamics, and fragile supply chains. Domestically, the Exploration and Production (E&P) sector faces multifaceted challenges, including the persistent issue of circular debt and operational constraints stemming from the country's increasing reliance on imported Liquefied Natural Gas (LNG). Additionally, security issues, particularly in Balochistan, have negatively impacted exploration efforts.

In this demanding environment, your Company has demonstrated exceptional resilience and agility. I am pleased to report that PPL has delivered a strong financial performance, a testament to our strategic clarity and operational excellence. Our average hydrocarbon production for the year was approximately 632 MMscfde. This figure, while robust, was constrained by external factors, primarily LNG-related restrictions in the SNGPL's network and lower offtakes by GENCO-II at the Kandhkot field, which curtailed our production potential by over 150 MMscfde. Demonstrating our proactive operational management, we successfully mitigated some of this impact by diverting approximately 26 MMscfd of gas to the SSGC network.

A key achievement this year, and a critical indicator of our future sustainability, was an outstanding 2P Reserves Replacement Ratio (RRR) of 129%. This remarkable result includes the successful addition of new reserves from our operated international block in Abu Dhabi, representing a strategic enhancement to our portfolio.

Our commitment to growth was further demonstrated by the successful commissioning of seven new exploration and development wells. In our operated blocks, we brought Adhi South 8 & 9, Jhim East X-1, and Pateji X-1 online. Notably, we achieved first gas from Pateji X-1 in less than five months from discovery. In parallel, we commissioned three wells in partner-operated blocks—Tor-1, Takri-1, and Rayan-1 — and drilled four additional development wells in our joint venture fields. To further enhance output from our mature assets, we utilized spare capacity at the Hala plant to process surplus gas from Gambat South and anticipate completing a secondary compression project at Makori East in September 2025. Moreover, we extend our sincere gratitude to the Federal and Balochistan governments for their support in amicably resolving the Sui lease issue. Their collaboration was instrumental in the long-awaited grant of the Development and Production Lease in favor of PPL.

Building on our exploration program, we drilled eleven exploration and appraisal wells. Separately, we announced eight new discoveries, two in the operated Shah Bandar block and six in partner-operated areas.

We also expanded our portfolio with the acquisition of three new exploration blocks. PPL as a group is now maintaining working interests in 46 exploration blocks – 25 operated by PPL including Offshore Block-5 in Abu Dhabi and 21 producing fields - 8 of which are under our direct operation. In line with our mineral portfolio diversification strategy, PPL holds five mining assets— two for iron ore, two for copper & gold, and one for baryte, lead & zinc. Our exploration efforts are ongoing, with one active license operated by a partner and at least six additional applications under consideration by the Government of Balochistan.

During FY 2025, the Company delivered a marked improvement in collections, with the collection ratio rising to 91% from 81% in FY 2024. Total cash recoveries stood at Rs. 266 billion against Rs. 276 billion last year, primarily due to lower selling prices. Notably, trade receivables increased by only ~ Rs. 14 billion compared to Rs. 65 billion in FY 2024, reflecting stronger financial discipline and enhanced revenue management.

Despite these gains, the burden of historical circular debt continues to exert significant financial pressure on the Company. Its resolution remains critical to unlocking investment capacity for local E&Ps. The Government, in collaboration with key stakeholders, is actively pursuing lasting structural solutions to address this systemic challenge.

On the international front, our venture in Abu Dhabi's Offshore Block-5 achieved significant milestones. We received ADNOC's approval for the Field Development Plan for three discoveries, followed by signing of the Production Concession Agreement in June, formalizing a 40% participating interest for Pakistan International Oil Limited (PIOL).

In line with our diversification strategy, we have significantly advanced our minerals exploration efforts in Balochistan. We submitted five new applications for exploration licenses in the Chagai district and participated in a joint bid for the EL-200 license. The world-class Reko Diq copper and gold project, in which we are a key partner, is progressing quite well, with production expected in FY 2028-29. We appreciate the sincere efforts of the Government of Balochistan in finalizing and approving the BLZ mining lease development project. This collaboration is key to unlocking the region's mineral wealth.

## GOVERNANCE / BOARD AND ITS COMMITTEES

The Board of Directors held nine meetings of the Board during the year. Strong governance is the foundation of a Company's long-term success. The Board is firmly committed to upholding the highest standards of integrity, transparency, and accountability in all aspects of its decision-making. Guided by well-defined governance frameworks and ethical principles, we ensured that the Company not only complied with regulatory requirements but also adhered to global best practices. This disciplined approach reinforces stakeholder confidence, enhances organizational resilience, and positions the Company to deliver sustainable value in an increasingly dynamic environment. Over the past year, the Board has upheld its mandate of providing strategic leadership, with members demonstrating unwavering commitment in successfully guiding the Company through a dynamic environment. Our confidence in our country remains steadfast, inspiring us to channel our efforts towards advancing sustainable growth in this vital sector. Throughout the year, the Board and its Committees have remained proactive, meeting regularly to deliberate on key matters and ensure timely, informed decision-making.

During the year, the Company completed its 75 years of incorporation since June 1950. In order to honour the Company's remarkable legacy, and to unveil a bold and forward-looking repositioning of the Company, the Board approved a strategic proposal to transform the Company from a conventional E&P company into a diversified Energy Company. To mark this milestone in a meaningful and impactful manner, the Board adopted new and transformed Vision, Mission, Core Values and Corporate Identity (Logo) of the Company.

I am pleased to highlight that it was for the first time in the 75 years' history of the Company that the Company declared and paid dividend to the shareholders in each quarter of FY 2024-25.

During the year, the Board deliberated and approved several farm-in and farm-out proposals in various exploration blocks of the Company. The Board closely monitored the progress of the Zafir Gas Processing Facility (GPF-III) and directed the management accordingly to complete the Project on war footing. The Board also approved a Memorandum of Agreement (MoA) with the Government of Balochistan (GoB) in respect of grant of Sui Development and Production Lease to PPL by the Federal Government along with signing of Petroleum Concession Agreement. As a result of the signing of the MoA with GoP, the Company made a payment of Rs. 50 billion against the Lease Extension Bonus to the GoP for onward transmission to the GoB. The Board also approved PPL's Participation in Pakistan Onshore E&P Bid Round 2025.

In addition to overseeing the Company's domestic operations, the Board also monitored and reviewed the progress of its international projects and ventures. During the year, the Board authorized the management to sign and execute settlement agreement to complete the settlement of the Block-8, Iraq. Under the terms of the settlement agreement, USD 6 million were received from Iraq. This settlement, the result of sustained negotiations with Iraqi authorities, marked a significant milestone for the Company, in successfully concluding its contract in Block-8, while securing and safeguarding its financial interest. The Board deliberated on an updated feasibility study of the Phase-1 of the Reko Diq Project and approved an increase in the Company's funding commitment with respect to the Project and gave an in-principle approval to obtain Project Financing. The Board also approved the execution of Offshore Block-5 Production Concession Agreement and also approved the issuance of a Parent Company Guarantee in respect of Abu Dhabi Offshore Block-5.

The Board focused attention on Enterprise Risk Assessment and Monitoring through the review of the Annual Risk and the Risk Appetite Testing Reports, while also approving revisions to the Company's Risk Appetite Statement to ensure alignment with evolving business dynamics. Furthermore, in adherence to the Company's CSR framework, the Board authorized contributions to carefully selected charitable and educational institutions across the country, reinforcing its commitment to corporate citizenship and social responsibility.

The Board has established a comprehensive system of internal controls, reinforced by an independent internal audit function dedicated to upholding the principles of probity, propriety, and integrity while fostering strong stakeholder relationships. This function is staffed with suitably qualified and experienced professionals, guided by a defined audit charter and well-acquainted with the Company's policies and procedures. Regular evaluations of the internal control framework are undertaken to ensure its adequacy and to confirm that it continues to effectively support the Company's operational and financial objectives.

To objectively assess its effectiveness while ensuring independence, the Board carried out the "Board Performance Evaluation" exercise for the financial year 2023-24 with the support of the Pakistan Institute of Corporate Governance.

During the year, three casual vacancies arose on the Board. The vacancies due to resignations of Mr. Awais Manzur Sumra and Mr. Hassan Mehmood Yousufzai were duly filled during the year with the appointments of Mr. Qumar Sarwar Abbasi and Mr. Zafar Abbas respectively. The vacancy owing to the sad demise of Ms. Khurshid Bhaimia could not be filled due to non-receipt of nomination from the majority shareholder i.e. Government of Pakistan. Subsequent to the year end, Mr. Imran Ahmed was appointed as director in place of Mr. Momin Agha.

The Board has completed its three-year term in December 2023, however nominations from the majority shareholder are still awaited. During the previous year, the Company had sought necessary extension from the SECP for holding the general meeting for election of directors. During the year, the Ministry of Energy – Petroleum Division advised the Company to seek further extension because the nominations on behalf of the Federal Government could not be finalized. The Company applied for further extension for a period of six months, from the SECP, to hold the EGM for the election of Directors. The SECP disposed of the application of the Company without any further extensions. The matter has been taken up with the Federal Government through the Ministry of Energy (Petroleum Division) and we hope to see its resolution soon.

Finally, to ensure our long-term sustainability and responsible stewardship, we have formalized our commitment to Environmental, Social, and Governance (ESG) principles through the establishment of a dedicated Board ESG Committee. This initiative institutionalizes our focus on climate action, social equity, and sound governance, while positioning PPL as a forward-looking leader in Pakistan's energy sector. During the year, Board also attended a two-day ESG Stewardship Workshop organised by the Pakistan Institute of Corporate Governance.

## APPRECIATION

The Board conveys its profound gratitude to all stakeholders, with particular recognition of our employees whose unwavering dedication, resilience, and commitment continues to be the cornerstone of the Company's success. We deeply value the enduring trust and confidence of our shareholders, which has enabled the Company to deliver remarkable achievements. With this collective effort, we reaffirm our commitment to driving sustainable growth, long-term prosperity, and the continued well-being of everyone connected with the Company.

Subsequent to year end, Mr. Imran Abbasy, MD / CEO has successfully concluded his three-year tenure with the Company. The Board of Directors of the Company at its meeting held on 19th September 2025 has approved the appointment of Mr. Sikandar Ali Memon, existing Chief Operating Officer (COO), as the Chief Executive Officer (CEO) / Managing Director of the Company, with effect from 21st September 2025, till his retirement from service or appointment of a regular CEO of the Company, whichever is earlier. The Board is thankful to the outgoing CEO, Mr. Imran Abbasy for his services towards the Company and wishes him all the best for the future. The Board welcomes Mr. Sikandar Ali Memon in his new role at the Company.



**SHAHAB RIZVI**

Chairman, Board of Directors



# MANAGING DIRECTOR'S MESSAGE

## DEAR SHAREHOLDERS

Having assumed the role of MD & CEO on September 21, 2025, I am pleased to present the Company's performance for the fiscal year 2024–25, a year of special significance as we celebrate 75 years of PPL's legacy. We are marking this historic milestone with a renewed corporate identity, including a new logo, vision, and mission that chart our course for the future. In this spirit of transformation, our team has demonstrated remarkable operational resilience and achieved outstanding financial results. This success is a direct outcome of their commitment to our new strategic direction—to evolve into a dynamic energy and minerals company focused on empowering sustainable growth and creating lasting value for our shareholders.

We are navigating a period of profound change, defined by a global energy transition and significant domestic headwinds. As the world's focus shifts from traditional hydrocarbons to critical minerals and new technologies, we are strategically diversifying our portfolio to thrive in this evolving landscape. Domestically, we face a three-fold challenge: declining indigenous gas reserves, a structural imbalance between supply and demand, and the persistent issue of circular debt. Our strategy to aggressively counter the decline in local production is a key focus of this outlook, which I will detail shortly. To address the other challenges, we believe it is imperative for policymakers to help stabilize energy demand while ensuring sustained, market-based gas price adjustments to resolve the circular debt issue. It is against this complex backdrop that our team's performance has been truly exceptional.

Our foremost operational priority is the aggressive expansion of our reserves base. Our strategy is clear: to pursue a balanced and high-impact E&P portfolio that replaces every molecule of hydrocarbon we produce. We are targeting high-potential prospects in frontier areas while simultaneously de-risking our portfolio with lower-risk drilling near our existing infrastructure. This approach optimizes both cost and success rates. The success of our recent discoveries, including two in Pateji X-1 and six others in partner-operated areas, validates this strategy and sets the stage for significant production contributions in the coming year. We are also actively evaluating opportunities in shallow offshore blocks and continuing to assess the potential of our unconventional resources.

On the development front, our focus is on maximizing value from our existing assets. We are executing sophisticated production optimization projects and targeted development drilling to enhance recovery rates. This year, our team successfully implemented several key initiatives, including the installation of a secondary compression facility at Tal and bringing new production online in the Shah Bandar, Tal, Kirthar, Latif, and Kotri North blocks. These efforts, combined with our commitment to deploying cutting-edge technology and maintaining the highest standards of safety, are crucial for sustaining production and driving cost efficiencies.

Internationally, our strategy is to diversify our asset base and mitigate geographic risk. We are very encouraged by the progress in Abu Dhabi's Block-5, where the approval of our Field Development Plan and the signing of the Production Concession Agreement have solidified our entry into this world-class hydrocarbon province. We will continue to seek high-value international investment opportunities that align with our core expertise.

Our diversification into mining is a strategic response to the evolving energy landscape. Our joint venture, Bolan Mining Enterprises (BME), is poised for significant growth, driven by the advancement of the Barite, Lead & Zinc (BLZ) Project. Furthermore, our stake in the Reko Diq project, a world-class copper-gold asset, positions PPL at the forefront of Pakistan's mining sector and promises to deliver substantial long-term returns.

Building on our foundational ESG policy, we are embedding sustainability into the core of our operations. Our roadmap includes a progressive reduction in or offsetting the greenhouse gas emissions, continued investment in our host communities, and the unwavering application of transparent and ethical governance. This commitment ensures PPL remains a resilient and responsible corporate leader for a prosperous Pakistan.

I would like to take this opportunity to extend my best wishes to the outgoing CEO, Mr. Imran Abbasy, for his future pursuits. Also, I extend my deepest gratitude to our entire team for their exceptional dedication. My sincere thanks also go to the Ministry of Energy (Petroleum Division) for their invaluable guidance. Finally, to our shareholders, your trust is the bedrock of our success. We are steadfast in our commitment to building a future of shared prosperity and sustainable value for all.

Pakistan Paindabad!

**SIKANDAR ALI MEMON**  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER

# STATEMENT OF BUSINESS ETHICS

It is a fundamental policy of PPL to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted comprehensive Code of Conduct (Code) for members of the Board of Directors and Employees. The Code defines acceptable and unacceptable behaviour, provides guidance to Directors / Employees in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

## CODE OF CONDUCT

### SALIENT FEATURES OF THE CODE FOR DIRECTORS

#### CONFLICT OF INTEREST

Each Director must avoid any conflict of interest between the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

#### CORPORATE OPPORTUNITIES

Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain; or competing with the Company for business opportunities.

#### CONFIDENTIALITY

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorised by the Chairman of the Board or legally mandated.

#### HONESTY, INTEGRITY & FAIR DEALING

Directors must act honestly and fairly and exhibit high ethical standards in dealing with all stakeholders of the Company.

#### COMPLIANCE WITH LAWS, RULES & REGULATIONS

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act 2017, Rule Book of the Stock Exchange and insider trading laws.



#### ENCOURAGING THE REPORTING OF ANY POSSIBLE ILLEGAL OR UNETHICAL BEHAVIOUR

Directors should take steps to ensure that the Company promotes ethical behaviour; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violations of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow retaliation for reports made in good faith.

#### TRADING IN COMPANY'S SHARES

Certain restrictions / reporting requirements apply to trading by the Directors in Company's shares. Directors shall make sure that they remain compliant with these statutory requirements.

#### COMPLIANCE PROCEDURES

Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

#### INSIDE INFORMATION & INSIDER TRADING

PPL's Directors and Sponsors who come into knowledge of inside information in performance of their duties, whether intentionally or by coincidence, are considered to be insiders. Any unauthorized dissemination or use of any inside information, directly or indirectly, is insider trading, is strictly prohibited and actionable under law.





## SALIENT FEATURES OF THE CODE FOR EMPLOYEES

### CONFLICT OF INTEREST

Employees must not engage in activities or transactions which may give rise to, or which may be seen to have given rise to conflict between their personal interests and the interest of the Company.

### CONFIDENTIALITY & DISCLOSURE OF INFORMATION

Staff is expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to the press, to any outside source, or to any other staff who are not entitled to such information.

### INSIDE INFORMATION & INSIDER TRADING

PPL's staff who come into knowledge of inside information in performance of their duties, whether intentionally or by coincidence, are considered to be insiders. Any unauthorised dissemination or use of any inside information, directly or indirectly, is insider trading and is strictly prohibited and actionable under law.

### POLITICAL CONTRIBUTION

No funds or assets of the Company must be contributed to any political party or organisation or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

### BRIBES & COMMERCIAL PAYMENTS

No member of staff must give or receive bribes or other payments (in cash or in kind), which are intended to influence a business decision or compromise independent judgment; nor must give money in order to obtain business for the Company, nor receive money or any other benefit for having given the Company business to an outside agency.

### PROPER RECORDING OF FUNDS, ASSETS, RECEIPTS & DISBURSEMENTS

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

### AGREEMENTS WITH AGENTS, SALES REPRESENTATIVES OR CONSULTANTS

Agreements, contracts, purchase orders etc. should state clearly the services / material to be performed / supplied for the Company, the amount to be paid and all other relevant terms and conditions. Payments made must bear a reasonable relationship to the value of the services / material delivered.

### RELATIONS & DEALINGS WITH SUPPLIERS, CONSULTANTS, AGENTS, INTERMEDIARIES & OTHER THIRD PARTIES

PPL's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that PPL's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

### QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE) POLICY

Every staff member at work, as a condition of employment, must take reasonable care for the health and safety of himself / herself and others including visitors who may be affected by his / her acts or omissions at work; and cooperate in Company's efforts to protect the environment. Heads of departments carry overall responsibility for ensuring commitment towards quality assurance in respective areas.

### SMOKING POLICY

Smoking and exposure of workplace to tobacco poses serious health hazard to the staff besides potential risks of fire and explosions. Considering this, smoking is permitted only in designated 'Smoking Areas'.

### SEAT BELT / HELMET POLICY

As per policy, it is mandatory for all staff and contractors to fasten seat belts at all seats (front & rear) while sitting in the vehicles during occupational travel. PPL staff is required to wear road safety helmets while riding on a motorcycle.

### OTHER EMPLOYMENT, OUTSIDE INTERESTS, CIVIC ACTIVITIES

PPL does not allow any of its staff members to take any part-time and/or full-time second employment during their engagement with the Company. Employees intending to use knowledge, information, experience or position gained through his/her association with the Company to further himself/herself materially in an outside capacity has a duty to disclose that intention to the Company.

### UNSOLICITED GIFTS

Accepting gifts that might place staff under obligation is prohibited. Staff must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

### TRAVEL SPONSORED BY CONTRACTORS / CONSULTANTS / THIRD PARTY AT THEIR EXPENSE

No PPL staff shall accept any free travel offers from anyone or any company doing or intending to do business with PPL including vendors, as it is not contemplated as acceptable behaviour and creates conflict of interest. These offers include airfare, hotel or any other cost that should normally not be paid by a vendor. These free offers should also not be accepted during vacation period by any staff member.

### FAMILY CONNECTIONS AND EMPLOYMENT OF RELATIVES

Any dealings between staff and outside organisations in which they have a direct, indirect or family connection must be fully disclosed to the Management. There is no prima facie objection to the employment of relatives but inappropriate job relationships must be avoided.

### COMPANY & PERSONAL PROPERTY

PPL's staff must not take or use Company's property or the property of another staff without permission; nor must the staff use the Company's property, whether owned or hired by the Company, for private purposes without the Management's permission.

### ALCOHOL & DRUGS

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all the Company's premises and work-sites.

### GAMBLING

All forms of organised gambling or betting on the Company's premises is forbidden.

### RUMOUR MONGERING & GOSSIPING

Rumour mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow staff members are strictly prohibited.

### HARASSMENT

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any staff that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, humiliating, offensive, or hostile environment. PPL is also compliant with all the requirements of "Harassment of Women at Workplace Act 2010".

### GRIEVANCE HANDLING

PPL has a comprehensive Grievance Handling Procedure. PPL strives to provide a fair & impartial process to its employees / trainees and ensures timely resolution of their grievance.

### WHISTLE BLOWING

In order to enhance good governance and transparency, PPL has a Whistle Blowing Policy. The Policy provides an avenue to its staff, vendors and those who deal with PPL to raise concerns and report illegal and unethical issues like fraud, corruption or any other unlawful conduct or conduct which is in violation of the Company's policies and procedures or the misuse or pilferage of the Company's assets and property or endangers the public or the environment.

### GENERAL DISCIPLINE

Every staff member must adhere to Company's rules of service and make sure that he/she is familiar with all of them.

### REPORTING VIOLATIONS / DISCIPLINARY ACTIONS

Any violation of this Code shall be promptly reported to the Human Resources (HR) department by any staff member having knowledge thereof or having reasonable belief that such a violation has occurred. Upon receipt of a report of a violation or a suspected violation of this Code, HR may initiate proceedings in accordance with the Company's disciplinary procedure.

### PARTICULARS AND SHAREHOLDING, IF ANY, IN THE COMPANY

All employees in Job Group-10 and above need to notify the ownership and transactions in the shares of the Company, whether held/undertaken directly or indirectly, by self, spouse or minor children.

# GLOBAL COMPACT

PPL has proudly completed more than a decade of its association with the United Nations Global Compact (UNGC). UNGC was developed in the year 2000 as an initiative to provide a human face to the global market and is aligned with United Nations' efforts, with particular reference to Millennium Development Goals. With over 25,000 participants and other stakeholders, including business and civil society from over 160 countries, UNGC provides a leadership platform for participants to strengthen their commitment to sustainability and corporate citizenship. UNGC binds all participating organisations to share initiatives compliant with UNGC's ten principles, focusing on human rights, enabling working conditions for employees, environmental conservation and transparency.

PPL reiterates commitment and shares continuous progress on UNGC's 10 principles in its ongoing efforts to further strengthen its corporate governance, human resource development, quality, health, safety and environment (QHSE) and corporate social responsibility (CSR) programmes.

## HUMAN RIGHTS

### PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

### PPL'S COMMITMENT

PPL respects the dignity and rights of its human resource. Through our Corporate Social Responsibility Programme, we also support the right to education, healthcare and basic civic amenities for communities.

### PRINCIPLE 2

Businesses should ensure that they are not complicit in human rights abuses.

### PPL'S COMMITMENT

PPL is highly committed to conducting its business in accordance with the highest ethical and legal standards.

## LABOUR STANDARDS

### PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

### PPL'S COMMITMENT

We acknowledge and respect rights to freedom of association and collective bargaining. We are committed to addressing issues, problems and grievances proactively to regulate the Company's operations with dignity of labour, minimisation of animosity and fostering a relationship of trust between management and workers.

### PRINCIPLES 4 & 5

Businesses should support the elimination of all forms of forced and compulsory labour. Businesses should support the effective abolition of child labour.

### PPL'S COMMITMENT

PPL supports abolition of child labour and elimination of all forms of forced and compulsory labour in its areas of operations or by any of its business partners and contractors.

### PRINCIPLE 6

Businesses should support the elimination of discrimination in respect of employment and occupation.

### PPL'S COMMITMENT

PPL is committed to provide equal opportunities for employment as well as growth without any discrimination on the basis of race, sex, religion, language, social origin, birth or other status.

## ENVIRONMENT

### PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

### PPL'S COMMITMENT

PPL is committed to environmental conservation by complying with National Environmental Quality Standards.

### PRINCIPLE 8

Businesses should undertake initiatives to promote greater environmental responsibility.

### PPL'S COMMITMENT

PPL ensures proactive acceptance of its responsibility and accountability for environmental imperatives. The Company recognises that operational excellence cannot be achieved without embedding QHSE considerations in business decision making processes. Therefore, PPL remains committed to raising environmental awareness among staff, suppliers and contractors for encouraging ecofriendly practices.



### PRINCIPLE 9

Businesses should encourage the development and diffusion of environment friendly technologies.

### PPL'S COMMITMENT

PPL believes in the use of emerging environment friendly technologies, especially for new projects, to reduce its carbon footprint.

## ANTI-CORRUPTION

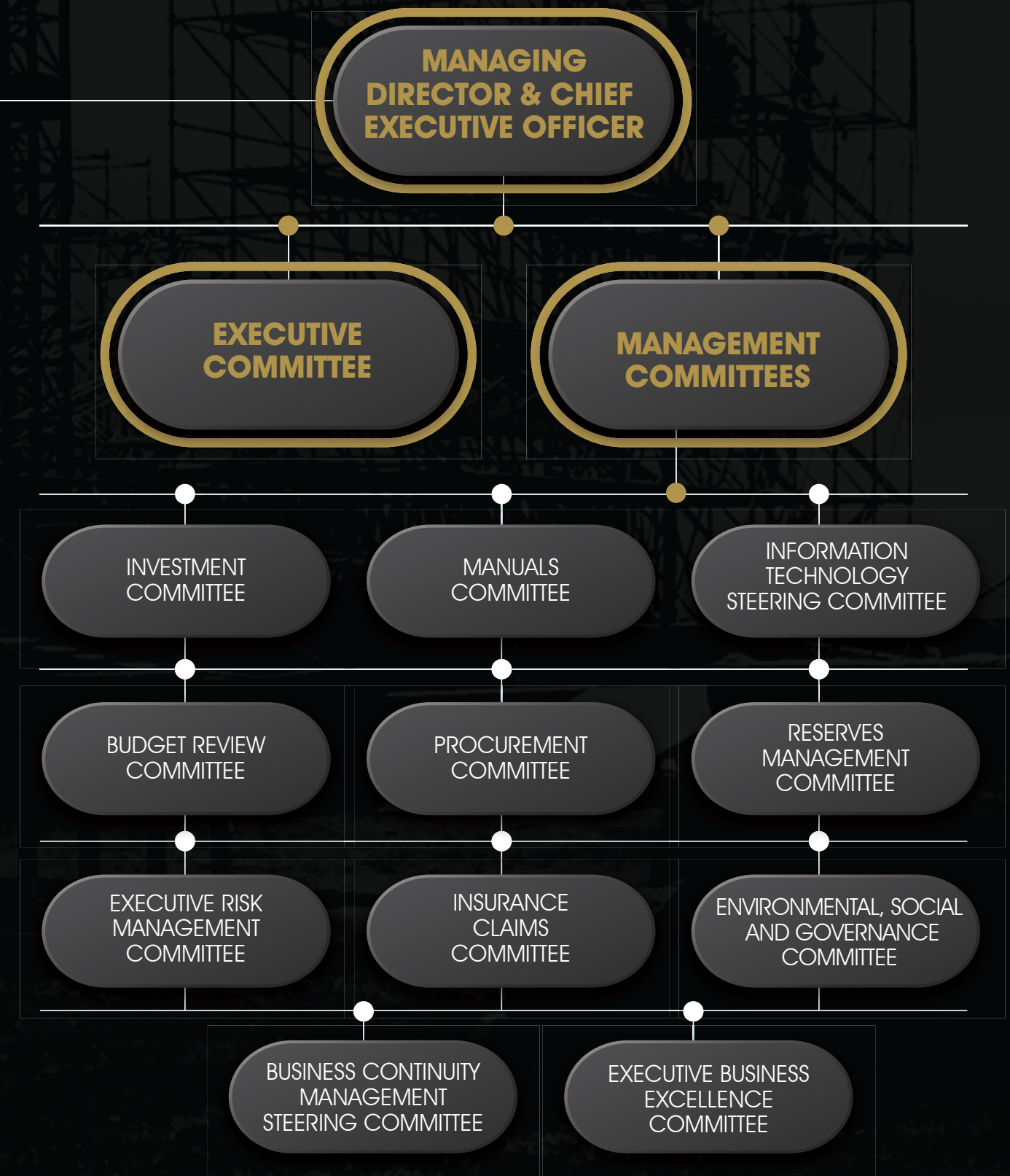
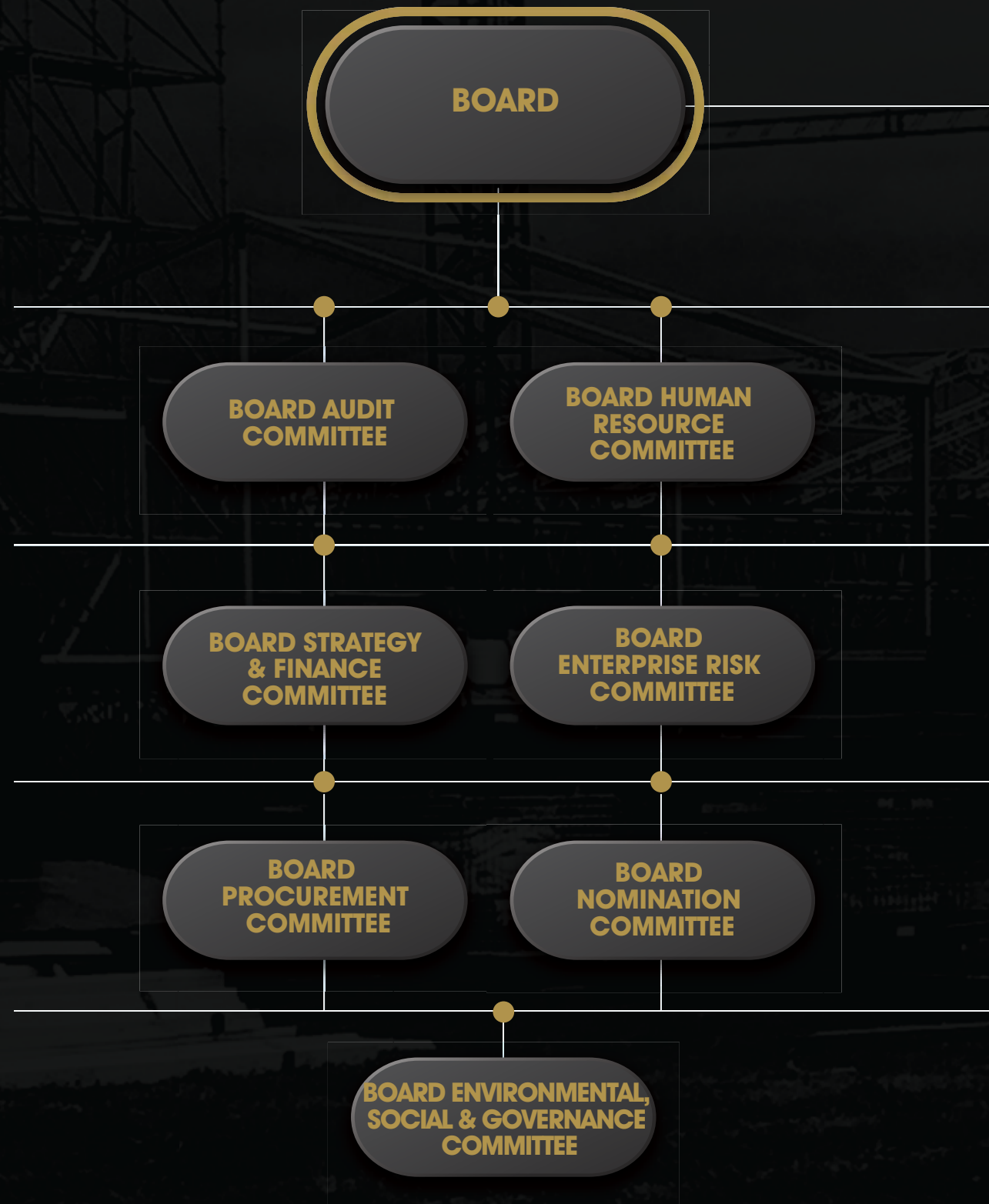
### PRINCIPLE 10

Businesses should work against all forms of corruption, including extortion and bribery.

### PPL'S COMMITMENT

PPL is committed to eliminate corruption through implementation of ethical codes and policies that govern business operations and relationships with external stakeholders. The ethical commitments and values are embedded in the Company's Code of Conduct, the compliance of which is mandatory for members of the Board of Directors and all employees. The Company has zero tolerance to all forms of corrupt practices including bribery, extortion and other forms of corruption.

# GOVERNANCE FRAMEWORK



# PROFILE OF THE BOARD OF DIRECTORS

## **MR. SHAHAB RIZVI** CHAIRMAN – INDEPENDENT, NON-EXECUTIVE DIRECTOR

Mr. Shahab Rizvi was appointed to the Board of Directors of Pakistan Petroleum Limited on December 23, 2020, and currently serves as its Chairman. He also holds key roles as Chairman of the Board Human Resource Committee and as a member of the Board Strategy & Finance, Enterprise Risk, Procurement and Environment, Social & Governance Committees.

With nearly four decades of extensive experience across various Fortune 500 companies, particularly in the healthcare sector, Mr. Rizvi has proven exceptional business leadership. He served as the Country President and Chief Executive for Pakistan and Afghanistan at Novartis Pharma (Pakistan) Limited from 2008 to 2018. Prior to this, he was the Head of the Business Unit for the Middle East at Novartis Consumer Health from 2004 to 2008 and the Divisional/Sector Head at Novartis Pharma (Pakistan) Limited from 2001 to 2004.

Mr. Rizvi's career also includes significant roles at Shell Gas (LPG), now Burshane LPG (Pakistan) Limited, where he was the Regional and Marketing/Commercial Manager in Malaysia from 1999 to 2001. Additionally, he did sales, marketing, and leadership assignments with prominent companies such as Unilever, PepsiCo, and Packages Limited.

In addition to his corporate roles, Mr. Rizvi has led prominent business forums in Pakistan. He served as the President of the Swiss Business Council of Pakistan in 2017, the President of the Overseas Investors Chamber of Commerce and Industry (OICCI) in 2016, and the Chairperson of the Pharma Bureau in 2014. He was also a member of the Panel of Experts for the Listing Committee at the Pakistan Stock Exchange in 2017. Beyond his corporate and advisory roles, Mr. Rizvi has been actively contributing to various social organizations in the Education & Healthcare sectors on a pro-bono basis. He is also the founder of a software development house.

Mr. Rizvi holds a Master's degree in Economics from the University of Karachi and has completed several advanced courses, including Financial Leadership at Harvard Business School, Boston, Emerging Market Leadership at IMD in Lausanne, Switzerland, Role of Leader Program by Mercer Delta in Miami, USA, Consumer Excellence & Strategic Marketing Planning from Oxford Strategic Marketing & Boston Consulting Group, USA.



## **SIKANDAR ALI MEMON** CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Mr. Sikandar Ali Memon joined Pakistan Petroleum Limited (PPL) on November 1, 2023, as Chief Operating Officer. He was appointed Chief Executive Officer / Managing Director of the company on September 21, 2025.

A seasoned professional with over 30 years of diverse international and national leadership experience in oil and gas production, Memon has worked with leading oil and gas companies, including British Petroleum (BP), Aramco, Petronas, Occidental Petroleum and United Energy Pakistan (UEP), in South Asia, Southeast Asia, Middle East and North Africa.

Prior to joining PPL, Memon's last assignment was with UEP as Head of Production Engineering and Technology. Besides, he has also served with leading international E&P companies on key positions. These include Head Petroleum Engineering at ADNOC Group UAE, Head of Technical Support Unit at Saudi Aramco, Senior Production Technologist at Petronas, Malaysia and Production Engineering Consultant at Occidental Petroleum, besides serving as Senior Staff Engineer at BP Pakistan.

He has earned a bachelor's degree in petroleum engineering (PE) from Mehran University of Engineering and Technology, Sindh and attended various advanced level courses in PE from Petroleum Institute Abu Dhabi, UAE.

Memon has also completed nearly 80 advanced-level technical and leadership training and courses from reputable institutions around the world in the USA, Europe, Africa, Southeast Asia and the Middle East.





**MR. ABID SATTAR**  
INDEPENDENT, NON-EXECUTIVE  
DIRECTOR

Mr. Abid Sattar was re-elected as a member of the Board of Directors on December 23, 2020. He is the Chairman of the Board Nomination and Environment, Social & Governance Committees and a member of the Board Human Resource and Strategy & Finance Committees.

Mr. Sattar is a seasoned banker with over 38 years of extensive experience in corporate, consumer and retail banking, both in Pakistan and overseas. He is a director on the Board of National Insurance Company Limited. Earlier, he was serving as President and Chief Executive Officer of Askari Bank Limited. He was also associated with Habib Bank Limited (HBL) for over a decade, managing key assignments as Head of International Banking, Asia and Africa Region based in Singapore and Head of Retail and Consumer Banking, Karachi. He played a pivotal role in post privatization transformation of retail segment at HBL.

Prior to this, he also served as Regional Head of Consumer Banking for Northern Gulf and Levant at Standard Chartered Bank in Bahrain.

He holds a Master's degree in Business Administration from the Punjab University with a gold medal and a Master of Philosophy in Economics and Politics of Development from Cambridge University, United Kingdom.

Mr. Sattar has a proven track record of leading and building efficient teams with a reputation for hiring talent, maintaining highest standards of compliance while expanding and developing various businesses.



**MR. IMRAN AHMED**  
NON-EXECUTIVE DIRECTOR

Mr. Imran Ahmed joined Pakistan Petroleum Limited's Board of Directors on August 20, 2025. He is a member of the Board Strategy & Finance and Human Resource Committees.

A civil servant with over 20 years of experience in the petroleum and energy sector, Mr. Ahmed joined the Ministry of Energy (Petroleum Division) in 2004 as Assistant Director (Gas). Since then, he has held various leadership positions within the Petroleum Division, including Director (Exploration), Director General (Petroleum Concessions) and Director General (Liquefied Gases). During this time, Mr. Ahmed has managed key assignments, including successful implementation of Pakistan's first LNG terminal project and development of LNG and LPG policy. Currently, he is serving as Director General (Oil).

Mr. Ahmed holds a Master's degree in Geology from the University of Balochistan, Quetta. He has also participated in several national and international energy conferences and training programs.



**MR. AFTAB AHMAD**  
INDEPENDENT, NON-EXECUTIVE  
DIRECTOR

Mr. Aftab Ahmad was elected as a member of the Board of Directors on December 23, 2020. He is the Chairman of the Board Audit Committee and a member of the Board Human Resource, Strategy & Finance, Enterprise Risk and Environment, Social & Governance Committees. He is also a director on the Board of PPL Europe E&P Limited.

Mr. Ahmad is a seasoned professional with around 41 years of experience in finance and accounting, strategic business planning, relationship management, project and financial management, budgeting and management reporting. His expertise spans across the oil and gas (exploration and production), aviation, and professional advisory sectors.

In the upstream oil and gas industry, he has extensive experience in management reporting and concession accounting in both operated and non-operated environments. His expertise also includes joint venture accounting, concession budgeting, taxation and preparation of country budgets.

He is a Chartered Accountant and also holds a Master of Science in Management, as well as a Bachelor's degree in Mathematics and Economics. Mr. Ahmad is currently associated with Naveed Zafar Ashfaq Jeffery & Co. Chartered Accountants as a partner at their Islamabad office.

Mr. Ahmad has led small and large teams of multidisciplinary professionals at Occidental Petroleum (Pakistan) Inc., Orient Petroleum Inc., Oil and Gas Development Company Limited and Pakistan International Airlines.



**MR. IMTIAZ AHMED  
HUSAIN LALIWALA**  
INDEPENDENT, NON-EXECUTIVE  
DIRECTOR

Mr. Imtiaz Ahmed Husain Laliwala was elected as a member of the Board of Directors on December 23, 2020. He is the Chairman of the Board Procurement Committee and also a member of the Board Audit, Nomination and Enterprise Risk Committees.

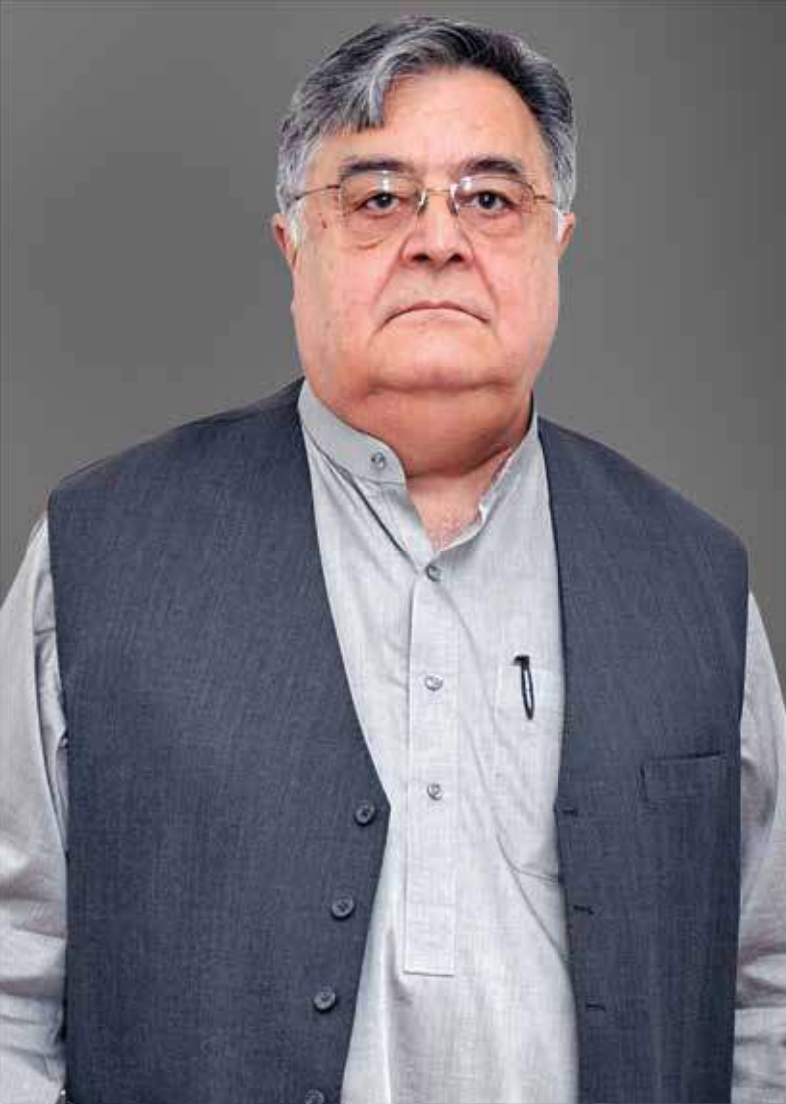
He is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and a life member of Chartered Professional Accountants of Ontario, Canada. He has nearly four decades of rich experience with leading chartered accountancy firms, both at home and abroad.

Mr. Laliwala remained associated with A.F. Ferguson & Co., Chartered Accountants, a member firm of PwC network, for nearly 28 years and served on important positions, including Ethics and Business Conduct Leader, partner responsible for Independence and led Energies & Utilities group in the Assurance and Business Advisory Services. Earlier, he worked for Ruby, Stein & Wagner, Chartered Accountants, Montreal, Canada, an affiliated firm of Jeffreys Henry International, from 1976 to 1986 in Audit and Assurance.

He did his Bachelor of Commerce from University of Karachi and Concordia University, Montreal, Canada in 1974 and 1976, respectively. He also did a diploma in Public Accountancy from McGill University, Canada.

Currently, he is serving as an independent director on the Board of Hoechst Pakistan Limited (formerly, Sanofi-Aventis Pakistan Limited) and as a member on the Board of Governors of The Kidney Centre Post Graduate Training Institute. He also served as a member of the Audit Oversight Board during 2019-2022.





**MIAN IMTIAZUDDIN**  
INDEPENDENT, NON-EXECUTIVE  
DIRECTOR

Mian Imtiazuddin was re-elected as a member of the Board of Directors on December 23, 2020. He is also a director on the boards of PPL Europe E&P Limited and PPL Asia E&P B.V. In addition, he is the Chairman of the Board Strategy & Finance and Enterprise Risk Committees as well as a member of the Board Audit, Procurement and Environment, Social & Governance Committees.

A seasoned professional with nearly 50 years of multi-dimensional experience in the oil and gas industry, Mr. Imtiazuddin has worked with major national companies in the UAE, Saudi Arabia & Qatar and leading consultancy firms that provide services in country and abroad.

He is currently Managing Director – Consulting and Advisory at Redhill Associates, Pakistan. Earlier, he worked for Gulf Drilling International Limited in Qatar, Delta Oil Company in the United Kingdom, Tesco Technology Corporation of Canada, National Drilling Company in Abu Dhabi, UAE and the Attock Oil Company (now Pakistan Oilfields Limited).

He received his Bachelor of Electrical Engineering from Peshawar University in 1972. Mr. Imtiazuddin has extensive hands-on experience in drilling and related activities. Besides, he has worked on cross-border pipeline projects, procurement of offshore drilling rigs & work barges, upstream asset identification and analysis, business development and marketing as well as onshore and offshore operations and supply chain management.

He was part of the leadership team of two major companies in the Arabian Gulf region as Technical Advisor and Business Development Manager for over 13 years.



**MR. SHAKEEL QADIR KHAN**  
NON-EXECUTIVE DIRECTOR

Mr. Shakeel Qadir Khan joined Pakistan Petroleum Limited's Board of Directors on September 4, 2023. He is a member of the Board Procurement, Nomination, Enterprise Risk and Environmental, Social & Governance Committees.

He joined Pakistan Administrative Service in 1998. During his initial service, Mr. Khan served in Shangla, Swat, Mohmand and Khyber Agency and later as Chief Economist, DCO Mansehra, Political Agent Bajaur and Director General Provincial Disaster Management Authority.

At the senior level, he served as Secretary for law and order and Planning and Development (P&D) FATA, P&D Home and Tribal Affairs and Finance departments in Balochistan. Moreover, he also served as Chairman Balochistan Development Authority, Additional Chief Secretary Khyber Pakhtunkhwa, Chief Secretary Azad Jammu and Kashmir and Additional Secretary Power Division. He is currently serving as Chief Secretary Balochistan.

Mr. Khan has a Bachelor's degree in Electrical Engineering and a Postgraduate Diploma in Financial Services from the University of Surrey, UK. He is also an alumnus of Bucerius Law School, Hamburg. He is a graduate of National Institute of Management, Lahore and National Defense University. Besides, he has represented Pakistan at various fora in Europe, Middle East, USA, Southeast and South Asia.

He has attained diverse experience during his multifaceted career. Financial management, disaster management, institutional development, planning and development, social services delivery and security related domains remain his forte.

He is a member of the board of directors of Oil and Gas Development Company Limited, Reko-Diq Holdings Limited, Reko-Diq Investment Limited and Sui Southern Gas Company Limited. He was on the boards of National Transmission and Dispatch Company, Genco Holding Company Limited, Power Information Technology Company and Power Planning and Monitoring Company. He was also the Chairman of Board of Directors for Bank of Khyber.

**MR. QUMAR SARWAR  
ABBASI**

NON-EXECUTIVE DIRECTOR

Mr. Qumar Sarwar Abbasi was elected as a member of the Board of Directors on December 20, 2024. He is a member of the Board Audit, Nomination and Environment, Social & Governance Committees.

Mr. Abbasi joined the Civil Services in 1994 through the 22nd Common Training Programme. He is currently serving as Additional Finance Secretary for Corporate Division, Ministry of Finance, Government of Pakistan. During his career in the Civil Services, Mr. Abbasi has served at various federal ministries and organizations. These include Additional Secretary (HRM) at Corporate Division of Ministry of Finance, Executive Director Operations at CPEC Authority, and Senior Joint Secretary at Ministry of Planning, Development and Special Initiatives. He has also served as Joint Secretary in the Ministry of Finance (Economic Affairs Division) and the National Assembly, and as Joint Secretary to the Cabinet, World Bank-China Debt Management and Public Accounts Committee.

He completed his Master of Arts (Economics) in Development Administration and Management from the Institute for Development Policy and Management, University of Manchester, UK. He also holds a Master of Arts degree in International Relations from the University of Peshawar.

Currently, Mr. Abbasi is also serving as a member on the boards of Pakistan National Shipping Corporation, Saindak Metals Limited, Exim Bank Pakistan and Saudi Pak Industrial & Agricultural Investment Company.



**MR. ZAFAR ABBAS**  
NON-EXECUTIVE DIRECTOR

Mr. Zafar Abbas was appointed as a member of the Board of Directors on May 13, 2025. He is a member of the Board Audit and Procurement Committees.

Mr. Abbas started his career as a civil servant in 1998. He has diverse experience of dealing with policy formulation and implementation, internal cooperation for development and project management involving Ministry of Finance and Energy. Prior to assuming his responsibilities as Additional Secretary (Policy) at the Ministry of Energy (Petroleum Division), he has served as Additional Secretary (Power Finance) for two years in Power Division and Additional Secretary, Finance Division for a short period. He has also served as Joint Secretary in Power Division and Interior Division between 2015 to 2022. During the stay at Interior Division, he worked as one of the team leads on FATF, which helped Pakistan to exit the grey list in 2022.

He has also served as Managing Director (MD) of National Transmission & Despatch Company and Power Planning and Monitoring Company, and board member of National Power Parks Management Company, K Electric and various other power sector companies, and as Secretary to the Government of Gilgit-Baltistan (GB). Currently, he is also a board member of Oil & Gas Development Company Limited and Mari Energies Limited.

He holds Bachelor's in Civil Engineering from UET, Lahore and Master of Business Administration (Oil & Gas Management) from University of Dundee, Scotland, UK.





# BOARD COMMITTEES

The Board has formed the following Committees:

- Board Audit Committee
- Board Human Resource Committee
- Board Strategy and Finance Committee
- Board Enterprise Risk Committee
- Board Procurement Committee
- Board Nomination Committee
- Board Environment, Social & Governance Committee

The compositions, roles and responsibilities of the Board Committees are set out in the Terms of Reference of the respective Committees.

## BOARD AUDIT COMMITTEE

### COMPOSITION

The Board Audit Committee is comprised of:

**Mr. Aftab Ahmad**  
*Chairman*

**Mr. Imtiaz A.H. Laliwala**  
*Member*

**Mian Imtiazuddin**  
*Member*

**Mr. Qumar Sarwar Abbasi**  
*Member*

**Mr. Zafar Abbas**  
*Member*

**Head of Internal Audit**  
*Secretary*

### TERMS OF REFERENCE

The Terms of Reference of the Board Audit Committee include:

- Review of the interim and annual financial statements of the Company prior to approval by the Board of Directors.
- Discussion of major observations with the external auditors arising from the interim review and final audit of financial statements, review of the management letter issued by the external auditors and the management's response thereto.
- Review of the scope and extent of the internal audits ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- Recommendation of the appointment of external auditors and any questions of resignation or removal of the external auditors, audit fees and the provision by the external auditors of any service to the Company in addition to the audit of the Company's financial statements.
- Ascertainment of the adequacy and effectiveness of the internal control system including financial and operational controls, accounting system, and reporting structure.
- Determination of compliance with statutory requirements and monitoring compliance with the best practices of corporate governance.
- Institute special projects, value for money studies or other investigations of any matters directed by the Board of Directors.
- Overseeing whistle-blowing policy and protection mechanism.

Nine meetings of the Board Audit Committee were held during the year.

## BOARD HUMAN RESOURCE COMMITTEE

### COMPOSITION

The Board Human Resource Committee is comprised of:

**Mr. Shahab Rizvi**  
Chairman

**Mr. Abid Sattar**  
Member

**Mr. Aftab Ahmad**  
Member

**Mr. Imran Ahmed**  
Member

**Mr. Sikandar Ali Memon**  
Member

**Mr. Ali Jaffar**  
Secretary

### TERMS OF REFERENCE

The Committee is responsible for the effective governance of the matters relating to Human Resource management by ensuring the establishment of appropriate human resource management strategies, policies and practices that are aligned with the organisation's Vision and Mission.

The Terms of Reference of the Board Human Resource Committee include:

- (i) Ensure applicability of Human Resource Management policies to the entire workforce, including recruitment, training, performance management, succession planning, and compensation philosophy.
- (ii) Selection, evaluation, compensation (including retirement benefits) and Succession Planning of the CEO.
- (iii) Selection, evaluation, compensation (including retirement benefits) of COO, DMDs, CFO, Company Secretary and the Head of Internal Audit.

Six meetings of the Board Human Resource Committee were held during the year.

## BOARD STRATEGY AND FINANCE COMMITTEE

### COMPOSITION

The Board Strategy and Finance Committee is comprised of:

**Mian Imtiazuddin**  
Chairman

**Mr. Abid Sattar**  
Member

**Mr. Aftab Ahmad**  
Member

**Mr. Imran Ahmed**  
Member

**Mr. Shahab Rizvi**  
Member

**Mr. Sikandar Ali Memon**  
Member

**Mr. Ali Jaffar**  
Secretary

### TERMS OF REFERENCE

The primary purpose of the Board Strategy and Finance Committee is to oversee the implementation of the Company's strategy, monitor progress of the delivery of operational targets and to assist the Board in fulfilling its responsibilities with respect to the monitoring and oversight of the Company's financial resources in line with its strategies.

The Terms of Reference of the Board Strategy and Finance Committee include:

- (i) Examination and recommendations to the Board in respect of the:
  - Long-Term Strategic Vision and Plan of the Company.
  - The Annual Strategic Plan for the Company and its alignment with the Long-Term Plan.
  - Updates on execution of the Annual Strategic Plan.
  - Updates on the Company's Petroleum exploration operations in respect of selection of new domestic areas, farm-ins and farm-outs, surrender of licenses and relinquished areas.
  - Development of existing, as well as, new petroleum discoveries.
  - Development of non-petroleum businesses, and consideration of new ventures not in the Company traditional business stream and updates on the Company's subsidiaries PPLA and PPLE.

- (ii) Review of the Company's overall performance on the Annual Strategy Plan by monitoring its Key Performance Indicators (KPIs) on a quarterly basis.
- (iii) Review of data, benchmarking the Company's operational performance and costs against competitors on a bi-annual basis.
- (iv) Review and evaluation of propositions relating to investments in operational assets and businesses or entering into partnerships or joint ventures with other parties for the purpose of business expansion.
- (v) Evaluation and recommendation of the Annual Operating and Capital Budget.
- (vi) Review of policies relating to financial matters.
- (vii) Review of the financial position of the Company and its operational segments periodically.
- (viii) Periodic performance evaluation of utilization of operating and capital budgets.
- (ix) Analysis and evaluation of matters relating to treasury function.
- (x) Review of the Company's borrowing plans and recommendations to the Board for approval after assessing credit, long-term loan facilities and working capital requirements.
- (xi) Evaluation of proposals regarding enlistment and approval for addition or deletion of banks in the Company's approved panel of banks.
- (xii) Review of major litigation, claims or other contingencies, whether secured or unsecured, that could have a material effect on the Company's financial position or operating results.
- (xiii) Review of major financial commitments and approvals required by the Board.

Three meetings of the Board Strategy and Finance Committee were held during the year.

## BOARD ENTERPRISE RISK COMMITTEE

### COMPOSITION

The Board Enterprise Risk Committee is comprised of:

**Mian Imtiazuddin**  
Chairman

**Mr. Aftab Ahmad**  
Member

**Mr. Imtiaz A.H. Laliwala**  
Member

### TERMS OF REFERENCE

The Board Enterprise Risk Committee advises the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments that may be relevant for the Company's risk policies.

**Mr. Shahab Rizvi***Member***Mr. Shakeel Qadir Khan***Member***Mr. Ali Jaffar***Secretary*

The Terms of Reference of the Board Enterprise Risk Committee include:

- (i) Monitor organisation's risk profile.
- (ii) In relation to risk assessment:
  - Review the risk management infrastructure and the critical risk management policies adopted by the Company.
  - Review regularly and approve the parameters used in risk management measures and the methodology adopted.
  - Set a standard for accurate and timely monitoring of large exposures and certain types of risks of critical importance.
- (iii) Oversee that the executive team has identified and assessed all the risks and established risk management infrastructure to address them.
- (iv) Define risk review activities regarding decisions, initiatives, transactions and exposures.
- (v) Understand and approve the management's definition of risk related reports regarding the full range of risks as well as their form and frequency.
- (vi) Review and assess the effectiveness of the Company's Enterprise Risk Management processes and recommend improvements.

Two meetings of the Board Enterprise Risk Committee were held during the year.

## BOARD PROCUREMENT COMMITTEE

**COMPOSITION**

The Board Procurement Committee is comprised of:

**Mr. Imtiaz A.H. Laliwala***Chairman***Mian Imtiazuddin***Member***Mr. Shahab Rizvi***Member***Mr. Shakeel Qadir Khan***Member***Mr. Zafar Abbas***Member***Mr. Ali Jaffar***Secretary***TERMS OF REFERENCE**

The Board Procurement Committee ensures transparency in procurement transactions brought before the Committee and compliance with the provisions of the Public Procurement Regulatory Authority (PPRA) Rules.

The Terms of Reference of the Board Procurement Committee include:

- (i) Serve as an advisory forum to suggest measures to streamline and simplify the procurement of goods and services.
- (ii) Review special cases of procurement referred by the Procurement Committee of the management for seeking the directives of the Committee.
- (iii) Identify, review and approve new and innovative procurement practices and strategies to strengthen, streamline and speed-up the procurement process and ensure that the procurement process achieves value for money in delivering the corporate strategy and strategic priorities.

- (iv) Review the Company's policies and procedures for the procurement of goods, services and works and recommend changes for improvement thereof.
- (v) Review and approve awards of high value Engineering Procurement and Construction (EPC) Contracts and Original Equipment Manufacturer (OEM) Procurement Contracts.
- (vi) Review (a) the annual procurement plan, (b) any changes to financial authorities relating to procurement and (c) any updates and changes made in the Company's Procurement Manual.

Three meetings of the Board Procurement Committee were held during the year.

## BOARD NOMINATION COMMITTEE

**COMPOSITION**

The Board Nomination Committee is comprised of:

**Mr. Abid Sattar***Chairman***Mr. Imtiaz A.H. Laliwala***Member***Mr. Qumar Sarwar Abbasi***Member***Mr. Shakeel Qadir Khan***Member***Mr. Ali Jaffar***Secretary***TERMS OF REFERENCE**

The Committee identifies and recommends candidates for the Board for the consideration of the shareholders after examining their skills and characteristics that are needed in such candidates.

The Terms of Reference of the Board Nomination Committee include:

- (i) Evaluate balance of executive and non-executive directors including independent directors and those representing minority interests with requisite range of skills, competencies, knowledge, experience and approach so that the Board as a group includes core competencies and diversity, considered relevant in the context of the Company's operations.
- (ii) Consider candidates on merit with due regard for benefits of diversity on the Board taking care that appointees have enough time available to devote to their positions.
- (iii) Identify and nominate candidates for filling vacancies as and when they arise.
- (iv) Oversee the development and implementation of a board induction process for new directors and a program of continuing director development as needed.

Two meetings of the Board Nomination Committee were held during the year.

## BOARD ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITTEE

### COMPOSITION

The Board Environment, Social & Governance (ESG) Committee is comprised of:

#### Mr. Abid Sattar

Chairman

#### Mr. Aftab Ahmad

Member

#### Mian Imtiazuddin

Member

#### Mr. Qumar Sarwar Abbasi

Member

#### Mr. Shahab Rizvi

Member

#### Mr. Shakeel Qadir Khan

Member

#### Mr. Sikandar Ali Memon

Member

#### Mr. Ali Jaffar

Secretary

### TERMS OF REFERENCE

The Committee was constituted by the Board during the year to oversee matters related to environmental and social implications of the Company's operations, sustainability-related compliance and reporting and adapting to best practices.

The Terms of Reference of the Board Environment, Social & Governance Committee include:

- (i) To proactively understand and address the impacts of the Company's activities, principal and emerging sustainability risks and opportunities relevant to the Company and its business, assess their potential financial and operational effects and implement strategies for management and mitigation thereof.
- (ii) Ensure Diversity, Equity and Inclusion (DE&I) policies to encourage gender mainstreaming, gender equality and the participation of women on the Board, management and workforce.
- (iii) Ensure Company's sustainability and DE&I related strategies, priorities and targets and periodic monitoring and review of performance thereon.
- (iv) Review sustainability strategies, policies, goals and targets with sector specific challenges and local perspective.
- (v) Monitor and assess Company's sustainability performance, including key performance indicators, benchmarks and targets.
- (vi) Monitor and assess effectiveness of internal controls in collecting ESG data, ensuring placement of appropriate management system to support the data's verifiability.
- (vii) Oversee and facilitate transparent communication of the Company's sustainability performance to stakeholders, especially investors.
- (viii) Promote ESG awareness and ensure ESG-related training opportunities to employees, management and the Board.
- (ix) Advise on management recommendations on the sustainability implications of major projects, investments and initiatives for effective decision making.
- (x) Report its findings, recommendations, and activities to the Board on a regular basis.

No meeting of the Board Environment, Social & Governance Committee was held during the year.

## ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

FINANCIAL YEAR 2024-25

Name of Directors	Board of Directors			Board Human Resource Committee			Board Strategy & Finance Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	✓	9	9	✓	6	6	✓	3	3
Mian Imtiazuddin	✓	9	9	-	-	-	✓	3	3
Mr. Shahab Rizvi	✓	9	9	✓	6	6	✓	3	3
Mr. Imtiaz Ahmed Husain Laliwala	✓	9	9	-	-	-	-	-	-
Ms. Khurshid Bhainia	✓	1	1	-	-	-	-	-	-
Mr. Aftab Ahmad	✓	9	9	✓	6	5	✓	3	3
Mr. Awais Manzur Sumra	✓	-	-	-	-	-	-	-	-
Mr. Momin Agha	✓	9	7	✓	6	6	✓	3	2
Mr. Shakeel Qadir Khan	✓	9	8	-	-	-	-	-	-
Mr. Hassan Mehmood Yousufzai	✓	7	4	-	-	-	-	-	-
Mr. Qumar Sarwar Abbasi	✓	7	5	-	-	-	-	-	-
Mr. Zafar Abbas	✓	1	1	-	-	-	-	-	-
Mr. Imran Abbasy	✓	9	6	✓	6	6	✓	3	3

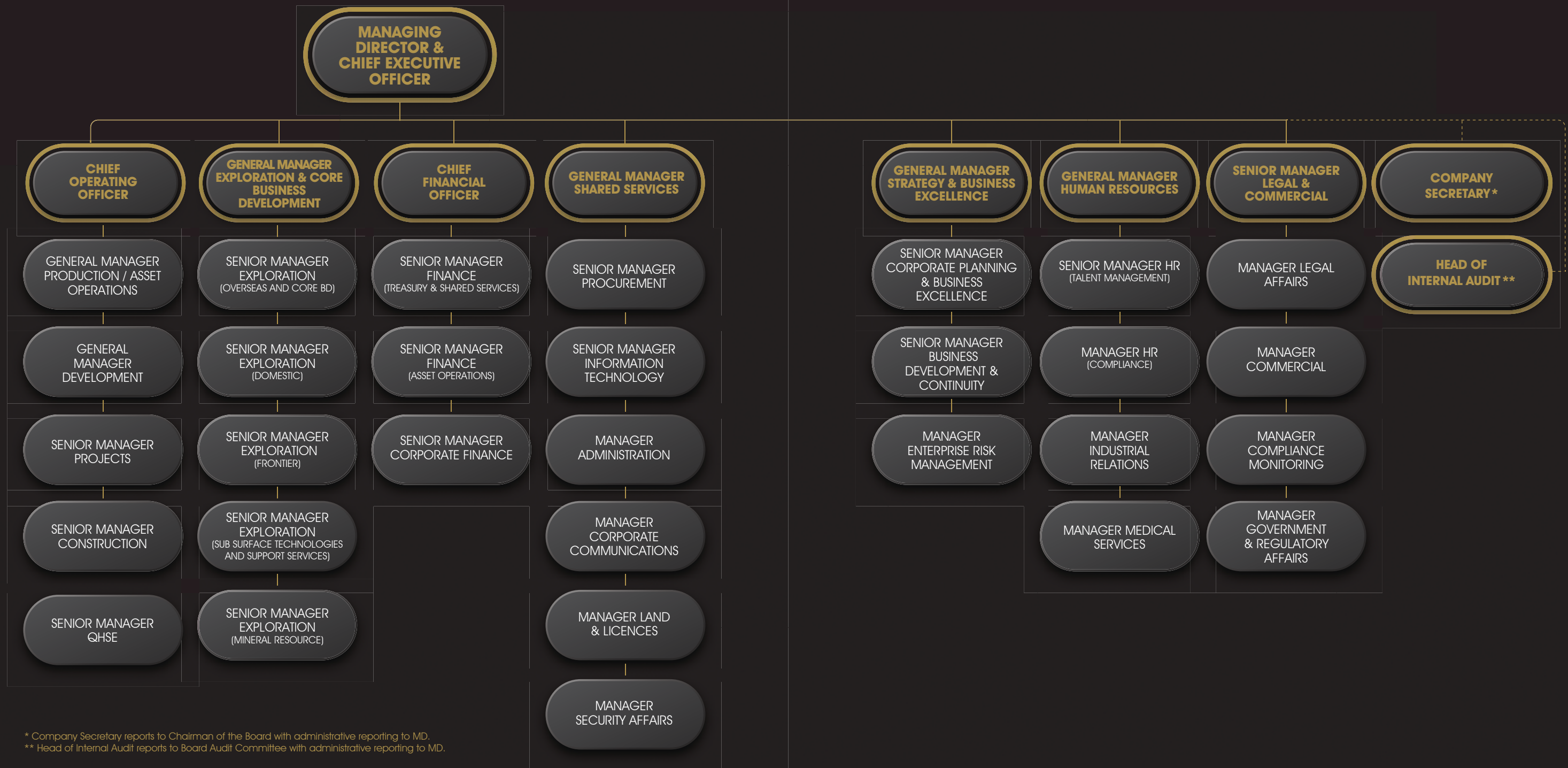
Name of Directors	Board Procurement Committee			Board Enterprise Risk Committee			Board Audit Committee		
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance
Mr. Abid Sattar	-	-	-	-	-	-	-	-	-
Mian Imtiazuddin	✓	3	3	✓	2	2	✓	9	9
Mr. Shahab Rizvi	✓	3	3	✓	2	2	-	-	-
Mr. Imtiaz Ahmed Husain Laliwala	✓	3	3	✓	2	2	✓	9	9
Ms. Khurshid Bhainia	-	-	-	-	-	-	✓	3	3
Mr. Aftab Ahmad	-	-	-	✓	2	2	✓	9	9
Mr. Awais Manzur Sumra	-	-	-	-	-	-	✓	2	2
Mr. Momin Agha	-	-	-	-	-	-	-	-	-
Mr. Shakeel Qadir Khan	✓	3	3	✓	2	1	-	-	-
Mr. Hassan Mehmood Yousufzai	✓	3	3	-	-	-	✓	8	7
Mr. Qumar Sarwar Abbasi	-	-	-	-	-	-	✓	4	1
Mr. Zafar Abbas	-	-	-	-	-	-	✓	1	1
Mr. Imran Abbasy	-	-	-	-	-	-	-	-	-

Name of Directors	Board Nomination Committee			Annual General Meeting			Board Oversight Committee			Fee Paid to the Directors (Rs.)
	Members	Meetings	Attendance	Members	Meetings	Attendance	Members	Meetings	Attendance	
Mr. Abid Sattar	✓	2	2	✓	1	1	-	-	-	5,275,000
Mian Imtiazuddin	-	-	-	✓	1	1	✓	1	1	7,075,000
Mr. Shahab Rizvi	-	-	-	✓	1	1	✓	1	1	6,375,000
Mr. Imtiaz Ahmed Husain Laliwala	✓	2	2	✓	1	1	✓	1	1	6,675,000
Ms. Khurshid Bhainia	✓	1	1	-	-	-	-	-	-	750,000
Mr. Aftab Ahmad	-	-	-	✓	1	1	-	-	-	7,350,000
Mr. Awais Manzur Sumra	✓	1	1	-	-	-	-	-	-	450,000
Mr. Momin Agha	-	-	-	✓	1	1	-	-	-	4,025,000
Mr. Shakeel Qadir Khan	✓	2	2	✓	1	1	-	-	-	3,750,000
Mr. Hassan Mehmood Yousufzai	-	-	-	✓	1	1	-	-	-	3,500,000
Mr. Qumar Sarwar Abbasi	✓	1	1	-	-	-	-	-	-	1,925,000
Mr. Zafar Abbas	-	-	-	-	-	-	-	-	-	550,000
Mr. Imran Abbasy	-	-	-	✓	1	1	✓	1	1	-

Notes:

1. Meetings indicate those which were held during the period when the concerned director was on the Board.
2. Mr. Imran Abbasy did not receive director's fee from the Company, being its former MD/CEO.

# OUR PILLARS OF STRENGTH



\* Company Secretary reports to Chairman of the Board with administrative reporting to MD.  
 \*\* Head of Internal Audit reports to Board Audit Committee with administrative reporting to MD.

# EXECUTIVE COMMITTEE



**SIKANDAR ALI  
MEMON**  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER



**MOHAMMAD KHALID  
ABDUL REHMAN**  
CHIEF FINANCIAL OFFICER



**ARSHAD  
HUSSAIN PALEKAR**  
GENERAL MANAGER EXPLORATION  
& CORE BUSINESS DEVELOPMENT

**AJAZ AHMED KHAN**  
SENIOR MANAGER  
SHARED SERVICES



**SHANZA BAIG**  
HEAD OF LEGAL & COMMERCIAL

**ADEEL RAHMANI**  
HEAD OF HUMAN RESOURCES



# INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

PPL's Annual Report 2025 is aligned with the principles of the International Integrated Reporting (<IR>) Framework, which emphasizes the connectivity between strategy, governance, performance, and sustainability-related disclosures. This report incorporates all eight core content elements of the <IR> Framework and integrates the following sections to provide stakeholders with a comprehensive view of the Company's operations and performance:

## ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

This report provides an understanding of PPL's identity, core activities, and the environment in which it operates. It includes details about the Company's vision, mission, values, ownership structure, and key business operations in oil and gas exploration and production, as well as its strategic move into mineral resources. The report also covers the effect of external environment and market dynamics that influence PPL's strategy and performance, giving stakeholders a clear view of the context in which the Company operates.

## GOVERNANCE

This report offers an in-depth explanation of PPL's governance structure and practices, ensuring transparency and accountability. The Governance Framework section provides a clear view of the Board & Management Committees. The Corporate Governance section in the Directors' Report describes the composition of the Board of Directors, roles and responsibilities of the Chairman, CEO, and Board Committees, as well as the governance mechanisms that guide decision-making. The report also includes statements with respect to compliance with the applicable Corporate Governance frameworks.

## BUSINESS MODEL

The Business Model section provides a clear explanation of how the Company creates value by converting inputs such as financial, human, and natural resources into outputs through its core exploration and production activities. It explains the interconnected processes, key operational assets, and resources that support sustainable value creation for stakeholders. The report also includes disclosures related to tax contributions and corporate social responsibility initiatives.



## RISKS AND OPPORTUNITIES

The Risk & Opportunities section identifies the key risks and emerging opportunities that could influence PPL's ability to deliver sustainable value. It explains the potential impact of these risks on the Company's operations and resources, along with the mitigation strategies adopted to manage them.

## STRATEGY AND RESOURCE ALLOCATION

The Corporate Strategy & Resource Allocation Plan section covers the Company's long-term direction, and the strategies adopted to achieve its goals. It outlines the Company's strategic priorities to arrest production decline, increase reserves base, revitalize exploration & appraisal activities, shareholder value creation and diversification.

## PERFORMANCE

Comprehensive disclosures on financial and operational performance are covered in detail in this report including asset wise production performance and work program carried out in exploration areas. This comprehensive report provides an analysis of revenue, profitability, and value addition to the economy, key performance indicators, ratio analysis,

along with a detailed overview of the Company's financial position and overall performance.

## OUTLOOK

The report presents a comprehensive overview of PPL's future prospects. It includes forward-looking statements on exploration, development, and diversification plans, along with strategic priorities. The report also covers the Company's preparedness to address potential challenges and uncertainties while capturing opportunities to sustain growth.

## BASIS OF PREPARATION & PRESENTATION

This Annual Report has been prepared in alignment with the <IR> Framework issued by the IFRS Foundation. It integrates financial and non-financial disclosures to provide stakeholders with a clear, concise, and connected view of PPL's value creation process. The report discloses both qualitative and quantitative information on matters that are material to PPL and can substantively impact its ability to create value for stakeholders in the short, medium and long-term. Further details of the Sustainability related disclosures will be made available in the ESG report on Company's website.

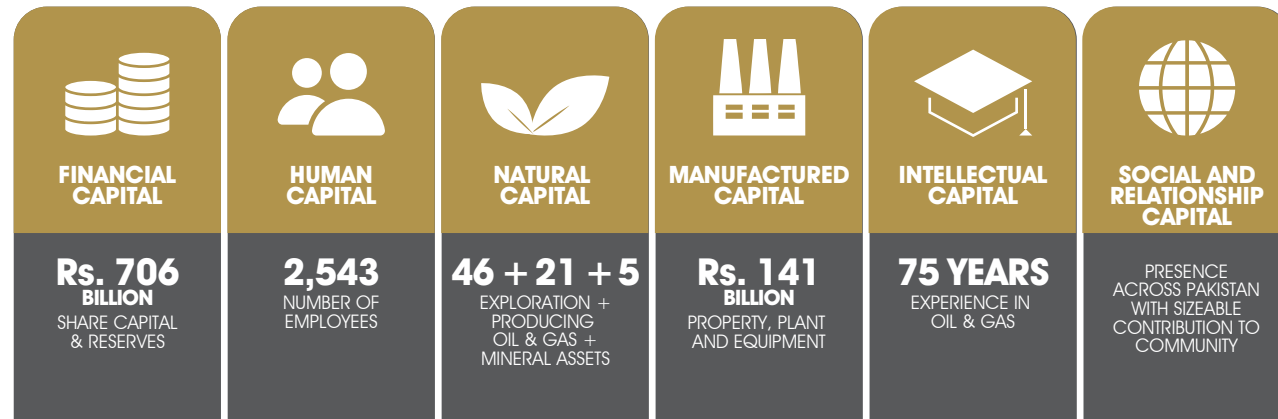




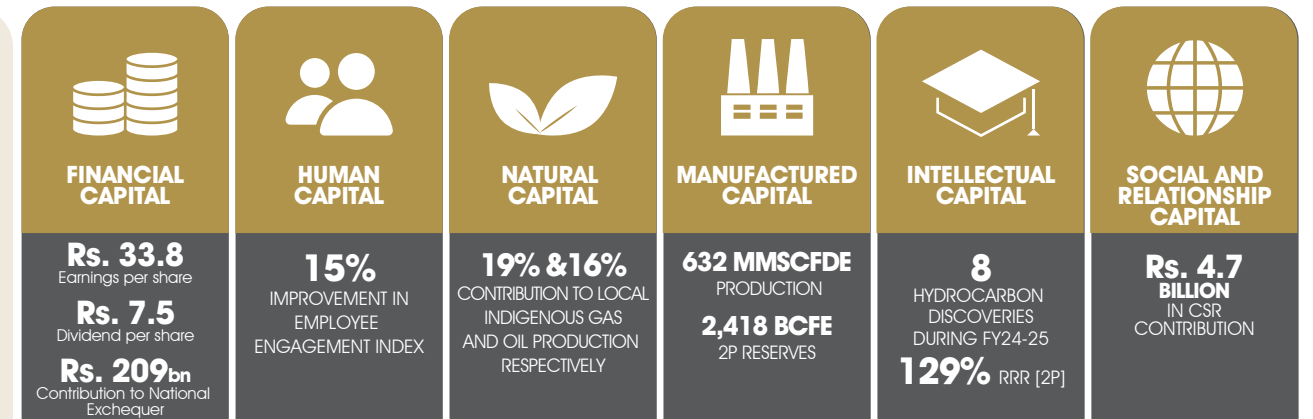
DEEP  
ROOTS,  
BOLD  
HORIZONS

# BUSINESS MODEL & VALUE CHAIN

## CAPITAL INPUTS

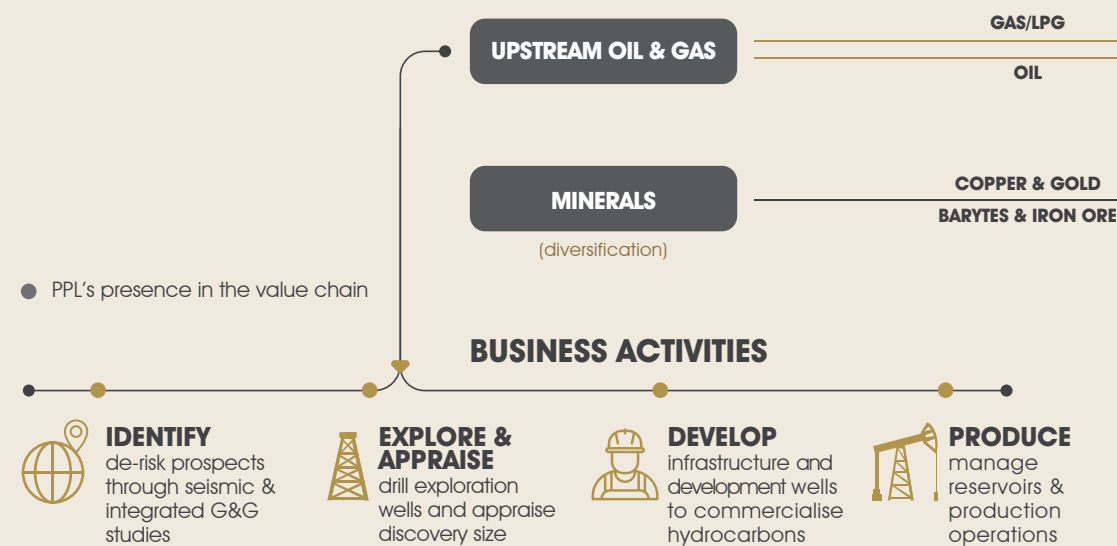


## CAPITAL OUTCOMES



### VALUE CHAIN

PPL is a leading oil and gas exploration company with domestic and international operations, and a growing footprint in mining. Through its diversified structure, PPL also holds mining rights in Balochistan for mineral resource development.



### KEY ELEMENTS OF BUSINESS MODEL

Capital inputs fuel exploration, production, and diversification, shaping the Company's oil, gas, LPG, barytes, and minerals portfolio, and generating wealth for stakeholders as capital outcomes.

### CHANGE IN BUSINESS MODEL

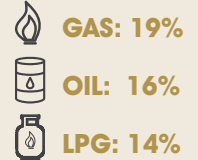
The renewed Vision and Mission on its 75th anniversary reinforces the Company's transformation into a diversified energy and minerals enterprise. It is exemplified by investments in Abu Dhabi's Offshore Block 5, the Reko Diq copper-gold project, and joint venture agreement for mineral exploration in EL-207, Chagai.

### BUSINESS OUTPUTS

#### PRODUCT PORTFOLIO



#### MARKET SHARE IN INDIGENOUS PRODUCTION (PPL NET)



PPL is one of the largest companies of Pakistan in terms of production of oil & gas based on PPL's Net share.



# OUR PRESENCE

## GROUP'S EXPLORATION, PRODUCTION AND MINING ASSETS

Name of Fields/Blocks	Operator	Other Partners	Group's Working Interest % as at June 30, 2025
<b>Producing Fields</b>			
1 Adhi	PPL	OGDCL,POL	39.00%
2 Dhok Sultan (EWT Phase)	PPL	GHPL	75.00%
3 Gambat South	PPL	GHPL,AROL	65.00%
4 Hala	PPL	MariEnergies (Formerly MPCL)	65.00%
5 Kandhkot	PPL	-	100.00%
6 Kandhkot East (Chachar)	PPL	GHPL	75.00%
7 Mazarani	PPL	GHPL	87.50%
8 Shah Bandar	PPL	MariEnergies (Formerly MPCL),GHPL,SEHCL	63.00%
9 Sui	PPL	-	100.00%
10 Block 22	PEL	PPL,GHPL, Pyramid	35.53%
11 Digri	UEPL	PPL	25.00%
12 Ghauri (Dharian EWT Phase)	MariEnergies (Formerly MPCL)	PPL	35.00%
13 Kirthar	POGC	PPL	30.00%
14 Kotri North (Takri EWT Phase)	UEPL	PPL,AROL	40.00%
15 Latif	UEP-BETA	PPL,PIOGCL	33.30%
16 Miano	UEP-BETA	PPL,PIOGCL,OGDCL	15.16%
17 Nashpa	OGDCL	PPL,GHPL	28.55%
18 Qadirpur	OGDCL	PPL,KUFPEC, Al-Haj, PKPE2L	7.00%
19 Sawan	UEP-BETA	PPL,PIOGCL,GHPL, PPL-E	34.07%
20 Tal	MOL	PPL,OGDCL, GHPL, POL	27.76%
21 Ziarat	MariEnergies (Formerly MPCL)	PPL-E	40.00%
<b>Exploration Blocks</b>			
1 Barkhan	PPL	PPL-E	100.00%
2 Baska	PPL	ZhenHua	82.50%
3 Bela West	PPL	MariEnergies (Formerly MPCL), GHPL	58.50%
4 Dhok Sultan	PPL	GHPL	75.00%
5 Gambat South	PPL	GHPL, AROL	65.00%
6 Hala	PPL	MariEnergies (Formerly MPCL)	65.00%
7 Hisal	PPL	POL, AOC, GHPL	62.50%
8 Gambat-II	PPL	OGDCL	70.00%
9 Kalat	PPL	-	100.00%
10 Kalat West	PPL	MariEnergies (Formerly MPCL), GHPL, BECL	47.50%
11 Kharan	PPL	-	100.00%
12 Kharan-East	PPL	-	100.00%
13 Khuzdar	PPL	-	100.00%
14 Margand	PPL	-	100.00%
15 Musakhel	PPL	OGDCL, POGC, GHPL	37.20%
16 Naushahro Firoz	PPL	-	100.00%
17 Nausherwani	PPL	GHPL	97.50%
18 Punjab	PPL	OGDCL, GHPL	47.50%
19 Shah Bandar	PPL	MariEnergies (Formerly MPCL),GHPL,SEHCL	63.00%
20 Sirani	PPL	GHPL	75.00%
21 Sorah	PPL	-	100.00%
22 Shaigalu	PPL	Mari (Formerly MPCL), OGDCL, GHPL, BECL	38.00%
23 Sui North	PPL	Mari (Formerly MPCL), GHPL, BECL, PEH	47.50%
24 Tal	MOL	PPL, OGDCL, POL, GHPL	30.00%
25 Dadhar	MariEnergies (Formerly MPCL)	PPL, UEPL, GHPL, BECL	28.50%
26 Ghauri	MariEnergies (Formerly MPCL)	PPL	35.00%
27 Mach	MariEnergies (Formerly MPCL)	PPL, UEPL, GHPL, BECL	28.50%
28 Khuzdar North	OGDCL	PPL, GHPL	25.00%
29 Nashpa	OGDCL	PPL, GHPL	30.00%
30 Pezu	OGDCL	PPL	30.00%
31 Shakarganj West	OGDCL	PPL	50.00%
32 Suleiman	OGDCL	PPL, GHPL, BECL	47.50%
33 Kirthar	POGC	PPL	30.00%
34 Kotri North	UEPL	PPL, AROL	40.00%
35 Kuhan	UEP-BETA	PPL, GHPL, BECL	35.00%
36 Latif	UEP-BETA	PPL, PIOGCL	33.30%
37 Harmal	MariEnergies (Formerly MPCL)	PPL-E	40.00%
38 Ziarat	MariEnergies (Formerly MPCL)	PPL-E	40.00%
39 South Pishin	MariEnergies (Formerly MPCL)	PPL, OGDCL	35.00%
40 Lugai	OGDCL	PPL, MariEnergies (Formerly MPCL)	30.00%
41 Tanishpa	OGDCL	PPL, MariEnergies (Formerly MPCL), BECL	34.12%
42 Baran	POGC	PPL, OGIL	31.00%
43 Saruna West	POL	PPL, OGDCL	30.00%
<b>Offshore Blocks</b>			
44 Eastern Offshore Indus-C	PPL	-	100.00%
<b>Exploration Blocks (Outside Pakistan)</b>			
45 Offshore Block 5 (Abu Dhabi)	PIOL	PPL, OGDCL, GHPL, MariEnergies (Formerly MPCL)	25.00%
46 Block 3 (Yemen)	TOTAL	PPL-E, OMV, YOGC	20.00%
<b>Mineral Assets</b>			
1 Reko Diq (Copper and Gold)	Barrick	PPL, OGDCL, GHPL, BMRL, GoB	8.33%
2 Khuzdar (Barite, Lead & Zinc)	BME	PPL, GoB	50.00%
3 Dilband (Iron Ore)	BME	PPL, GoB	50.00%
4 Nokkundi (Iron Ore)	BME	PPL, GoB	50.00%
5 Chagai EL-207	DEW	PPL, DEW	49.00%

The above table excludes the blocks for which relinquishment has been applied or which are provisionally awarded.

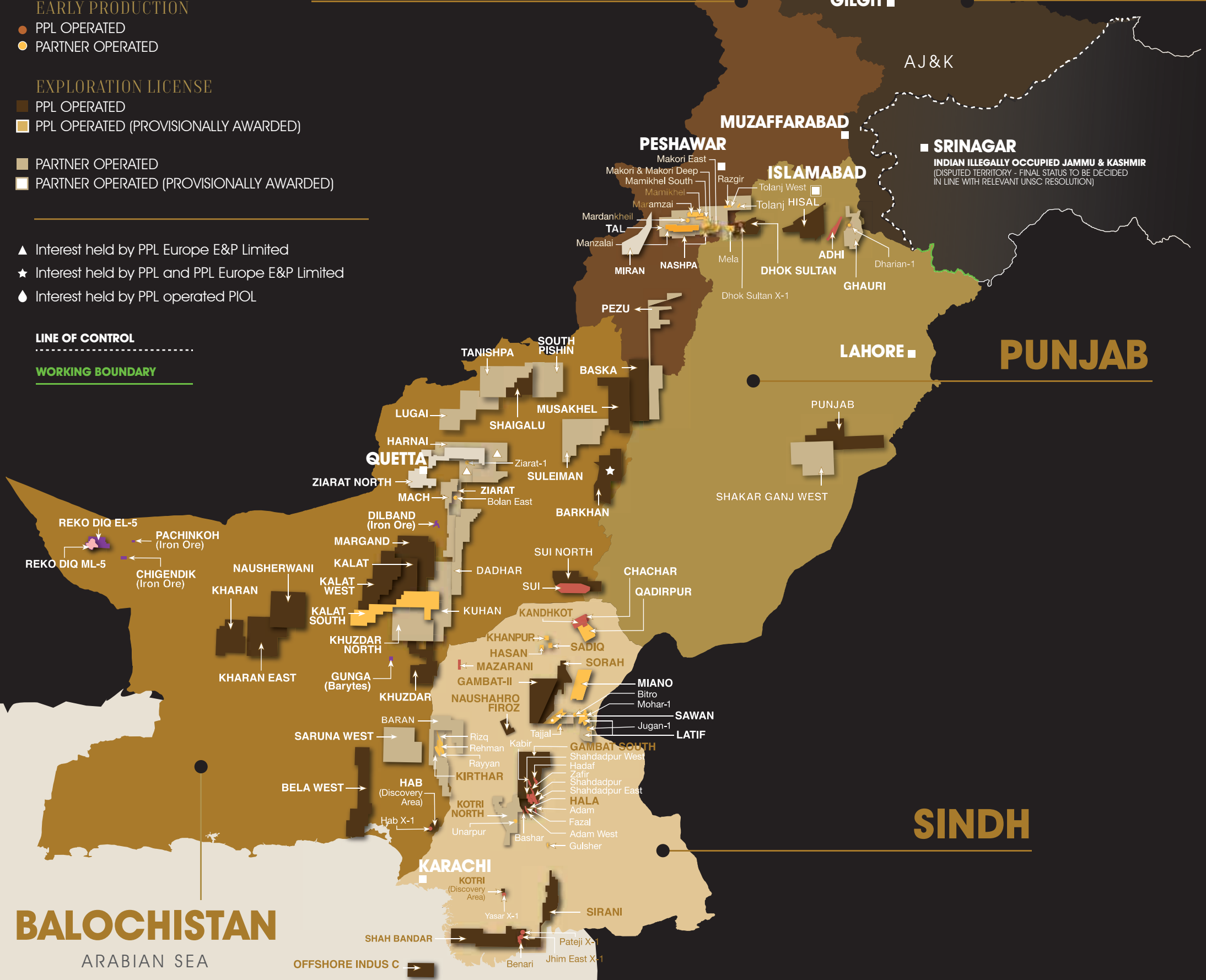
- MINING / D&P LEASE
  - PPL OPERATED
  - PARTNER OPERATED
- 
- EARLY PRODUCTION
  - PPL OPERATED
  - PARTNER OPERATED
- 
- EXPLORATION LICENSE
  - PPL OPERATED
  - PPL OPERATED (PROVISIONALLY AWARDED)
- 
- PARTNER OPERATED
  - PARTNER OPERATED (PROVISIONALLY AWARDED)

- ▲ Interest held by PPL Europe E&P Limited
- ★ Interest held by PPL and PPL Europe E&P Limited
- ◆ Interest held by PPL operated PIOL

LINE OF CONTROL  
 WORKING BOUNDARY

# KHYBER PAKHTUNKHWA

# GILGIT BALTISTAN



**SRINAGAR**  
 INDIAN ILLEGALLY OCCUPIED JAMMU & KASHMIR  
 (DISPUTED TERRITORY - FINAL STATUS TO BE DECIDED IN LINE WITH RELEVANT UNSC RESOLUTION)



# BALUCHISTAN

ARABIAN SEA

# CORPORATE STRATEGY & RESOURCE ALLOCATION PLAN

## STRATEGIC PILLARS



PPL has recently unveiled a refreshed vision and mission, signaling its transformation into a forward-looking energy and minerals company. In line with this direction, the Company is pursuing integrated growth and diversification by revitalizing exploration and appraisal activities, expanding into minerals, and targeting both domestic and international opportunities. With emphasis on de-risked, high-impact assets in both proven & frontier basins and strategic partnerships, PPL aims to strengthen its reserves base while ensuring long-term contribution to national energy security.

In production operations, PPL leverages advanced recovery techniques, digital tools, and data analytics to optimize well-productivity while upholding

environmental stewardship and operational efficiency. Cost optimization remains a priority, ensuring profitability without compromising safety, quality, or sustainability standards.

PPL maintains a balanced and resilient portfolio of producing fields, development projects, and exploration prospects. To drive sustainable shareholder value, the Company pursues organic growth through successful drilling campaigns and inorganic growth via strategic joint ventures and acquisitions.

To diversify its portfolio, PPL is accelerating mineral exploration initiatives, including identifying prospective zones, securing licenses, and conducting feasibility

studies. This expansion capitalises on the Company's geoscience expertise and marks a strategic entry into non-hydrocarbon resources. Additionally, PPL is evaluating opportunities in low-carbon solutions to align with the global energy transition.

QHSE remains central to PPL's operations. Continuous investment in employee and contractor training, alongside adoption of industry-best practices, reinforces the Company's commitment to operational excellence.

The Company will continue its role as a

responsible corporate citizen, investing in community development, supporting local economies, and contributing to national well-being through strategic CSR programs that extend beyond operational areas.

To meet future challenges, PPL will focus on strategic project execution, optimal capital deployment, and human capital development. Building a skilled, future-ready workforce remains critical for sustaining the Company's growth trajectory and ensuring delivery across complex, multidisciplinary projects.

## CONNECTING VISION, MISSION AND CORPORATE STRATEGY

PPL's refreshed Vision — "Empowering sustainable growth through integrated energy solutions and beyond" — and Mission — "Transform into a dynamic energy and minerals company focused on innovation and strategic diversification" — serve as the foundation of its corporate strategy. These guiding statements translate into actionable priorities: revitalizing exploration and appraisal activities in hydrocarbons and minerals, pursuing integrated growth across proven and frontier basins, and building resilience through both organic and inorganic expansion. By aligning its strategy with this renewed direction, PPL is positioning itself as a forward-looking enterprise that not only contributes to national energy security but also

embraces diversification into minerals and low-carbon solutions. This alignment ensures that operational excellence, financial discipline, and community responsibility remain central, while innovation and human capital development drive the transformation journey. Together, the Vision, Mission, and Strategy reinforce PPL's commitment to delivering sustainable value for stakeholders and securing a dynamic role in the evolving global energy landscape.

Overall, PPL's corporate strategy reflects a comprehensive approach to solidify PPL's position in the industry. It underscores our commitment to innovation, environmental stewardship, and strategic growth, ensuring long-term sustainability and value creation for all stakeholders.



# RESOURCE ALLOCATION PLAN

## FINANCIAL CAPITAL

Strategic investment remains a cornerstone of the Company's growth agenda. Substantial funds are allocated to exploration and appraisal activities, including seismic data acquisition, drilling, and evaluation while investments in advanced technologies enhance operational efficiency and well productivity. With the expansion into mineral resources, budgets now encompass prospect evaluation, license acquisition, and development of mining infrastructure. In parallel, the Company actively pursues strategic partnerships, joint ventures, and acquisitions to diversify its portfolio and enter new geographies. Amid global economic pressures, maintaining profitability is critical, underpinned by rigorous financial controls, disciplined cost optimization, and value-focused capital deployment.

## HUMAN CAPITAL

A skilled and agile workforce is vital to the execution of the Company's strategy. Recruitment efforts prioritize geologists, geophysicists and engineers with expertise across both conventional and emerging domains. Expansion into mineral exploration has led to onboarding mining engineers and related specialists. Continuous investment in training, leadership development, and technical upskilling drives innovation and operational excellence, while staff rotation programs enhance competencies and build a resilient talent pipeline aligned with future needs.

## INTELLECTUAL CAPITAL

Innovation and knowledge are key drivers of the Company's competitive edge. Research and development initiatives are being intensified to advance exploration techniques, optimize production workflows, and accelerate mineral resource development. A strengthened knowledge management system ensures seamless sharing of cross-departmental expertise, while a culture of innovation, encouraging cross-functional collaboration, enables the Company to unlock growth opportunities and improve operational outcomes.

## SOCIAL CAPITAL

Building strong stakeholder relationships is integral to the Company's success. This includes cultivating



partnerships with government agencies, local communities, and industry peers. Dedicated initiatives addressing social and environmental concerns reinforce the Company's commitment to corporate social responsibility. At the same time, a strong employer brand and inclusive culture attract and retain top talent, enabling the development of a high-performing organization.

## NATURAL CAPITAL

The Company manages its natural capital by securing lucrative local blocks through bidding processes and farm-ins, while also pursuing international block acquisitions to expand its global footprint.

The following illustrates the resources which are allocated to each strategic objective, along with the KPIs used to monitor progress and their future relevance:

STRATEGIC OBJECTIVE: ARREST PRODUCTION DECLINE		
Resources Allocated	Human and Intellectual	
KPIs Monitored	Production and Opex per BOE	
Nature	Short to medium-term; high priority	
Status	On-going	
Future relevance of KPIs	KPIs will remain critical in unlocking the full potential of existing discoveries and optimizing operational costs.	

STRATEGIC OBJECTIVE: REVITALIZING EXPLORATION & APPRAISAL		
Resources Allocated	Financial and Natural	
KPIs Monitored	Number of wells and Reserves Replacement Ratio	
Nature	Medium to long-term; high priority	
Status	On-going	
Future relevance of KPIs	KPIs will remain highly relevant for ensuring the long-term sustainability of the core business.	

STRATEGIC OBJECTIVE: INCREASE RESERVES BASE		
Resources Allocated	Financial, Human, Intellectual and Natural	
KPIs Monitored	Reserves Replacement Ratio and Reserves to Production Ratio	
Nature	Medium to long-term; high priority	
Status	On-going	
Future relevance of KPIs	KPIs will remain critical in sustaining the Company's sizeable share of indigenous hydrocarbon production.	

STRATEGIC OBJECTIVE: DIVERSIFICATION (MINING / INTERNATIONAL / ENERGY)		
Resources Allocated	Financial, Human and Social	
KPIs Monitored	Revenue contribution from Non-E&P business, Free Cash Flows and Debtor days	
Nature	Medium to long-term; high priority	
Status	On-going	
Future relevance of KPIs	KPIs will remain critical for ensuring resilience while reducing reliance on core oil and gas revenues and enabling a circular debt-free stream of cashflows.	

STRATEGIC OBJECTIVE: SUPERIOR SHAREHOLDERS' RETURN		
Resources Allocated	Human and Social	
KPIs Monitored	Earnings per share, Return on Equity (ROE), Dividend declared per share and Payment to Govt Exchequer	
Nature	Long-term; medium priority	
Status	On-going	
Future relevance of KPIs	Maintaining focus on superior returns ensures long-term wealth creation for shareholders, reinforcing investors' trust.	

# LEGACY REFRESHED. FUTURE ENERGISED.

This year, on its 75th anniversary, PPL unveiled a refreshed corporate identity, including the adoption of a renewed Vision and Mission and the launch of a new logo. These changes reflect the Company's transformation journey towards becoming a diversified energy and minerals enterprise. The renewed Vision emphasizes sustainable growth through integrated energy solutions, while the new Mission highlights innovation and strategic diversification with energy and minerals as the two key enablers for future progress. The redesigned logo symbolizes PPL's forward-looking approach and strengthened commitment to resilience, adaptability, and long-term value creation for all stakeholders.



**THE TULIP INSPIRED LOGO SYMBOLIZES NEW BEGINNINGS. IT STANDS FOR HOPE, RENEWAL AND THE PROMISE OF GROWTH AHEAD.**

**GREEN;** reflects our enduring commitment to sustainable progress, harmony with nature and the transition toward renewable energy.

**BLUE;** embodies trust, stability and professional excellence that we bring to every facet of energy.

**ORANGE AND RED;** ignites the core of our mission with power, the passion to fuel lives and industries with purpose and impact.



## EFFECT OF ENVIRONMENTAL CHANGES ON THE BUSINESS STRATEGY

The external environment plays a key role in the achievement of the Company's business strategy:

ENVIRONMENT COMPONENT	EFFECT
<p>TECHNOLOGY</p>	Technology lies at the core of PPL's operations, with new advancements swiftly adopted to ensure efficiency and reliability. The use of rig-less technology for production optimization, along with the establishment of an in-house seismic processing center and core laboratory, reflects the Company's commitment to technological investment. Looking ahead, PPL also plans to leverage emerging technologies for the development of unconventional reserves.
<p>SOCIETY</p>	Societal issues are recognized as critical to success, as it is the community —alongside the Company— that enables sustainable outcomes. The Company acknowledges the challenges posed by societal change on the achievement of its business strategy and contributes through active participation in community development initiatives. These efforts focus on addressing health, education, skills development, and employment opportunities for the locals, thereby supporting the well-being and progress of the communities in which it operates.
<p>ENVIRONMENT</p>	Environmental challenges have the potential to impact the achievement of business objectives, and the Company is committed to mitigating these risks in full compliance with applicable environmental regulations. By adhering to the National Environmental Quality Standards, the Company ensures environmental conservation and remains dedicated to leaving a cleaner, healthier environment for future generations.
<p>RESOURCE SHORTAGES</p>	The Company's forward-looking planning and strategic positioning have safeguarded it against challenges related to resource availability for its operations. Furthermore, its strategic diversification into international markets and the mining sector strengthens resilience against potential resource shortages.
<p>INNOVATION AND EFFICIENCY</p>	The Company has embraced innovative technologies and processes to maximize efficiency, including the adoption of digital tools for enhanced project management and the implementation of methods that improve existing workflows.

### KEY RESOURCES AND CAPABILITIES PROVIDING SUSTAINABLE COMPETITIVE ADVANTAGE

The Company benefits from economies of scale through its nationwide geographic footprint and international presence in the UAE and Yemen. Its large asset base, combined with a debt-free structure, reflects a strong balance sheet and

robust financial performance. With 75 years of operatorship, the Company has built a rich pool of technical expertise, which stands as its core competency. Moreover, a balanced portfolio in oil and gas exploration and production, complemented by diversification into the minerals sector, provides a sustainable foundation for long-term growth.

### VALUE CREATED BY THE BUSINESS

Utilizing its capital resources, the Company creates significant value for its stakeholders including:

VALUE CREATED FOR				
<p>GOVERNMENTS</p>	<p>SHAREHOLDERS</p>	<p>EMPLOYEES</p>	<p>SUPPLIERS</p>	<p>COMMUNITIES</p>
VALUE CREATED THROUGH				
<ul style="list-style-type: none"> <li>Fiscal contributions and dividends.</li> <li>Forex savings due to import substitution.</li> </ul>	<ul style="list-style-type: none"> <li>Dividends, bonus shares and capital gains.</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration &amp; Benefits.</li> <li>Training and development.</li> </ul>	<ul style="list-style-type: none"> <li>Adequate business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Indigenous energy production saving foreign exchange.</li> <li>CSR contributions.</li> </ul>

### APPROACH TO STRATEGIC DECISION MAKING

The Board of Directors has established a Board Strategy and Finance Committee (BSFC) to oversee the Company's strategic decision-making process. All strategic decisions are first deliberated internally by the Executive Committee (EXCOM) of management and subsequently presented to the BSFC for review and recommendation to the Board for final approval. The Board, through its policies and guidance, sets the organizational culture, which is further reinforced by senior management.

Risk management is driven by the Enterprise Risk Management (ERM) function, which fosters an appropriate risk mindset across the

organization. ERM conducts regular awareness sessions to strengthen employees' understanding of business risks and to promote a positive risk culture, enabling staff at all levels to make informed decisions in line with the Company's risk appetite. The Board Enterprise Risk Committee (BERC) maintains comprehensive oversight of the Company's risk management practices and policies.

Integrity and ethics are upheld through a Code of Conduct applicable to both employees and Board members. Each year, employees are required to complete an e-training module and formally acknowledge their understanding of the Code.



# MONITORING OF KEY PERFORMANCE INDICATORS

## FINANCIAL

KEY PERFORMANCE INDICATORS	UNIT	2023-24	2024-25	COMMENTARY
Earnings per share	Rs per share	42.01	33.82	Decline in EPS is mainly due to curtailment on SNGPL's network & decrease in international crude oil price.
Return on Equity (ROE)	%	18	13	Decrease in ROE is reflective of reduced profitability coupled with lower distribution of dividends.
Free Cashflows	Rs billion	61	(13)	Mainly due to payment of Lease Extension Bonus of prior years upon signing of Sui D&PL.
Dividend declared per share	Rs per share	6.0	7.5	Increase in dividend payout from the last year due to better recoveries from customers.
Opex per BOE	\$/BOE	2.8	3.7	Increase is attributable to lower sales volumes coupled with rise in operational cost to account for inflation.
Revenue contribution from Non-E&P business	Rs billion	1.8	2.6	Higher revenue from barytes, driven by both price and volume increases.
CSR contribution	Rs billion	3.7	4.7	A significant rise in CSR contributions demonstrates commitment to society.
Payment to Govt. exchequer	Rs billion	155	209	Mainly due to payment of Lease Extension Bonus of prior years upon signing of Sui D&PL.
Debtor days	Days	649	786	Although collections have improved significantly, however, debtor days have increased mainly due to the base effect of lower sales revenue on unsettled past circular debt.

## NON-FINANCIAL

KEY PERFORMANCE INDICATORS	UNIT	2023-24	2024-25	COMMENTARY
LTIF	Ratio	0	0	No lost time injury or fatality during the current period.
Production	MMSCFDe	713	632	While the initiatives taken by the Company arrested natural decline to a large extent, production decreased vs. last year due to curtailment on SNGPL's network and lower offtakes by Genco-II.
Number of wells	Number	17	15	11 exploration and 4 development wells were drilled during the year, in operated & partner-operated areas.
Reserves Replacement Ratio (1P)	%	21	69	Primarily due to additions in Tal and Shah Bandar blocks, & revisions in Gambat South and Tal blocks.
Employee Engagement Index (EEI)	%	53	68	The improvement in EEI shows enhanced employee satisfaction and morale.
Reserves to Production Ratio (2P)	Years	9	10	Production during the year was more than offset by additions (Tal and Shah Bandar) and revisions (Gambat South and Tal) in 2P reserves. The higher ratio primarily indicates lower production during the year.

# COMPETITIVE LANDSCAPE OF E&P'S IN PAKISTAN

# OUR COMPETITIVE ADVANTAGE



## BLOCK BIDDING PHASE

Local and International E&P companies compete at the time of bidding of exploration blocks.



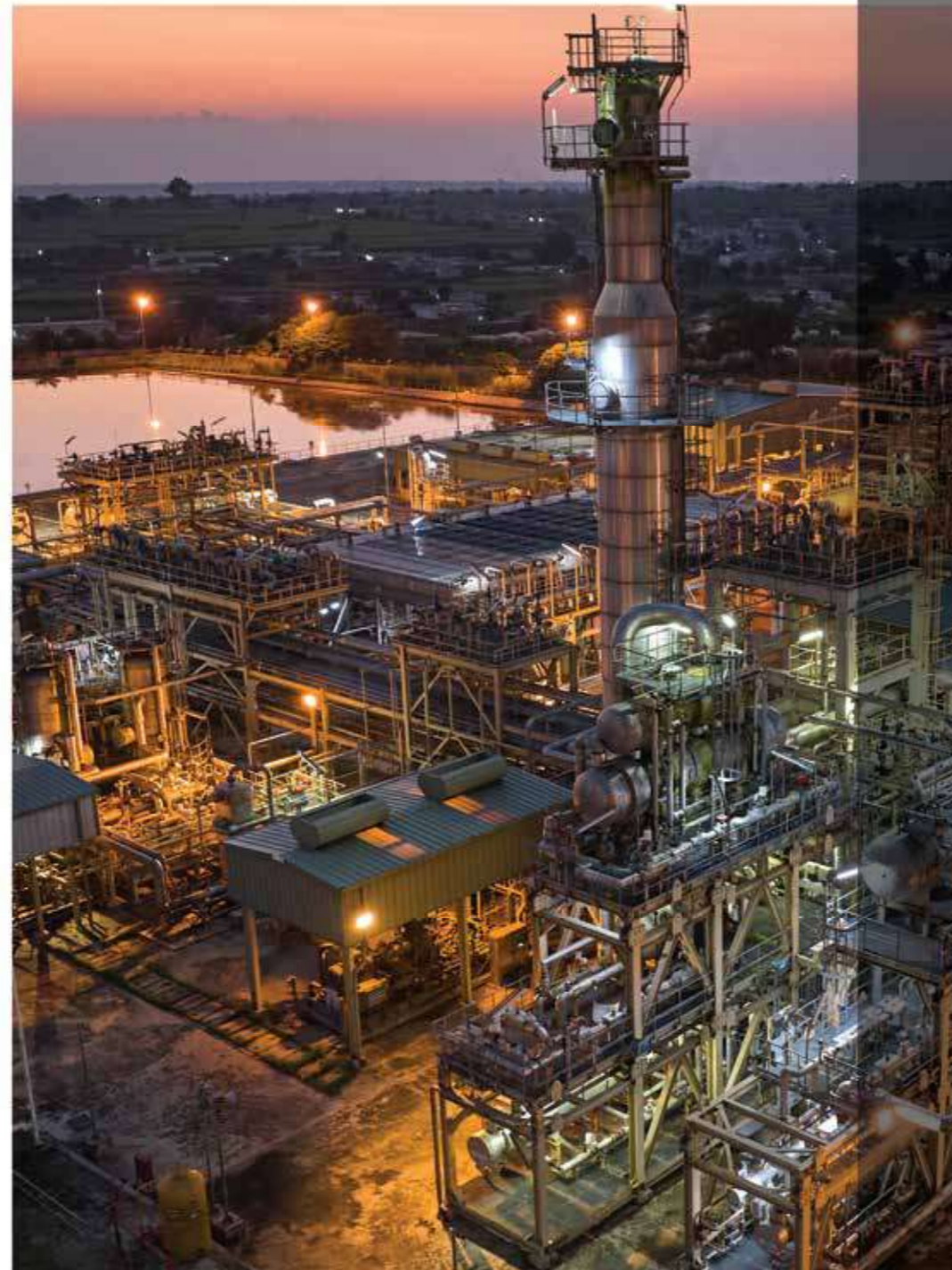
## EXPLORATION & APPRAISAL PHASE

- The companies collaborate in Joint Ventures to share risks.
- The companies compete for resource availability.



## DEVELOPMENT & PRODUCTION PHASE

- Minimal competition for product sales since Pakistan is a net importer of oil and gas.
- The companies compete for early production and monetization.



## OUR LEGACY

As Pakistan's premier E&P company, PPL takes pride in its deep knowledge of the subsurface and operational areas.

With over 75 years of experience, PPL has explored, discovered, developed, and produced oil and gas across diverse locations in Pakistan, serving as an operator through all stages of the oil and gas lifecycle.



## OUR PORTFOLIO

We drive activity across both operated and partner-operated areas, maintaining a balanced portfolio of exploration and development assets.

Our development projects and low-risk exploration in proven areas provide a solid foundation for pursuing high-reward opportunities in frontier basins, where the greatest potential lies.

Building on a robust hydrocarbon base and strong geological expertise, PPL is also unlocking value in Pakistan's mining sector.



## OUR PRESENCE

With over seven decades of experience in Pakistan, we have built a competitive edge by working closely with local communities to uplift lives and create shared value.

Our strong presence and mutual respect have enabled access to resources in remote frontier areas, contributing to national development.

Beyond our local operations, we have expanded internationally, broadening our footprint and representing Pakistan in the global energy arena.

An aerial photograph of a mining operation. In the foreground, a large yellow dump truck is parked on a dirt road, its bed filled with dark material. In the background, another piece of heavy machinery is visible. The right side of the image is a vertical strip showing a lush green forest with a dirt road winding through it. A yellow line connects the dump truck to the forest.

DECADES  
OF TRUST,  
GENERATIONS  
OF IMPACT

# DIRECTORS' REPORT 2024-25

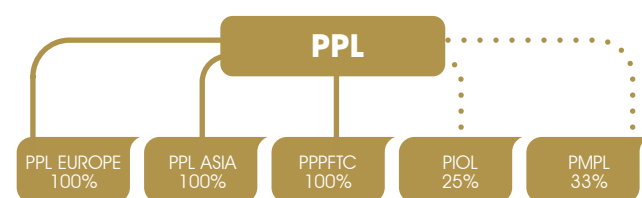
We are pleased to present the Directors' report and audited financial statements of your Company for the year-ended June 30, 2025, together with the auditor's report thereon. The business review for the year along with key highlights is presented in the following paragraphs.

## INTRODUCTION

Pakistan Petroleum Limited (PPL) is among Pakistan's foremost oil and gas exploration and production companies, contributing significantly to the nation's energy requirements since the early 1950s. The Company's operations span multiple regions within Pakistan, complemented by an international footprint in the UAE and Yemen. Beyond its core E&P business, PPL continues to pursue diversification into the mining and allied energy sectors. It holds mining exploration and production rights in Balochistan through joint ventures with the Government of Balochistan and Degan Exploration Works. It also maintains a partnership in Pakistan Minerals (Private) Limited, which has an indirect, non-operating interest in the Reko Diq mining project in Balochistan.

## GROUP STRUCTURE

The Company has three wholly owned subsidiaries by the names of PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC). These companies (including PPL) are collectively referred to as 'The Group'. The Company also owns 25% interest in Pakistan International Oil Limited (PIOL) incorporated in Abu Dhabi, UAE (an associated company). The above-mentioned companies, except PPPFTC, are principally engaged in conducting exploration, prospecting, development and production of oil, natural gas and mineral resources. The Company also has 33.33% interest in Pakistan Minerals (Private) Limited (PMPL), an entity holding an indirect 25% non-operating share in Reko Diq project for mining of copper and gold.



## BUSINESS STRATEGY

During the year, PPL unveiled a refreshed Vision and Mission, signalling its transformation into a dynamic energy and minerals company. Building on this direction, the Company's strategy focuses on revitalizing exploration and appraisal activities, diversifying into minerals, and pursuing both domestic and international opportunities to ensure sustainable growth for the Company.

The unveiling of the new Vision and Mission was marked by the introduction of the Company's vibrant new logo, symbolizing a new chapter in the Company's journey. The new logo is a tulip-inspired design that symbolizes renewal, resilience, and the blossoming of new possibilities. The logo reflects the Company's forward-looking orientation while honouring its enduring legacy.

PPL aims to maintain a balanced and resilient portfolio comprising of producing assets and exploration prospects, with emphasis on de-risked, high-impact opportunities in proven and frontier basins. The approach also leverages strategic partnerships, advanced recovery techniques, digital tools, and data analytics to optimize production efficiency while upholding safety and environmental stewardship.

To drive sustainable growth, PPL continues to pursue organic expansion through successful drilling campaigns and inorganic growth via acquisitions, farm-ins and joint ventures. In addition, the Company is accelerating its mineral exploration initiatives, including securing licenses, conducting feasibility studies, and leveraging geoscience expertise to establish a strong presence in non-hydrocarbon resources.

Looking ahead, PPL is also evaluating low-carbon solutions in alignment with global energy transition trends, while ensuring cost optimization, financial discipline, and operational excellence. Human capital development, innovation, and a strong QHSE culture remain at the core of strategy execution.

By aligning its operations with its refreshed Vision — "Empowering sustainable growth through integrated energy solutions and beyond" — and Mission — "Transform into a dynamic energy and minerals company focused on innovation and strategic diversification" — PPL is positioning itself as a forward-looking enterprise committed to delivering sustainable value for its stakeholders and securing a prominent role in the evolving global energy landscape.

## KEY HIGHLIGHTS

Despite a challenging operating environment, PPL exhibited resilience and strategic foresight throughout FY 2024-25. Confronted with pressures from maturing field depletion, security constraints, and gas production curtailment, the Company delivered strong progress in operational efficiency and financial prudence.

The key achievements of the year are summarized below:

- 1. SAFETY ACHIEVEMENT:** PPL successfully achieved a zero Lost Time Injury Frequency (LTIF) and reported no Tier 1 Process Safety Events (PSE) during the year, demonstrating its commitment to operational safety.
- 2. EXPLORATION SUCCESS:** Eight discoveries were announced, two in operated and six in partner-operated areas, with PPL's net share of ~ 37.6 MMscfde.
- 3. CUSTOMER COLLECTIONS:** The Company achieved further improvement in customer collections, with the collection ratio rising to ~91% from ~81% last year.
- 4. OPERATIONAL SUCCESS:** PPL achieved an increase of ~35 MMscfde in sales volumes through various production enhancement initiatives.
- 5. INTERNATIONAL EXPANSION:** Production Concession Agreement (PCA) for development of three pre-existing discoveries in Offshore Block 5 in Abu Dhabi was signed between The Supreme Council for Financial and Economic Affairs, Abu Dhabi National Oil Company and PIOL.
- 6. DRILLING ACTIVITY:** 11 exploration & appraisal wells and 4 development wells were drilled in operated and partner-operated areas.
- 7. D&PL:** The long-pending Development and Production Lease (D&PL) for Sui field was signed.
- 8. AWARD OF EXPLORATION BLOCKS:** PPL was provisionally awarded two new exploration blocks in Balochistan in the 2025 bid round - Kalat South as Operator and Ziarat North as Joint Venture partner.
- 9. SEISMIC DATA ACQUISITION:** Despite security challenges, 67 line km of 2D seismic data was acquired in PPL-operated areas whereas 483 line km of 2D seismic data was acquired in partner-operated areas.
- 10. SEISMIC DATA PROCESSING:** In-house processing of 260 line km of 2D and 656 sq. km of 3D seismic data was completed, resulting in substantial cost savings.
- 11. CORPORATE MILESTONE:** PPL celebrated 75 years of excellence with the unveiling of a refreshed Vision, Mission, and Corporate Identity, reinforcing PPL's future-ready strategy.
- 12. REKO DIQ PROJECT:** Completion of updated feasibility study for the Reko Diq Project and acceptance of SOEs' credit capacity by the foreign lenders.



**13. SETTLEMENT IN IRAQ:** PPL, through its wholly-owned subsidiary PPL Asia, successfully secured a USD 6 million settlement with Midland Oil Company, Iraq.

**14. BEST CORPORATE & SUSTAINABILITY REPORT AWARD:** PPL secured third position in the Fuel and Energy category at the Best Corporate & Sustainability Report (BCSR) Awards organized by ICAP and ICMAP for its 2023 Annual Report.

**15. SAFA AWARD:** PPL secured Silver Award in the category of Public Sector Entities by the South Asian Federation of Accountants (SAFA) for its 2023 Annual Report.

**16. MAP AWARD:** PPL was awarded a Certificate of Excellence from the Management Association of Pakistan (MAP) for demonstrating excellence in corporate management.

**17. CORPORATE SOCIAL RESPONSIBILITY:** PPL received the Corporate Philanthropy Award for the 19th consecutive year, being recognized as one of the largest corporate givers in Pakistan.

## OPERATING ENVIRONMENT

The global energy landscape continues to be shaped by geopolitical tensions, economic uncertainty, and gradual progress toward renewables. Conflicts in Ukraine and the Middle East have repeatedly disrupted supply dynamics, while the measured easing of voluntary OPEC+ output cuts has helped stabilize supply and moderate price volatility.

Domestically, early signs of economic stability are emerging; however, the country's heavy reliance on imported hydrocarbons continues to weigh on households and energy security. At the same time, global forums and market developments are pointing toward a steady increase in renewable adoption, supported by growing awareness, declining costs, and improving efficiencies. Yet, with upfront capital requirements for renewables and rising overall energy demand, fossil fuels are expected to maintain a significant role in meeting the global energy requirements for the foreseeable future.

In Pakistan, measures by the Government, such as the Tight Gas Policy 2024 with a 40% price premium and consumer gas price hikes to reduce circular debt, aim to strengthen the sector. While the exit of international players has slowed sector growth, it has simultaneously created space for local E&P companies to expand. Nevertheless, the industry continues to face challenges, including delayed receivables, security concerns, and depleting reserves.

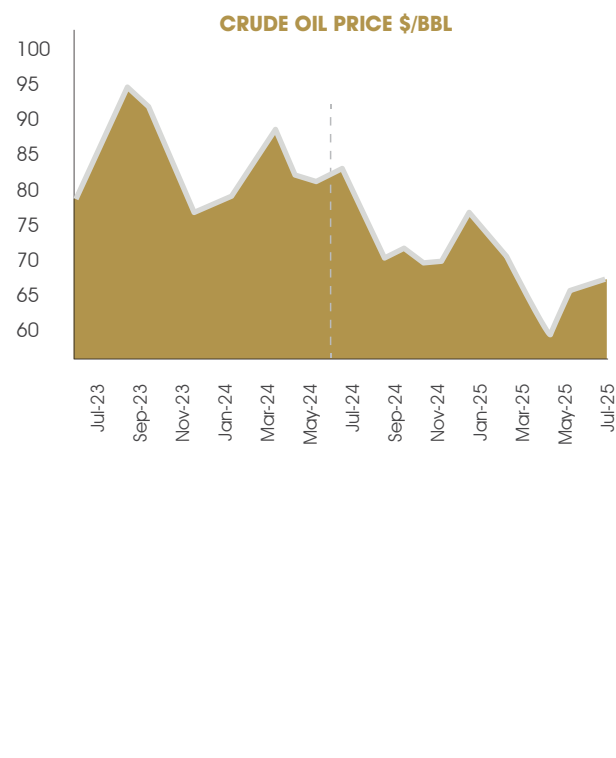
Long-term LNG import agreements were designed to support sustained power generation. However, a decline in overall gas demand—driven by higher gas prices for the captive power sector and a growing consumer shift toward solar power—has led to reduced offtake. As a result, indigenous gas production has been curtailed, lowering revenues for local E&P companies. To ensure long-term energy security, Pakistan must pursue a diversified strategy: sustain hydrocarbon exploration and development, expand mining and renewables, and ensure an investor-friendly regulatory framework.

## EXTERNAL FACTORS

The following factors played a key role in the operating environment of the upstream oil and gas sector in the country:

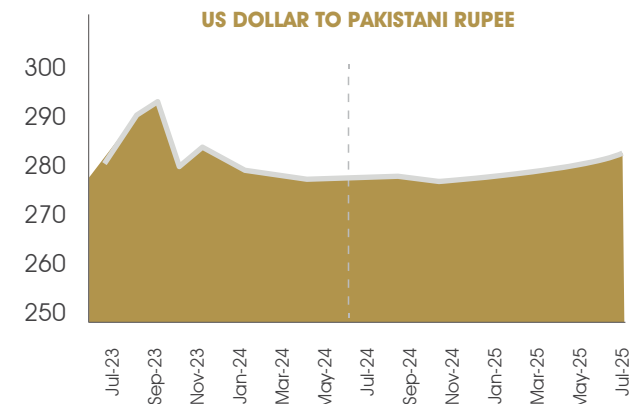
### CRUDE OIL PRICES

During FY 2024-25, crude oil prices showed moderate volatility, shaped by supply-demand dynamics, OPEC+ decisions, and geopolitical risks. Prices began to firm-up on the back of OPEC+ production cuts and strong seasonal demand, particularly from Asia and the U.S. By early 2025, however, they softened as Chinese demand weakened, U.S. shale output remained robust, and OPEC+ gradually eased its cuts. In June 2025, geopolitical tensions caused a sharp but short-lived spike. Overall, the year reflected a downward trend driven by oversupply and cooling demand, punctuated by temporary, event-driven price surges.



## FLUCTUATION IN FOREIGN CURRENCY

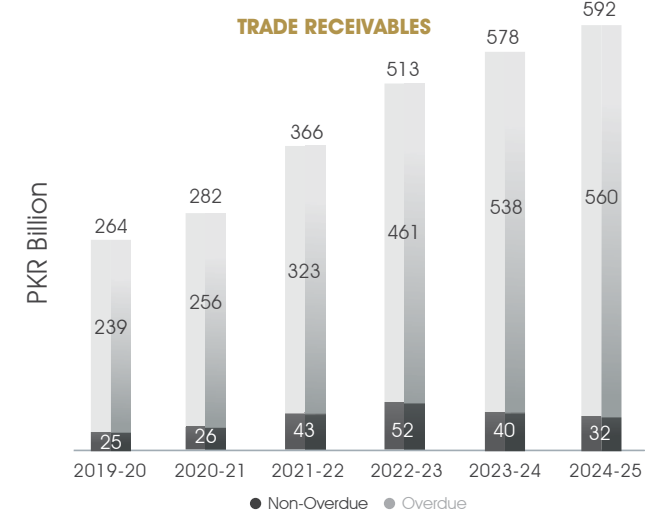
During FY 2024-25, the Pakistani Rupee (PKR) remained largely stable, supported by proactive central bank measures and policy interventions. Despite heavy reliance on imports—particularly oil, food, and energy—and the burden of debt servicing, exchange rate volatility was contained through active liquidity management by the central bank, import curtailment and incentives for worker remittances. Looking ahead, the PKR's long-term stability will depend on maintaining political stability and achieving sustained export growth.



## TRADE RECEIVABLES

During FY 2024-25, the Company made notable progress in collections, achieving a collection ratio of 91% compared to 81% in the previous year. The overall improvement was underpinned by timely gas price revisions and proactive customer engagement. While overall collections remained robust, it weakened during third quarter with moderate improvement in last quarter.

Total cash recoveries stood at Rs. 266 billion versus Rs. 276 billion in FY 2024, largely reflecting lower revenue. Importantly, the pace of trade receivables accumulation declined sharply to Rs. 1.2 billion per month, compared to Rs. 5.4 billion per month in FY 2024, signalling stronger financial discipline.



With the inclusion of gas sector circular debt settlement in the IMF's reform agenda, ongoing declines in crude oil prices, and a stable outlook for the rupee, the Company anticipates strong collection performance. Continued improvement in recoveries will depend on the prompt adjustment of consumer tariffs to reflect the procurement costs incurred by distribution companies.

Furthermore, the government is exploring various options to address the long-standing issue of historical circular debt, which is crucial for improving the sector's financial health. Progress on this front will help local exploration and production companies invest in new projects, expand operations, and deliver better returns. The Company is working closely with government ministries, gas distributors, and power producers to tackle immediate liquidity challenges and support long-term solutions. These actions reflect a clear commitment to financial discipline and the sustainable growth of the energy sector.

## SECURITY SITUATION

The Company operates in several high-risk and security-sensitive regions, where volatile and unpredictable conditions pose ongoing challenges to safe operations. This is particularly evident in border areas of Khyber Pakhtunkhwa and parts of Balochistan, where the security situation requires constant vigilance.

To safeguard personnel and assets, the Company follows a prudent and proactive operational strategy, working in close coordination with government security agencies. Seismic surveys and well operations are undertaken only after formal clearance is secured from the relevant authorities, ensuring that field activities are conducted within a controlled and secured environment.

While this approach significantly reduces operational risks, it also leads to higher security-related costs, which are carefully integrated into overall project planning and execution.

## OUR PERFORMANCE

### PRODUCTION OPERATIONS

The Company currently operates nine producing assets at Sui, Kandhkot, Adhi, Dhok Sultan, Mazarani, Chachar, Hala, Gambat South, and Shah Bandar, alongside working interests in twelve partner-operated producing fields. In line with its mandate to meet the country's growing energy requirements, the Company continued to focus on production enhancement through advanced technology, field optimization, and targeted interventions. Additionally, the Company holds an operated interest in Bolan Mining Enterprises (BME), a joint operation with the Government of Balochistan.

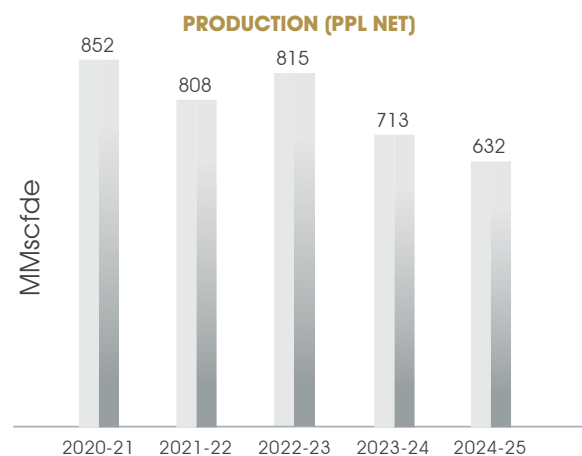
During the reporting period, the Company's operated assets recorded notable field interventions, supported by facility upgrades and the implementation of optimization strategies that collectively enhanced production capacity. These measures helped mitigate the natural decline typically associated with mature reservoirs. In addition, exploration efforts and well interventions further contributed to slowing natural depletion of reserves. However, the curtailment of local gas volumes, driven by the imported LNG on SNGPL's network, negatively weighed on overall production volumes. BME delivered its highest-ever sales revenue despite persistent challenges related to security constraints and infrastructure.

PIOL completed its initial drilling campaign of three appraisal and one exploratory well, with its Field Development Plan (FDP) approved, and PCA signed. Exploration and development activities also progressed across PPL Europe's assets, with the exception of Harnai and Yemen Block-3, where operations were constrained due to security concerns.

### PRODUCTION STATISTICS

The overall production witnessed a decline of approximately 11% compared to the previous year, largely driven by gas curtailment on SNGPL's network due to LNG, reduced offtakes by GENCO-II, and the natural decline in output from mature fields. However, the Company undertook several initiatives to mitigate these challenges, adding 35 MMscfde to production through the following measures:

- Commissioning of new wells in Shah Bandar, Adhi and other Partner Operated areas
- Water shut off jobs
- Workovers and full year effect of SML compressor revamp in Sui
- Surface debottlenecking
- Artificial gas lift in Adhi
- Other rig-less well interventions



\*In addition to above, net production from PPLE during FY 2024-25 is 4 MMscfde.

A comparison of the current year's production (net to PPL) to the previous year is given below:

	2024-25	2023-24
Natural Gas (MMscf)	204,853	231,574
Crude Oil / NGL / Condensate (Thousand Barrels)	3,692	4,188
LPG (Metric Tonnes)	97,067	113,104

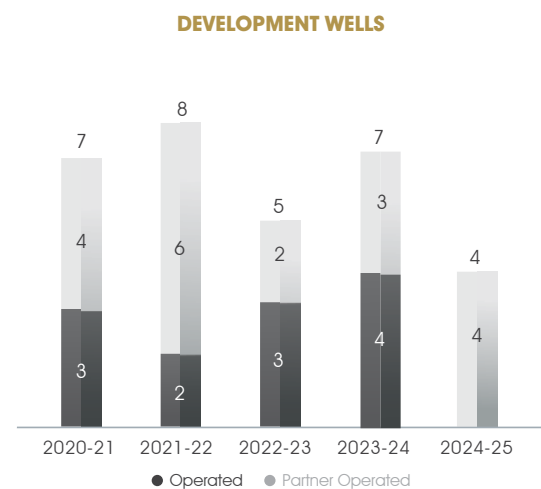
Production of hydrocarbons during the year including the Company's share from joint operations averaged at about ~561 MMscfd of gas, 10,115 bbl per day of liquids and ~266 metric tonnes of LPG per day.

The Company's major customers include Sui Southern Gas Company Limited, Sui Northern Gas Pipelines Limited, Central Power Generation Company Limited and Attock Refinery Limited.



### DEVELOPMENT WELLS

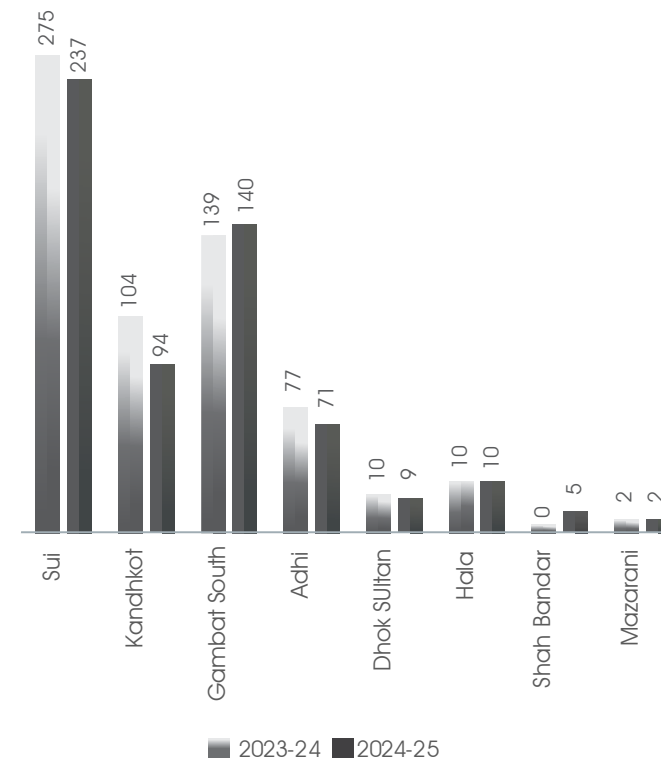
The Company drilled four development wells during the year. These wells were drilled in partner operated areas of Tal, Miano, Ziarat & Qadirpur. These development activities helped in optimizing the production from these producing fields and arresting natural decline.



### KEY HIGHLIGHTS – PRODUCING FIELDS

- Production from the Sui field declined primarily due to excessive back pressure caused by high LNG volumes in SNGPL's network and natural reservoir depletion. The latter is being mitigated through a series of optimization initiatives, including revamp of the compression, surface debottlenecking and workover of wells.
- Production at Kandhkot declined due to lower gas offtakes by GENCO-II.
- A water shut-off job was conducted at Shahdad X-1 in Gambat South optimizing production.
- At Adhi field, natural decline was mitigated through tie-in of two development wells and installation of artificial gas lifts at five producing wells.
- Early monetization of Jhim East and Pateji X-1 discoveries in Shah Bandar block was achieved.
- Further details about asset-wise performance are given in Production Activities section of this Annual Report.

### PPL OPERATED FIELDS GROSS PRODUCTION MMSCFD EQUIVALENT



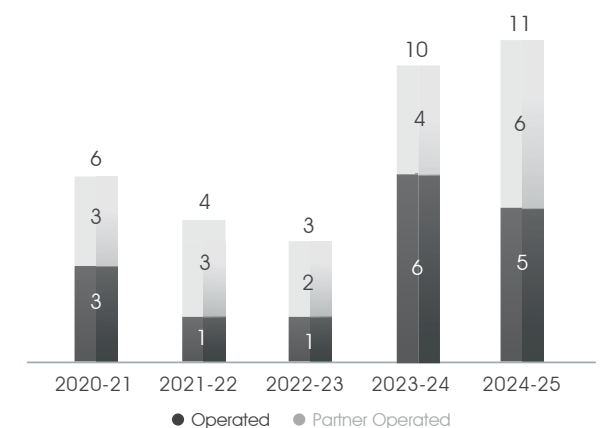
### EXPLORATION

#### KEY HIGHLIGHTS

- Eleven exploration and appraisal wells were drilled across both operated and partner-operated blocks.
- Eight hydrocarbon discoveries were made during the year, including two in operated areas and six in partner-operated blocks.
- In the operated Khuzdar block, 67 line kilometers of 2D seismic data were acquired, while in the partner-operated Suleiman, Baran, and Kuhan blocks, approximately 483 line kilometers of 2D seismic data were recorded.
- In the operated Kalat West block, 2,832 line kilometers of gravity and magnetic data were acquired.
- In-house processing was carried out for 260 line kilometers of 2D seismic data and 656 square kilometers of 3D seismic data.
- The Company participated in the Pakistan Onshore Bid Round 2025, securing Kalat South block as an operator in partnership with OGDCL & MariEnergies and Ziarat North block as a partner, operated by MariEnergies, along with OGDCL, Turkish Petroleum Overseas Company (TPOC) and GHPL as JV partners.
- The Company farmed-in one block (Miran) during the year which is operated by OGDCL while GHPL and KPOGCL are other partners. Furthermore, the Company farmed-out 12.5% interest in Kuhan block to GHPL.

Block-wise details of the major exploration work programs carried out during the year in both operated and partner-operated blocks, and farm-in and farm-out activities are given under Exploration Activities section of this Annual Report.

### EXPLORATION & APPRAISAL WELLS



## PPL'S SUBSIDIARIES / ASSOCIATES

### PPL EUROPE E&P LIMITED (SUBSIDIARY)

<b>Block 3 – Yemen</b> <b>Operator: Total Energies EP Yemen</b>	<ul style="list-style-type: none"> <li>Block is under Force Majeure since April 2015 due to the adverse security situation in Yemen.</li> </ul>
<b>Ziarat</b> <b>Operator: MEL</b>	<ul style="list-style-type: none"> <li>Completed reprocessing of 228 sq. km of 3D seismic data, while interpretation, mapping, and integration of G&amp;G data are currently in progress.</li> <li>Development well Bolan East-2 was spud in February 2025 and completed. Tie-in has been completed, however, well commissioning is under-way.</li> <li>EWT from the discovery well Bolan East-1 continued from the Chiltan formation during the year. Additionally, the Declaration of Commerciality, FDP, and application for the grant of D&amp;PL for Bolan East-1 were submitted for regulatory approval.</li> <li>Workover operations on exploration well Bolan West-1 commenced in May 2025; however, due to discouraging results, the well was P&amp;A.</li> <li>G&amp;G studies for prospect maturation are ongoing.</li> </ul>
<b>Harai</b> <b>Operator: MEL</b>	<ul style="list-style-type: none"> <li>The award of contract for G&amp;M data acquisition is delayed due to the adverse security situation in the survey area.</li> <li>Other G&amp;G evaluation is in progress.</li> </ul>

### PPL ASIA E&P B.V. (SUBSIDIARY)

<b>Block-8, Iraq</b>	<ul style="list-style-type: none"> <li>The settlement process for the expired Exploration, Development and Production Service Contract (EDPSC) of Block-8, Iraq, was successfully concluded during the year. Under the agreement, PPL Asia received a net settlement amount of USD 6 million, marking the closure of all outstanding claims and contractual obligations related to the block.</li> </ul>
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### PAKISTAN INTERNATIONAL OIL LIMITED (ASSOCIATE)

<b>Offshore Block 5, Abu Dhabi</b>	<ul style="list-style-type: none"> <li>The FDP for three pre-existing discoveries – Bu Dana, Al Bateen, and Al Manhal – was approved by ADNOC in April 2025. Subsequently, the PCA was signed in June 2025 between the Supreme Council for Financial and Economic Affairs (SCFEA) on behalf of the Government of Abu Dhabi, Abu Dhabi National Oil Company (ADNOC), and PIOL. Following execution of the PCA, the concession is operated by ADNOC Offshore, with PIOL holding a 40% participating interest.</li> <li>The first drilling campaign, which commenced in April 2024, was successfully concluded in March 2025. It involved drilling of three appraisal wells and one exploration well, providing critical data for structural validation and volume assessment.</li> <li>Subsurface G&amp;G evaluations, along with surface-related conceptual and feasibility studies, are underway to further assess and unlock the potential of Offshore Block-5.</li> </ul>
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### PAKISTAN MINERALS (PRIVATE) LIMITED (ASSOCIATE)

<b>Reko Diq Project</b>	<ul style="list-style-type: none"> <li>The Company, OGDCL and GHPL (collectively the SOEs), through PMPL, holds an indirect 25% stake in the Reko Diq project (each SOE holds 8.33%).</li> <li>During the year, the Feasibility Study of the project was completed, reaffirming the previously assessed resource size and identifying additional upside potential. Early works continued throughout the year, while major development activities are planned to begin after financial close, expected in 2025.</li> <li>As per the updated feasibility study, overall project cost has increased. However, the increase in copper and gold prices, has more than offset the increase in costs.</li> <li>The issues related to SOEs' credit acceptance stand resolved and the project financing arrangement is in the final stages. Post financial close, the Company, along with OGDCL and GHPL, would be required to give a joint and several Completion Guarantee to the lenders which would remain effective until the project achieves financial completion. To this end, on 10th September 2025, the Company held an Extraordinary General Meeting to obtain shareholders' approval to authorize the Company to increase its funding commitments in Phase-I of the development of the Reko Diq Project, in accordance with Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.</li> </ul>
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- In addition, the SOEs, in aggregate, would be required to maintain their existing shareholding percentage in the project.
- The project is expected to begin commercial production by the end of FY 2028-29.

## DIVERSIFICATION AND DEVELOPMENT OF ALTERNATE REVENUE STREAMS

The Company continues its efforts to expand its mineral portfolio as part of its diversification strategy. Key developments during the year include:

<b>Minerals</b>	<ul style="list-style-type: none"> <li>Operating Agreement for Barite-Lead-Zinc (BLZ) project has been signed and bidding for Project Management Consultant and EPC contractor is being planned.</li> <li>Reko Diq project is on track with targeted commencement of production in FY 2028-29. Further details are mentioned in section on PMPL.</li> <li>Exploration studies are underway in EL-207 by Degan Exploration Works.</li> <li>The applications for new exploration licenses in Chagai are currently pending.</li> </ul>
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## BUSINESS RATIONALE OF MAJOR CAPITAL EXPENDITURE

All capital expenditures, including major projects planned during the year, were approved in line with the Company's strategy and Value Assurance Framework to ensure value optimization. These initiatives include drilling of exploration and development wells, well workovers, installation of gas processing facilities, major overhauls, deployment of solar systems, pipeline replacements, compression facilities to mitigate natural decline in mature fields, and upgrades to site infrastructure.

Despite the significant payment of the Lease Extension Bonus in respect of the Sui field, the Company maintained a strong liquidity position, supported by improved collections. Available resources for the work program were carefully reviewed prior to budget finalization, with capital expenditures allocated to proposals prioritized by their economic viability and payback potential.

## SIGNIFICANT PLANS AND EXPANSION

Key projects undertaken through associated companies and joint venture arrangement, include the Reko Diq project, Offshore Block-5, Abu Dhabi, and exploration studies in EL-207, remain on track. For offshore Block-5, subsequent to execution of PCA, efforts are underway by ADNOC Offshore to bring the fields into production. At Reko Diq, early works are progressing, while project financing is in the final stages with financial close expected in 2025. Exploration studies in EL-207 are also ongoing to confirm prospects. In addition, the Operating Agreement for the development of the Barite-Lead-Zinc (BLZ) Project in Khuzdar was finalized during the year.

Alongside these diversification initiatives, the Company has significantly invested in its core oil & gas exploration and development business as detailed in the section on Exploration and Production Assets. This includes installation of Zafir/GPF-III at Gambat South and enhancement of gas processing at Shah Bandar.



## SUBSURFACE TECHNOLOGY AND SUPPORT SERVICES

During the year, PPL's Seismic Data Processing Center (SDPC) processed 656 sq. km of 3D and 260 line km of 2D seismic data. To further enhance its capabilities, SDPC is undergoing a major upgrade of processing hardware and software, to efficiently meet the growing requirements of upcoming onshore and offshore projects. As a result, processing capacity will increase from the current 500 sq. km to between 3,000–4,000 sq. km, significantly strengthening technical capabilities.

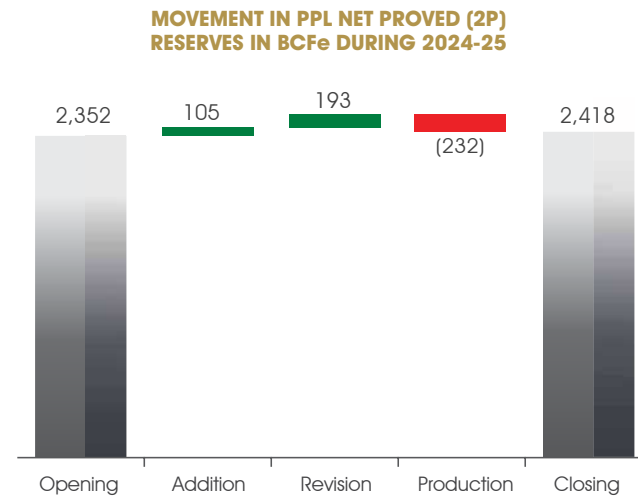
In parallel, PPL's in-house Core and Analytical Laboratory has been equipped with advanced analysis instruments to meet the rising demand for core and geochemical analysis.

## RESERVOIR MODELLING GROUP

The Reservoir Modelling group focuses on creating value through integrated subsurface studies, primarily using 3D reservoir simulation. In-house studies have been completed for the Hatim-Faiz and Jhim-Pateji fields, while work is ongoing for the Adhi and Adam fields. These studies enhance understanding of reservoir performance, support production optimization, and identify reserves enhancement opportunities. Leveraging in-house expertise has also delivered significant cost savings.

## RESERVES MANAGEMENT

Based on hydrocarbon reserves revisions, additions, and production during the year, the Company's 2P Reserves Replenishment Ratio (RRR) stands at ~129%, indicating that production has been more than fully replaced in the 2P reserves base.



Additions and revisions increased 2P reserves by ~298 BCFe, supplementing the opening balance of reserves. Key additions stemmed from discoveries in operated wells Pateji X-1 (Shah Bandar) and Adam-2 (Hala), as well as partner-operated ventures including Tor (Latif), Razgir (Tal), and Takri (Kotri North). Additions also include the reserves booked consequent to the completion of the appraisal activities for the three pre-existing discoveries in offshore Block-5 in Abu Dhabi. Revisions mainly came from the Shahdadpur and Sawan blocks, further strengthening the reserves portfolio.

In addition, the Company holds substantial net contingent resources of ~695 BCFe, which it continues to pursue for conversion into reserves, reinforcing its long-term growth strategy.

## SUSTAINABILITY

The Board of Directors is firmly committed to embedding Environmental, Social, and Governance (ESG) principles across PPL's strategic and operational frameworks. During the year, a new board committee has been constituted to oversee sustainability related aspects, namely Board Environmental, Social and Governance Committee. We view ESG integration as essential for long-term resilience, sustainable value creation, and meaningful contributions to society.

On the environmental front, PPL is working to minimize its footprint through efficient resource utilization, adoption of sustainable practices, and support for innovations that promote environmental stewardship in line with global climate action. Climate-related risks and opportunities are systematically factored into our strategic planning.

From a social perspective, we are dedicated to fostering a diverse, inclusive, and equitable workplace built on fair labor practices, protection of human rights, and community development. We believe these commitments enhance our corporate culture and deepen stakeholder trust.

Strong governance underpins our approach, with transparency, accountability, and ethical conduct guiding decision-making. ESG considerations are integrated into our Enterprise Risk Management framework, ensuring preparedness for emerging challenges.

Looking ahead, PPL will continue to evolve its ESG strategy in line with international best practices and stakeholder expectations. By advancing sustainability performance, enabling inclusive growth, and upholding rigorous governance standards, we aim to build a resilient and responsible enterprise. Comprehensive details on PPL's ESG policies, initiatives, and risk management practices are provided in the ESG & Sustainability, CSR, and QHSE sections of this Annual Report, with governance aspects covered in the Directors' Report.

In addition, for the first time, the Company is issuing a separate Sustainability Report 2024-25.



## QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

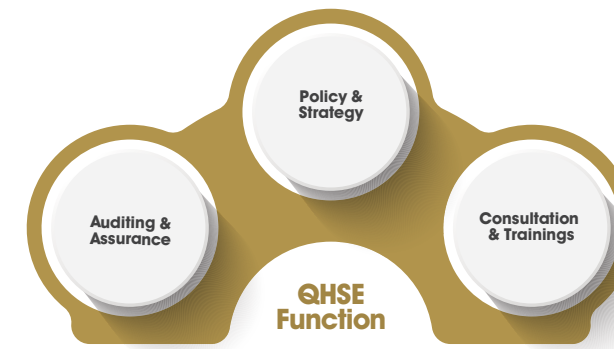
PPL's QHSE Function is staffed with dedicated professionals who lead the development and implementation of QHSE strategies, procedures, and long-term plans. It monitors operational compliance with internal specifications and industry benchmarks across all operated assets and provides technical guidance and impartial assessments to all levels of management.

The Function also facilitates third-party inspections for pipelines, tanks, lifting equipment, HAZOP studies, environmental monitoring, and other critical safety assessments.

## POLICY AND GOVERNANCE FRAMEWORK

PPL remains fully committed to upholding the highest standards of QHSE across all aspects of its operations. As a leading E&P company, we embed QHSE values in every facet of our business, ensuring the safety of personnel, protection of the environment, and the wellbeing of communities where we operate.

Integrated QHSE Policy and PPL Core Values can be accessed from website <https://www.ppl.com.pk/>



## OCCUPATIONAL SAFETY & HEALTH

Occupational Health & Safety (OHS) is a top priority at PPL, integrated into business planning, decision-making, and target-setting. Risks from operational activities are systematically identified and mitigated, with strong employee and stakeholder engagement to promote a safety culture.

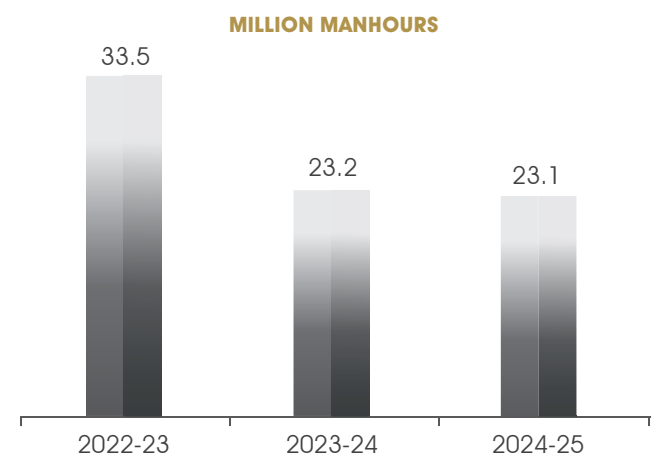
Performance is monitored through Balanced Scorecards, monthly management review meetings, and HSE monitoring mechanisms. Regular QHSE events, safety campaigns, and training programs (e.g., working at height, first aid, defensive driving) further strengthen the organization's safety culture and performance.



## KEY PERFORMANCE INDICATORS (KPIs)

During the year, PPL successfully achieved over 70 million safe manhours without any Lost Time Injury (LTI) or fatality across its operated sites since the last LTI in October 2022. Safe manhours are tracked for both company employees and contractor staff, with lessons learned from incident investigations systematically integrated into daily operations to prevent recurrence. During the fiscal year, staff and contractors reported over 1,900 unsafe acts and conditions. Notably, both the Lost Time Injury Frequency (LTIF) and Total Recordable Injury Rate (TRIR) were reduced to zero during the reporting period—an unprecedented achievement for PPL.

Beyond plant sites, motor vehicle crash incidents are closely monitored by severity, with the severe category remaining at zero during the reporting year due to strict road transport safety standards. Similarly, no significant environmental spills were recorded, further underscoring the Company's strong safety and environmental performance.



## FINANCIAL OVERVIEW

The Directors propose the following appropriations out of the profit for the current year:

	<b>2024-25</b> <b>Rs. Million</b>	<b>2023-24</b> <b>Rs. Million</b>
Profit before Taxation	139,082.519	159,782.150
Taxation	(47,055.069)	(45,473.073)
Profit after Taxation	92,027.450	114,309.077
Unappropriated profit as at July 1, 2024 / 2023	537,603.199	437,545.461
Dividend Equalisation Reserve as at June 30, 2025 / 2024	2,535.354	2,535.354
	<b>632,166.003</b>	<b>554,389.892</b>
<b>Appropriations during the year</b>		
Final dividend for the year 2023-24 on ordinary shares @ 25% (2022-23: ordinary and preference shares @ 15%)	(6,802.433)	(4,081.476)
First interim dividend for the year 2024-25 on ordinary and preference shares @20% (2023-24: 25%)	(5,441.967)	(6,802.459)
Second interim dividend for the year 2024-25 on ordinary shares @ 20% and preference shares @ 10% (2023-24: ordinary shares @ 10% and preference shares @ 5%)	(5,441.956)	(2,720.978)
Third interim dividend for the year 2024-25 on ordinary shares @ 10% (2023-24: Nil)	(2,720.973)	-
Other Comprehensive Loss	(1,555.836)	(646.426)
Balance as at June 30, 2025/2024	<b>610,202.838</b>	<b>540,138.553</b>
<b>Subsequent Effects</b>		
The Board of Directors of the Company in its meeting held on September 19, 2025, proposed the following:		
Final dividend on ordinary shares @ 25% (2023-24: 25%)	6,802.433	6,802.433
	<b>6,802.433</b>	<b>6,802.433</b>

## SALES REVENUE

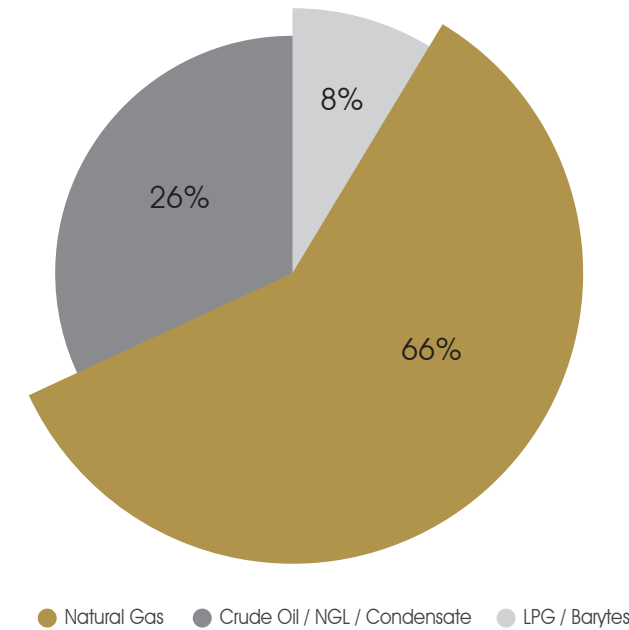
Sales revenue decreased by Rs 46,281 million during the current year as compared to the corresponding year. The decrease is significantly attributable to negative volume variance amounting to Rs 33,317 million, coupled with negative price variance of Rs 12,964 million.

Negative volume variance is mainly attributable to lower sales volumes from Sui, Kandhkot, Tal, Nashpa and Latif fields. This variance is mainly attributable to natural decline along with curtailment of gas sales by SNGPL (Sui, Tal and Nashpa) and lower offtakes by GENCO-II (Kandhkot). This was partially offset by higher sales as a result of commencement of production from discovery wells in Shah Bandar, Gambat South, and Kirthar fields and an infill well in Hala.

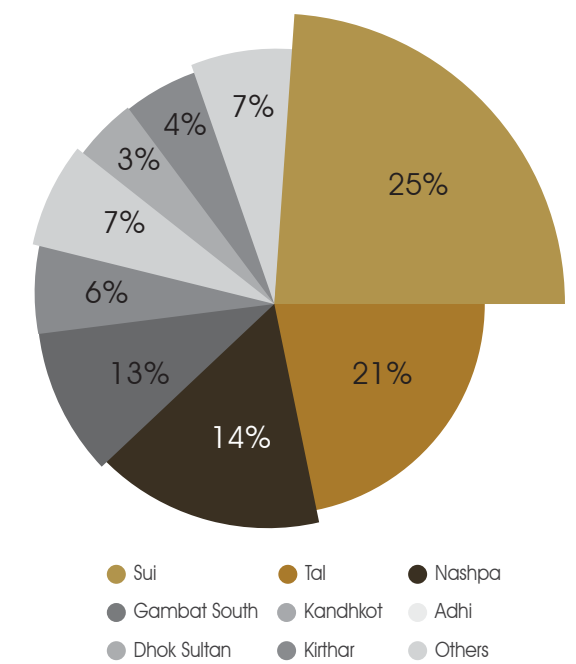
Negative price variance is due to appreciation of Pak rupee against US dollar (average exchange rate for the current year was Rs 279 as compared to Rs 283 during the corresponding year), coupled with decline in average international crude oil prices from US\$ 85 / bbl during the corresponding year to US\$ 74 / bbl during the current year.

The product-wise and field-wise sales revenue is analysed below:

**Product-wise Sales Revenue (2024-25)**



**Field-wise Sales Revenue (2024-25)**



Sales Volumes	Unit	Year ended June 30, 2025	Year ended June 30, 2024
Natural Gas	MMscf	171,218	194,893
Crude Oil / NGL / Condensate	BBL	3,681,519	4,144,866
LPG	Metric Tonnes	97,196	113,504
Barytes *	Metric Tonnes	96,459	87,352

\* Total gross sales volume of baryte powder and baryte ore, sold by BME aggregated to 201,477 metric tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, net volume is reported as 96,459 metric tonnes.

## PROFITABILITY

Profit after tax and profit before tax decreased by approximately 19% and 13%, respectively, compared to the corresponding year, mainly on account of decline in sales revenue by 16% as explained above.

Tax charge is higher than previous year due to reversal of a provision amounting to Rs 14,335 million recognised during the previous year as a result of favourable decision of the Honourable Supreme Court of Pakistan in respect of calculation of depletion allowance on well-head value.

Decline in profitability was partially offset by decrease in exchange loss on foreign currency and higher other income mainly on account of reversal of impairment loss on investment in PPL Asia B.V. and receipt of insurance claims.

## DIVIDEND POLICY

The Company is committed to delivering value to its shareholders through a balanced dividend strategy that aligns with its profitability, liquidity position, and long-term growth prospects.

### CONTRIBUTION TO NATIONAL ECONOMY

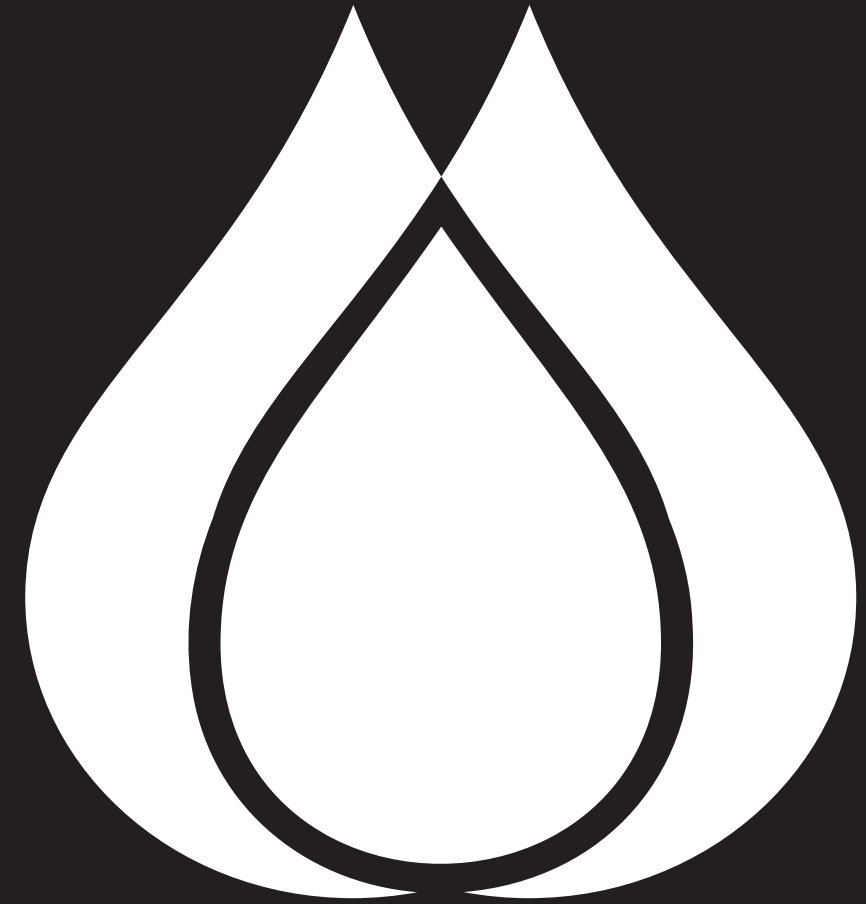
Your Company is a significant contributor to the national economy. The Company's share of natural gas, oil and LPG sold from operated and partner-operated fields for the financial year 2024-25 in terms of energy was equivalent to over 95,000 barrels of oil per day, resulting in annual foreign exchange savings of around US\$ 2.6 billion by way of import substitution, assuming an average crude oil price of US\$ 74 / bbl.

The Company contributed nearly Rs 209 billion – the highest ever in its history – to the national exchequer on account of income tax, royalties, lease extension bonus, regrant payments, excise duty, sales tax, windfall levy, petroleum levy, GDS, WPPF, and dividends.

### GROUP PERFORMANCE

Financial statements of the Group reflected decrease in consolidated profitability by 22%. The group sales revenue was recorded at Rs 244,977 million while profit-after-tax stands at Rs 89,949 million in 2024-25, compared to Rs 291,241 million and Rs 115,477 million, respectively, in 2023-24. During the year, PPLE contributed around Rs 2,461 million to the Group's revenue.

Brief profiles of subsidiary companies are mentioned in the note-1 to the Company's consolidated financial statements.





## HUMAN RESOURCES

The Human Resources (HR) function at PPL plays a central role in enabling the Company’s strategic objectives by attracting, developing, and retaining a talented workforce. Guided by its people-first philosophy, the department remains focused on fostering an inclusive, performance-driven culture that supports both organizational growth and employee well-being.

During the year, HR continued to strengthen organizational capabilities through targeted recruitment, succession planning, and talent development initiatives. A strong emphasis was placed on building technical, managerial, and leadership skills through structured training programs, coaching, and digital learning platforms. Performance management processes were further streamlined to align individual goals with business priorities, ensuring accountability and recognition of high performers.

Employee engagement remained a key priority, with regular surveys and feedback mechanisms enabling management to address concerns and improve workplace satisfaction. In line with global best practices, HR also advanced diversity and inclusion initiatives, ensuring equal opportunity and a supportive work environment. The statement on Gender Pay Gap is separately disclosed in this Annual Report.

The Human Resources section of this Annual Report provides additional details on the department’s activities and initiatives.



## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) at PPL reflects the company's enduring commitment to contribute towards the socio-economic development of deserving communities across Pakistan. As one of the country's largest corporate donors, PPL works to improve quality of life through community transformation in both operational areas and urban centers. The company extends financial and in-kind support — voluntary as well as obligatory — for diverse, long-term, on-ground projects nationwide.

During 2024-25, PPL spent Rs. 4.65 billion on CSR initiatives, with a strong focus on empowering youth, women, and differently abled individuals. These efforts span education, healthcare, infrastructure development, livelihood generation, sports, and post-disaster rehabilitation.

### CSR INITIATIVES & BOARD'S COMMITMENT

The Board of Directors has mandated a minimum allocation of 1.5% of annual pre-tax profit towards CSR initiatives. CSR is embedded as a vital and continuous business function, with the Board and management rigorously reviewing project proposals, merits, outcomes, and long-term impact. This approach promotes innovation, strengthens local institutions, and ensures sustainable development in operational areas and society at large.

For PPL, CSR is not a one-time contribution but a strategic, long-term process designed to deliver measurable benefits for communities.

### FOCUS AREAS & STAKEHOLDER ENGAGEMENT

PPL's CSR program prioritizes underserved communities, particularly those located near operational sites in Sindh, Balochistan, and Punjab, while also extending support to major urban centres.

**VOLUNTARY INITIATIVES:** PPL actively engages local communities, public representatives, government officials, joint venture partners, and civil society organizations to design and implement projects aligned with local needs. Regular assessments and monitoring ensure sustainability, effectiveness, and transparency.

**MANDATORY INITIATIVES:** For obligatory social welfare schemes, PPL strictly adheres to regulatory guidelines, while also making internal arrangements to ensure swift and efficient fund utilization.

Through this dual approach, PPL not only fulfills its legal obligations but also safeguards the interests of local communities and ensures the long-term success of its CSR program.





Details of the Company's CSR activities are presented in the Corporate Social Responsibility section of this Annual Report.

## INFORMATION TECHNOLOGY GOVERNANCE

The Information Technology Department continued to drive PPL's digital transformation agenda, delivering strategic initiatives that created measurable business value. Guided by a vision of innovation, resilience, and operational excellence, the department advanced smarter, faster, and more secure operations through infrastructure upgrades, process automation, and technology enablement aligned with evolving business needs.

A key focus during the year was enterprise-wide adoption of modern digital tools and platforms, enhancing system performance, user experience, and governance. Proactive integration of new solutions was achieved while upholding rigorous standards of compliance, and risk management.

Subsequent to year-end, PPL experienced a cybersecurity incident on 6 August 2025. The Company's response protocols were promptly activated, enabling swift containment in coordination with external experts. Production operations remained unaffected, and cloud services continued to function normally, while on-premises IT services were swiftly brought offline to prevent further spread. Subsequently, all IT services have been restored and the matter has been reported to relevant authorities. A forensic review is also underway to further strengthen cyber resilience. Further details on IT Governance are provided in the Information Technology Governance section of this Annual Report.

 <b>DIGITAL TRANSFORMATION &amp; INNOVATION</b>	 <b>CYBERSECURITY &amp; GOVERNANCE</b>	 <b>IT INFRASTRUCTURE &amp; CONNECTIVITY</b>	 <b>SUSTAINABILITY &amp; ESG</b>
<ul style="list-style-type: none"> <li>• 50 SAP Fiori apps deployed across Finance, HCM and Procurement</li> <li>• AI/ML integration in seismic data processing</li> </ul>	<ul style="list-style-type: none"> <li>• ISO 27001 Certification - first in the energy sector</li> <li>• Air-gapped cyber recovery solution implemented</li> </ul>	<ul style="list-style-type: none"> <li>• GPU-based Virtual Desktop Infrastructure (VDI) for high-performance apps</li> <li>• 99%+ services uptime and 98% SLA compliance for IT services</li> </ul>	<ul style="list-style-type: none"> <li>• Commitment to carbon footprint reduction, digitization, and cyber security</li> <li>• Alignment with global sustainability benchmarks</li> </ul>

## BUSINESS CONTINUITY MANAGEMENT SYSTEM (BCMS)

The Company's Business Continuity Management (BCM) framework is aligned with ISO standards and UK's Business Continuity Institute guidelines. Key components of the BCM framework include Business Impact Analysis (BIA), Risk Assessment, Business Continuity Strategy Development, Business Resumption Plans (BRPs), and Exercise & Testing.

The Company further strengthened its BCM framework during the year through strategic initiatives aimed at enhancing resilience and preparedness across operations. Awareness sessions were held organization-wide to embed business continuity practices into the corporate culture. A BCM Policy, approved by the Board in October 2024, was formally rolled out to guide response to unforeseen disruptions and ensure continuity of critical functions.

PPL completed comprehensive Business Impact Analyses (BIAs) across 42 departments and locations, identifying 142 critical processes and defining key parameters such as Maximum Tolerable Period of Disruption (MTPD), Recovery Time Objective (RTO) and Recovery Point Objective (RPO). Based on these findings, contingency strategies and resource plans were developed, leading to the revamp of 70% of Business Resumption Plans (BRPs), with the rest to be completed next year. Preparedness was validated through an after-hours call-tree exercise, while Business Continuity Teams with defined roles were established to further strengthen organizational resilience.

Collectively, these efforts reaffirm PPL's commitment to ensure the uninterrupted delivery of services, while safeguarding operational integrity and readiness against potential disruptions.



## BUSINESS EXCELLENCE

The recently established Business Excellence Department is emerging as a cornerstone of strategic discipline and value creation across the organization. The department has been established to promote structured thinking, strengthen performance discipline, and embed continuous improvement practices, thereby supporting the Company's long-term objectives.

Over the past year, the department has made significant strides in institutionalizing best practices and enabling informed decision-making:

**VALUE ASSURANCE PROCESS:** All major projects across the organization were routed through the Value Assurance process aimed at ensuring value optimization. This process, governed by the Business Excellence function, has become a critical checkpoint in project governance.

**CORPORATE DIALOGUE SESSIONS:** A series of structured corporate dialogue sessions were conducted with company employees, fostering cross-functional alignment, surfacing strategic insights, and reinforcing a culture of collaboration and transparency.

**HYPOTHESIS TESTING & BENCHMARKING:** Multiple hypothesis testing exercises were carried out to validate key assumptions and identify improvement opportunities. Additionally, benchmarking studies, including competitor analysis, were conducted to inform strategic positioning and performance enhancement.

**BUSINESS EXCELLENCE FRAMEWORK:** A comprehensive Business Excellence Framework was developed, encapsulating the key focus domains, and governance mechanisms that will guide the Company's journey toward excellence. The framework is scheduled for phased rollout in the upcoming year and is expected to serve as a unifying model for excellence.

## CORPORATE GOVERNANCE

PPL is committed to upholding the highest standards of corporate governance by ensuring transparency, accountability, and ethical conduct across all operations. Guided by the applicable regulatory requirements, the Company's governance framework enables the Board of Directors to provide strategic oversight, ensure regulatory compliance, and safeguard stakeholder interests. During the year, the Board continued to play a central role in aligning PPL's refreshed Vision and Mission with its long-term objectives, reinforcing the Company's commitment to sustainability, operational excellence, and value creation.

## FUNCTIONING OF THE BOARD

The Board holds a pivotal role in steering and supervising the Company's strategic direction. Its core responsibilities encompass defining long-term objectives, monitoring overall business performance, ensuring compliance with regulatory frameworks, overseeing financial management, and proactively identifying and mitigating key risks. Fundamentally, the Board ensures that the Company is effectively governed and consistently aligned with its vision, mission, and strategic priorities.

In FY 2024–25, the Company marked a significant milestone - 75 years since its incorporation in June 1950. To honour this distinguished legacy while setting the stage for future growth, the Board approved a strategic initiative aimed at repositioning the Company from a traditional exploration and production (E&P) business into a diversified Energy Company. In line with this transformation, the Board endorsed a refreshed Vision, Mission, Core Values, and Corporate Identity, symbolizing the Company's strengthened commitment to innovation, sustainability, and long-term energy security.

The Securities and Exchange Commission of Pakistan (SECP) has recently mandated the adoption of IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), effective from the financial year 2025–26. In accordance with SECP guidelines, the Board has established a new committee, titled the Board Environmental, Social and Governance (ESG) Committee.

In line with the regulatory requirements, the Board is required to establish six statutory Board Committees. The Board has formed seven committees, the additional being 'Board Strategy and Finance Committee,' to assist in performing its functions efficiently and to support the decision-making process. All Board Committees operate according to their respective Terms of Reference.

The Board has delegated certain responsibilities to its committees, which function as specialized sub-groups of the full Board. These committees dedicate focused time and resources to address specific matters, often seeking input from subject matter experts to enhance decision-making. They provide detailed reports and recommendations to the Board, enabling informed oversight.

Directors devote significant time to both Board and Committee meetings and actively engage with the executive team to ensure the effectiveness of the governance framework.

In addition, the Board has delegated specific powers to the CEO and the management team for overseeing the Company's day-to-day operations. Clear limits of authority for the CEO and management have been formally approved by the Board to ensure accountability, operational efficiency, and alignment with overall corporate objectives.

## COMPOSITION OF THE BOARD

The names and status of the directors are set out in the 'Company Information' section of the Annual Report. The names of persons holding directorship during the financial year are disclosed in the "Attendance of Board and Committee Meetings" section of this Annual Report.

The independent directors have declared their independence as required under sub-regulation (3) of regulation 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

## DIVERSITY ON THE BOARD

The Company's Board comprises a diverse mix of professionals with broad expertise across various business and industry sectors. Collectively, the directors bring strong credentials and experience in leadership, corporate governance, law, finance, engineering, and exploration and production. This diversity of knowledge and perspective ensures effective oversight and strategic guidance. As of year-end, the Board consisted of five independent directors, four non-executive directors, and the Chief Executive Officer.

## CASUAL VACANCIES ON THE BOARD

During the year, the Board experienced three casual vacancies. The resignations of Mr. Awais Manzur Sumra and Mr. Hassan Mehmood Yousufzai were addressed through the appointments of Mr. Qumar Sarwar Abbasi and Mr. Zafar Abbas, respectively. However, the vacancy resulting from the unfortunate passing of Ms. Khurshid Bhaimia remained unfilled, as the Company had not yet received a nomination from its majority shareholder, the Government of Pakistan.

## PROFILES OF DIRECTORS

Detailed profiles of the directors, highlighting their educational background, professional experience, and involvement in other organizations, are provided in the "Profiles of the Board of Directors" section of the Annual Report.



## ROLES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Chief Executive Officer (CEO) are distinctly defined, with clear separation of responsibilities to ensure effective governance and operational management.

The Chairman is responsible for leading the Board and overseeing its governance functions. This includes setting the agenda for Board meetings, facilitating constructive discussions, fostering consensus on key decisions, and encouraging active engagement from all directors. The Chairman ensures the Board operates efficiently, remains strategically focused, and supports the ongoing development of its members. Additionally, the Chairman conducts voting on significant strategic policies proposed by the CEO and management. Under the Chairman's guidance, the Board monitors the Company's profitability, sustainability, and long-term growth objectives.

The Chief Executive Officer is responsible for the day-to-day management of the Company's operations, in accordance with the direction and oversight provided by the Board. The CEO ensures the execution of strategies and policies approved by the Board, while safeguarding the Company's resources. This includes ensuring that funds are used economically, efficiently, and effectively, and that all statutory obligations are met.

## BOARD COMMITTEES

The key features of the Terms of Reference for the Board Committees are provided in the "Board Committees" section of this Annual Report. During the financial year, the Board of Directors held nine meetings, while the Board Committees convened twenty-six times. Details of directors' attendance at these meetings are presented in the "Attendance of Board and Committee Meetings" section of this Annual Report.

## ANNUAL PERFORMANCE EVALUATION

In accordance with the Public Sector Companies (Corporate Governance) Rules, 2013, the evaluation of the Board's performance is conducted under the oversight of the Federal Government. Pursuant to these directives, the Pakistan Institute of Corporate Governance (PICG) was engaged to assess the performance of the Board and its members for the financial year 2023–24. Following the year end, the Board Performance Evaluation exercise for the year 2024–25 has also been initiated.

During the year, the Board reviewed the performance of the Chief Executive Officer against pre-defined operational, tactical, and strategic objectives. The Federal Government also retains the authority to evaluate the performance of the CEO.

## ORIENTATION PROGRAMME FOR THE DIRECTORS

Directors appointed during the year were provided with comprehensive briefings on the Company's business, operations, and operating environment, as well as their roles and responsibilities as Board members. Welcome packs for the directors included the Company's Memorandum and Articles of Association, along with its Quarterly and Annual Reports, to facilitate a thorough understanding of the Company's governance and performance.

## DIRECTORS' TRAINING PROGRAMME

The directors remain fully cognizant of their duties and are committed to performing them in accordance with the highest standards of corporate governance. As of year-end, the Company was largely compliant with the optional requirements of the Directors' Training Program, as outlined in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

## TERM OF THE BOARD AND ELECTION OF DIRECTORS

The term of the existing Board of Directors of the Company expired in December 2023. Prior to the expiry, the Ministry of Energy – Petroleum Division advised that the election of the Board could be deferred for six months to allow the Federal Government sufficient time to finalize nominations for the independent and ex-officio directors. In compliance with legal requirements, the Company submitted an Impediment Report to the SECP. In response, the SECP confirmed that, under the relevant legal provisions, the Company had ninety (90) days following the Board's term expiry to hold a shareholders' meeting for the election of a new Board.

Upon completion of the ninety-day period, the Company applied to the SECP for an extension to conduct the election on or before 21st September 2024. Subsequently, the Ministry of Energy – Petroleum Division requested a further extension, as Federal Government nominations had not yet been finalized. The Company applied to the SECP for an additional six-month extension to hold the Extraordinary General Meeting (EGM) for the election of directors. The SECP clarified that any overdue meeting held without invoking Section 147 of the Companies Act, 2017 would still be considered valid if conducted in accordance with the law.

The Company will proceed with arrangements for the election of directors once nominations and proxies are received from the Government. Meanwhile, under Section 158 of the Companies Act, 2017, the existing directors will continue to fulfill their responsibilities until their successors are formally elected.

## REMUNERATION TO NON-EXECUTIVE DIRECTORS

The Company does not offer any remuneration to non-executive directors beyond the directors' fees paid for attending meetings of the Board and its Committees, and general meetings of shareholders.

## ADDITIONAL DIRECTORSHIPS HELD BY EXECUTIVE DIRECTOR

The Chief Executive Officer (CEO) of the Company also serves as a director on the boards of the Company's wholly-owned subsidiaries, PPL Asia E&P B.V. and PPL Europe E&P Limited, as well as associated companies including Reko Diq Investments Limited, Reko Diq Holdings Limited, Reko Diq Mining Company (Pvt) Limited, and Pakistan Minerals (Pvt) Limited. Furthermore, he holds the positions of CEO of PIOL and serves as a director on its board. He also serves as a director of the Petroleum Institute of Pakistan.

## SECURITY CLEARANCE OF FOREIGN DIRECTORS

No foreigner is appointed on the Board of the Company.

## BOARD MEETINGS HELD OUTSIDE PAKISTAN

No meeting of the Board was held outside Pakistan.

## CONFLICT OF INTEREST RELATING TO THE BOARD OF DIRECTORS

The Company's Code of Conduct for the Board of Directors mandates that each director must avoid any conflict of interest with the Company, its subsidiaries, associated companies, and undertakings. Directors are required to promptly disclose any actual or potential conflict of interest to the Company. As a good practice of Corporate Governance, directors are required to disclose their actual or potential conflict of interest in any of agenda items of the Board or Board Committees, at the start of every meeting.

Conflict of interest matters involving directors are addressed in accordance with the relevant provisions of the Companies Act, 2017, the Public Sector Companies (Corporate Governance) Rules, 2013, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Company's Articles of Association.

## TRANSACTIONS WITH RELATED PARTIES

Related party transactions are carried out on commercial terms and the details thereof are placed periodically before the Board Audit Committee for review and recommendation to the Board for approval. Any interest in related party transactions by the members of the Board is disclosed to the Company. The details of related party transactions are disclosed in notes to the Company's financial statements for the year ended June 30, 2025.

## INTERNAL AUDIT

The Company maintains an independent internal audit function that reports directly to the Board Audit Committee. Staff within the internal audit department have unrestricted access to all records and information necessary to perform their duties effectively. The scope of the internal audit function is clearly defined in the Internal Audit Charter, which has been approved by the Board.

## SIGNIFICANT POLICIES

The significant policies of the Company include:

- Environmental, Social & Governance (ESG) Policy
- Business Continuity Management Policy
- Code of Conduct
- Corporate Communication Policy
- Corporate Donation Policy
- Enterprise Risk Management Policy
- Exploration and Farm-in/Farm-out Strategy for Sustained Growth
- Human Resource Management Policy
- Incident Reporting Policy
- Investment Policy
- Policy for Appointment / Reappointment of External Auditors
- Provision of Additional Services by External Auditors
- QHSE Policy
- Whistle Blowing Policy (Details are mentioned on the Company's website)

## SHAREHOLDERS' GRIEVANCE

The Company is dedicated to addressing shareholder grievances in a timely and efficient manner. Shareholders can submit complaints or inquiries via the online feedback and complaints form on the Company's website. Additionally, the Share Registrar acts as the main point of contact for shareholders, with complaints or inquiries accepted through letters, email, telephone, facsimile, or direct submission to the Company.

During the year, 644 shareholders approached the Company's Share Registrars to update their bank mandates and correct IBAN details for the release of outstanding dividends, which were subsequently paid. In addition, 67 shareholders requested corrections to their postal addresses, while 213 shareholders applied for verification of share transfer deeds. A further 649 shareholders contacted the Registrars on various matters, including loss of share certificates, submission of zakat declarations, determination of shareholding proportions for accurate withholding tax deductions, and submission of documents for transmission of shares to legal heirs of deceased shareholders.

## ENGAGEMENT WITH STAKEHOLDERS

The Company places high importance on the views and concerns of its shareholders. During Annual General Meetings (AGMs), dedicated question-and-answer sessions are conducted, enabling stakeholders to raise inquiries, which are addressed comprehensively. The Chairman of the Audit Committee was present at the Annual General Meeting to address queries concerning the Committee's activities during the year, as well as other significant matters within the scope of its responsibilities.

In addition, annual corporate briefing sessions are held in compliance with the requirements of the Pakistan Stock Exchange, where financial and business analysts participate and obtain clarifications on their various general as well as technical queries related to the business of the Company.

All matters discussed during the AGM, along with the corresponding decisions, are formally recorded in the minutes of the meeting. These minutes are submitted to the Pakistan Stock Exchange and are made available to shareholders free of charge during the AGM.

As the Federal Government is the Company's major shareholder, the Board—including non-executive directors—remains fully informed of the major shareholder's perspectives, ensuring that these views are considered and effectively communicated to management.





#### MINORITY SHAREHOLDERS

The Company acknowledges and values the interests of all its stakeholders, including shareholders, employees, creditors, customers, business partners, and local communities. Shareholders are encouraged to actively participate in both Annual and Extraordinary General Meetings (AGMs and EGMs) to share their suggestions and feedback. To facilitate this, the Company makes the following arrangements:

**Dispatch of Notices:** Notices of the AGM/EGM are sent to all shareholders at least 21 days prior to the meeting, along with the Annual Report.

**Publication:** Notices of the AGM/EGM are published in newspapers with wide circulation in Karachi, Lahore, and Islamabad in both English and Urdu.

**Online Availability:** Notices are also posted on the Pakistan Stock Exchange's online portal and the Company's website.

**Annual Report Distribution:** Printed copies of the Annual Report are sent to shareholders on specific request and are distributed at the venue of AGM.

**Proxy Appointment:** The Company facilitates shareholders in appointing proxies.

**Minority Shareholder Representation:** For elections of directors, the Company supports minority shareholders by publishing their statements and proxy forms in the newspapers.

#### BOARD'S STATEMENT ON GENDER DIVERSITY & GENDER PAY GAP

The Board is committed to ensuring that the Company provides equal employment opportunities and implements a robust diversity and inclusion strategy in line with applicable laws and agreements. The Company does not discriminate on the basis of gender, race, religion, color, ethnicity, marital status, or social class.

In compliance with the directives of the SECP, issued through Circular No. 10 of 2024, the Board has approved a Statement on Gender Pay Gap. This statement is included in the Company's Annual Report and is also disclosed on the Company's website.

#### PAKISTAN SOVEREIGN WEALTH FUND ACT, 2023

During FY 2023-24, the Government of Pakistan promulgated the Pakistan Sovereign Wealth Fund Act, 2023 (the Act). In accordance with Section 9(2) of the Act, the Government's shareholding in the Company was transferred by operation of law to the Pakistan Sovereign Wealth Fund (PSWF). The Company is currently awaiting further instructions from the Government to undertake the requisite corporate actions necessary for formally recording this transfer.

Additionally, Section 50 of the Act provides that the Fund, along with State-Owned Enterprises in which the Fund maintains a majority interest, shall not be subject to the provisions of the State-Owned Enterprises (Governance and Operations) Act, 2023 (the SOE's Act), which came into effect during FY 2022-23. As a result, PPL stands exempt from compliance requirements stipulated under the SOE's Act.

#### STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

The Directors are pleased to state that:

- i. The Board has complied with the principles of corporate governance.
- ii. The financial statements prepared by the Company's management present a true and fair view of its state of affairs, results of operations, cash flows and changes in equity.
- iii. Proper books of accounts have been maintained by the Company.
- iv. Appropriate accounting policies have been used in the preparation of the financial statements and any changes in accounting policies have been disclosed. Accounting estimates are based on reasonable and prudent judgment.
- v. The financial statements comply with the accounting and reporting standards as applicable in Pakistan.
- vi. Systems of internal control are sound in design and have been effectively implemented, regularly reviewed and monitored.
- vii. The reasons for significant deviations from the preceding year's operating results have been explained in the relevant sections of the Directors' Report.
- viii. Key operating and financial data for the last six years is given in the "Six Years' Summary" section of the Annual Report.
- ix. Information about outstanding taxes, duties, levies and charges, is given in the notes to the financial statements.
- x. Significant plans and decisions in respect of corporate restructuring, business expansion and discontinuation of operations, where applicable, have been outlined in the Annual Report. Future prospects, risks and uncertainties have also been disclosed in the relevant sections of the Directors' Report.
- xi. Appointment of the Chairman and other directors, the terms of their appointment and remuneration policy, are in the best interests of the Company and in accordance with best practices.
- xii. The Key Performance Indicators relating to the Company's social objectives and outcomes have been disclosed in the relevant sections of the Directors' Report.

- xiii. The value of investments in employee retirement funds based on the latest audited accounts as at June 30, 2024 is:

#### INVESTMENT AMOUNTS AS PER LATEST AUDITED ACCOUNTS AS AT JUNE 30, 2024

	Rs. Million
Senior Provident Fund	5,414
Junior Provident Fund	2,117
Executive Staff Gratuity Fund	904
Non-Executive Staff Gratuity Fund	1,247
Executive Staff Pension Fund	13,770
Non-Executive Staff Pension Fund	4,130
Executive Staff Pension Fund Defined Contribution (Shariah)	3,182
Executive Staff Pension Fund Defined Contribution (Conventional)	1,421

- xiv. The number of meetings of the Board and Board Committees held during the year and the attendance thereof by the respective members have been disclosed in the "Attendance of Board and Committee Meetings" section of the Annual Report. The Board and Committees gave leave of absence to the members who were unable to attend any meeting.
- xv. Directors only receive directors' fees for attending meetings of the Board, Board Committees and general meetings. The Company also incurs travelling, lodging and other expenses in connection with attending the Board and Committee meetings. The details of fees paid to each director are included in the Annual Report in the section entitled "Attendance of Board and Committee Meetings".
- xvi. The pattern of shareholding in the Company as at June 30, 2025 is included in the 'Pattern of Shareholding' section of the Annual Report 2025.

## RISK MANAGEMENT FRAMEWORK

During the year, macroeconomic conditions remained relatively stable, with contained inflation and only marginal currency fluctuations. Nonetheless, elevated fiscal pressures—particularly higher taxation—posed structural challenges to operational efficiency and financial performance. Sector-specific risks also persisted, driven by the uncertainties of hydrocarbon exploration in frontier terrains with high costs. Meanwhile, the depletion of mature domestic basins underscored the strategic need for diversification.

In response, the Company remains committed to supporting national energy security while creating sustainable stakeholder value. A disciplined focus on both domestic and international exploration and development continues to anchor long-term growth, complemented by accelerated diversification initiatives. This includes a strategic pivot toward non-traditional revenue streams, especially in mining, to mitigate exposure to declining hydrocarbon productivity.

To navigate this complex environment, the Company's Enterprise Risk Management (ERM) framework is fully integrated into strategy and execution. Its mandate focuses on proactively identifying, assessing, and mitigating enterprise-wide risks to safeguard objectives and ensure sustainable value creation. Implementation of an Integrated Strategy and Risk management Platform acquired during the year is in progress. Sustainability principles remain embedded across operations, reinforcing transparency, responsible governance, and long-term resilience.

The Company has established a dedicated Board Enterprise Risk Committee (BERC) that provides strategic oversight of risk management across the organization. This Committee is supported by the Executive Risk Management (ERM) Committee and the ERM function. As part of its oversight responsibilities, BERC also monitors cybersecurity risks and related matters, including necessary mitigation measures.



FIGURE – Components and Principles of an ERM Framework (from COSO's ERM Integrated Framework – 2017)

The Risk Governance section of this Annual Report contains details of risk governance structure and the Risk and Opportunities report.

## BUSINESS OUTLOOK

PPL is embarking on an ambitious five-year growth journey, guided by a comprehensive long-term strategic plan designed to strengthen its position as a leading energy and mining company.

## EXPLORATION AND PRODUCTION (E&P)

The core of PPL's operations will continue to focus on achieving a challenging reserves replacement ratio over the next five years. This will be driven by a disciplined exploration program encompassing both data gathering/processing and drilling activities.

To maximize exploration potential, PPL plans a 2D and 3D seismic acquisition program and targeted drilling aimed at adding significant resources to sustain and grow 2P reserves.

In addition to domestic initiatives, PPL will actively seek opportunities to expand its international E&P portfolio, aiming to secure meaningful reserve volumes. This strategic diversification will reduce geographic risk and enhance the overall resilience of the Company's asset base.

## DIVERSIFICATION

Complementing its organic growth, PPL is pursuing new mining opportunities to expand its portfolio over the next five years. With the Operating Agreement finalized with the Government of Balochistan, Bolan Mining Enterprises (BME) will now focus on developing the Baryte, Lead & Zinc (BLZ) Project. Work is underway to finalize the Engineering, Procurement, Construction, and Commissioning (EPCC) contract. This project is expected to deliver strong economics and a favorable payback period, positioning it as a significant contributor to PPL's revenue.

Furthermore, PPL holds an 8.33% stake in the Reko Diq Copper & Gold project, with Phase-I targeted for completion in FY 2028-29. Furthermore, exploration activities in block EL-207 have commenced following the acquisition of a 49% stake in a joint venture with M/s Degan Exploration Works (Pvt.) Limited.

Acknowledging the evolving energy landscape, PPL is strategically investing in extending its value chain beyond traditional E&P and mining operations. The Company aims to acquire interests across the energy value chain, positioning itself as a diversified energy player.

## FINANCIAL OUTLOOK

The Company is backing its growth initiatives with a substantial five-year capital allocation. Investments will be strategically deployed across all business segments, with amounts adjusted in response to market conditions and operational requirements. This disciplined capital allocation is intended to derive value creation and enhance overall profitability and market positioning.

Despite its growth initiatives, the Company continues to face challenges in its core domestic gas operations due to the ongoing circular debt crisis. While collections have shown improvement, the settlement of legacy circular debt remains a challenge. To mitigate this, PPL is advocating for the continuation of timely gas price revisions. Furthermore, factors such as declining crude oil prices, a stable exchange rate, lower interest rates, and gas curtailments on the SNGPL network are expected to continue exerting pressure on financial performance. In response, the Company is actively pursuing diversification into mining and international ventures to reduce dependency on domestic gas operations and strengthen its revenue base.

In conclusion, PPL remains committed to creating long-term shareholder value through disciplined execution of its strategic plan. With well-defined priorities and financial strength, the Company is positioned to navigate industry challenges and capitalize on emerging opportunities across both domestic and international markets.

## POST BALANCE SHEET EVENTS

### DIRECTORS

Subsequent to the year-end, Mr. Imran Ahmed, Director General (Oil), Ministry of Energy, Petroleum Division has been appointed as director of the Company in place of Mr. Momin Agha.

### REKO DIQ

Subsequent to the year-end, the Board of Directors of the Company approved an increase in PPL's funding commitment for the Reko Diq Project. The Board also authorized the provision of Completion Guarantees, on a joint and several basis with other SOEs, which will remain in effect until the project achieves financial completion. Furthermore, the SOEs, in aggregate, are subject to minimum shareholding requirements. To this end, on 10th September 2025, the Company held an Extraordinary General Meeting to obtain shareholders' approval to authorize the Company to increase its funding commitments in Phase-I of the development of the Reko Diq Project, in accordance with Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

### DISCOVERIES

Subsequent to the year-end, a discovery was announced in Dhok Sultan 3 in Dhok Sultan block.

### DIVIDEND

The Board of Directors in its meeting held on September 19, 2025, has recommended final cash dividend @ 25% amounting to Rs. 6,802.433 million [2024: @ 25% amounting to Rs. 6,802.433 million] on paid-up value of ordinary share capital. This appropriation will be put forward for approval of the shareholders in the Annual General Meeting scheduled to be held on October 27, 2025.

### AUDITORS

The Company's auditors KPMG Taseer Hadi & Co., who retire at the forthcoming Annual General Meeting are eligible for reappointment for the year 2025-26 and have been recommended by the Board of Directors for reappointment.

CHAIRMAN  
BOARD OF DIRECTORS

KARACHI: SEPTEMBER 19, 2025

CHIEF EXECUTIVE  
OFFICER &  
MANAGING DIRECTOR

SUSTAINING  
LEGACY,  
SECURING  
TOMORROW



# EVENTS & AWARDS

PPL's Platinum Jubilee: 75 Years of PPL's proud legacy was celebrated with unveiling of a revitalized Logo and renewed Vision, Mission and Core Values on June 17, 2025 for stakeholders, senior staff and retirees .



**Townhall 2025**  
PPL's Platinum Jubilee celebrated with unveiling of a revitalized new Logo and renewed Vision, Mission and Core Values with head office & West Wharf staff on June 23, 2025



**Annual Awards 2024-2025**  
Annual Awards 2024-25 were held on February 22, 2025 to appreciate longevity of service for head office and West Wharf staff together with Performance Excellence Awards



**Future Minerals Forum 2025**  
PPL as lead partner in collaboration with MoE (PD) curated and developed Pakistan Pavillion and conducted the ministerial session at Future Minerals Forum 2025 held between January 14-16, 2025, at Riyadh.





● Corporate Philanthropy Award

PPL bagged Corporate Philanthropy Award for 19th consecutive year by Pakistan Centre for Philanthropy on November 22, 2024



● MAP Award

PPL received Certificate of Excellence in oil & gas exploration companies' category from Management Association of Pakistan on October 23, 2024

● SAFA Award

PPL received SAFA's Silver Award for Excellence in reporting for its Annual Report 2023 in Public Sector category on November 11, 2024



● Best Petroleum Company Award

PPL received FPCCI's Best Petroleum Company Award on October 8, 2024



● Best Corporate Report Awards

PPL's Annual Report 2023 secured 3rd position in Fuel & Energy category for Best Corporate & Sustainability Report Awards on October 18, 2024



● Digital Technology Award

PPL bagged Digital Technology Award by ICAP for the 2nd consecutive year on August 2, 2024





● Employer of the Year Award

PPL received Silver Recognition for 10th Employer of the Year Award by Employers' Federation of Pakistan on July 30, 2024



● Revamping of SML Compressors

An event was hosted by Siemens Pakistan on August 2, 2024 to mark the 'Successful Revamping of Sui Main Limestone Compressors' that led to a production gain of 19 MMscfd of gas

● ATC 2024

PPL was one of the leading sponsors of Annual Technical Conference held between February 18 and 19 2025 together with setting up a corporate booth at the event



● GDIB Award

PPL bagged Global Diversity and Inclusion Benchmarks Awards on February 25, 2025, for exemplary practices in 'Work-Life Integration, Flexibility & Benefits'



● PPL Partners with Metso Finland

PPL signed an MoU with Metso Finland on April 12, 2025 to boost mineral exploration in Pakistan





● Sui D&P Lease Signed

PPL and Government of Balochistan signed a historic Memorandum of Agreement for execution of Sui D&P on February 14, 2025 at Sui, Balochistan



● PPL Asia secured USD 6M settlement for Block 8, Iraq

PPL Asia signed an agreement with MdoC on October 6, 2024 to resolve the pending settlement, involving a significant net settlement of USD 6 million paid by MdoC



● Korangi Fire Incident 2025

In the greater national interest, PPL was designated to lead the response, guided by a high-level oversight committee chaired by Mr. Sikandar Ali Memon, MD & CEO (then COO, PPL), to ensure close monitoring for containment of fire in the aftermath of an incident in Korangi, Karachi



● Center of Excellence at UET Lahore inaugurated

PPL-funded Center of Excellence at UET Lahore was inaugurated on May 24, 2025. The centre was established with an input of Rs. 51 million between 2022-2025

# PRODUCTION ACTIVITIES

The Company operates nine producing assets — Sui, Kandhkot, Adhi, Dhok Sultan, Mazarani, Chachar, Hala, Gambat South, and Shah Bandar — in addition to holding working interests in twelve partner-operated producing fields.

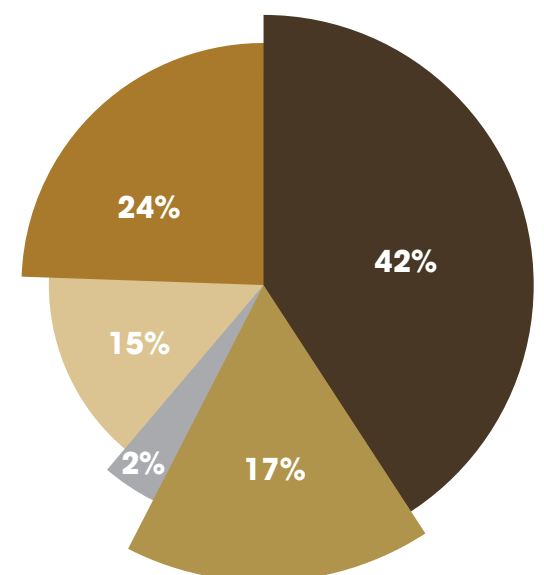
## PPL OPERATED PRODUCING ASSETS

The details of the activities in the Company's operated producing assets are mentioned below:

### SUI & KANDHKOT ASSET

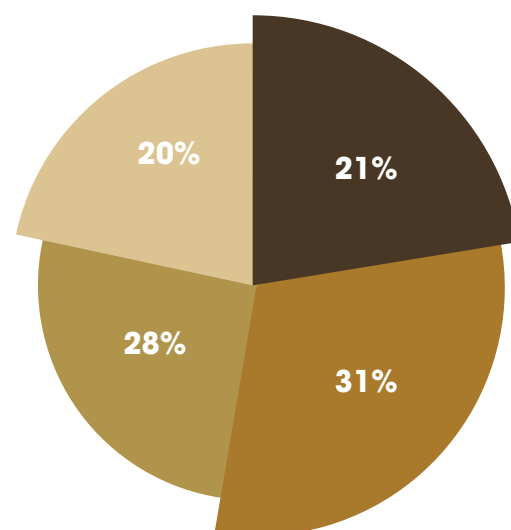
- The average production from Sui field during the year stood at 237 MMscfd, reflecting a 14% decline, primarily due to lower offtakes by SNGPL caused by LNG backpressure and natural decline.
- Workovers on Sui-71 and Sui-73 successfully plugged the Sui Upper Limestone (SUL) formation and deepened wellbores into the Sui Main Limestone (SML) formation, resulting in a combined production gain of 8.4 MMscfd.
- A rig-less intervention job at well Sui-30 restored and optimized production.
- Major overhauling of gas turbines GT-3 and GT-4 was completed, alongside upgrades of the Turbine Control System and Fire & Gas System at the Gas Compression Station at Sui.
- The Sui Development & Production Lease (D&PL) was awarded for ten years up to May 2025 with provision for further extension as per applicable petroleum rules. Request has been submitted for another 15 years effective from June 01, 2025 till May 31, 2040.
- Average production from Kandhkot field for the year stood at 94 MMscfd, showing a 9% decline, largely due to reduced offtakes by GENCO-II.
- Replacement of the Gas Gathering Main (GGM) Section-I pipeline and subsequent re-commissioning of wells KDT-7 was completed.

PPL NET FIELD WISE PRODUCTION OF NATURAL GAS (2024-25)



● Sui ● Kandhkot ● Adhi ● Gambat South ● POP & Others

PPL NET FIELD WISE PRODUCTION OF CRUDE OIL/NGL/CONDENSATE (2024-25)



● Adhi ● Tal ● Nashpa ● Others



### ADHI / DHOK SULTAN ASSET

- Workovers at Adhi-32 and Adhi-31 enabled gas lift — Adhi-32 in May 2025 (160 bpd oil, 0.6 MMscfd gas) and Adhi-31 in July 2025 (100 bpd oil, 2.5 MMscfd gas).
- A comprehensive reservoir simulation study is underway, while petrophysics and basic reservoir engineering have been completed.
- Successful interconnection of three nodal compressors for gas injection lines was commissioned in May 2025 at Adhi field.
- Dhok Sultan Oil Handling Facility is operating at an average production rate of ~1,112 bpd of oil, ~2.0 MMscfd of gas, and ~10 MT/day of LPG.
- An appraisal well DS-3 was drilled during the year and subsequent to year end, resulted in a discovery. During testing, the well flowed 1,469 bpd of oil and 2.56 MMscfd of gas on a 32/64" choke, and 2,113 bpd of oil and 4.13 MMscfd of gas on a 48/64" choke.

### HALA / GAMBAT SOUTH / MAZARANI / SHAH BANDAR ASSET

- At Gambat South, construction of the Zafir/GPF III (60 MMscfd of raw gas) is progressing on a fast-track basis, with multiple work packages mobilized and remaining tenders at advanced stages. Mechanical completion of the project is targeted for July 2026.

- Basal Sand development at Faiz X-1 Deep Well is underway, with potential to add ~800 bpd of condensate. The project entails isolation of Massive Sand Deep, testing of shallow Basal Sand, and subsequent tie-in to Gambat South.
- At the Hala Plant, spare capacity is being utilized to process 5-6 MMscfd of surplus gas from Gambat South. Construction work is in progress to add more volumes for processing at Hala, expected to be completed by June 2026.
- In the Shah Bandar block, the exploratory well Jhim East X-1 was brought online immediately after regulatory approval.
- Two discoveries in different formations at the exploratory well Pateji X-1 in the Shah Bandar block have commenced partial production of 8 MMscfd of gas. The remaining potential is expected to be realized following processing capacity enhancements by early 2026, increasing total production from the block to 35 MMscfd of gas.
- Key optimization jobs were performed including membrane replacement at GPF-IV (Gambat South), scale removal at Fazal X-1 (Hala), and a water shut-off job at Shahdad X-1 (Gambat South) using an acid-soluble cement plug.
- The D&PL of Mazarani field has expired on August 31<sup>st</sup>, 2025. Application for its renewal has been submitted.



### PPL MINING ASSET – BOLAN MINING ENTERPRISES (BME)

- BME achieved its highest-ever sales revenue of PKR 5.4 billion, reflecting a growth of around 40% compared to the previous year.
- The Operating Agreement for the BLZ project was signed, marking a critical milestone towards project execution and long-term sustainability.
- A comprehensive G&G survey of Nokkundi (Pachinkoh and Chigendik) was completed to support reservoir estimation and future iron ore lease development.
- Approximately 6,000 meters of confirmatory/geotechnical drilling remained underway to finalize the Pachinkoh feasibility study.
- No iron ore sales could be made during the year due to delays in mobilization of rental mining equipment and ongoing litigation on a sales tender.

### PARTNER OPERATED PRODUCING ASSETS

Details of activities carried out during 2024-25 in the partner-operated areas along-with performance overview is presented below:

<b>TAL OPERATOR:</b> MOL	<ul style="list-style-type: none"> <li>• Development Well Makori Deep-3 was spud in December 2024 and successfully tested for gas and condensate in the Lockhart formation.</li> <li>• Additionally, three discoveries were made in different formations of Razgir-1 during the year.</li> </ul>
<b>NASHPA OPERATOR:</b> OGDCL	<ul style="list-style-type: none"> <li>• Workover of Mela-8 was completed, and arrangements are underway for the installation of an artificial gas lift system to commence production.</li> </ul>
<b>KIRTHAR OPERATOR:</b> POGC	<ul style="list-style-type: none"> <li>• Development well Rizq-5 was plugged and abandoned due to discouraging results.</li> <li>• Wellsite construction for development well Rizq-6 is ongoing, with spud-in planned for late 2025.</li> </ul>
<b>QADIRPUR OPERATOR:</b> OGDCL	<ul style="list-style-type: none"> <li>• A pilot horizontal well, QP-64, was spud in June 2025 and drilling is in progress. The objective is to exploit the SUL formation potential through a horizontal well with multistage fracturing.</li> </ul>
<b>LATIF OPERATOR:</b> UEP-BETA	<ul style="list-style-type: none"> <li>• Mohar-3 workover was successfully completed after isolating the B-Sand, which had been causing a well load-up due to excessive water production.</li> </ul>
<b>MIANO OPERATOR:</b> UEP-BETA	<ul style="list-style-type: none"> <li>• Development well Miano-30 was spud in October 2024 and was plugged and suspended owing to discouraging log results.</li> </ul>
<b>SAWAN OPERATOR:</b> UEP-BETA	<ul style="list-style-type: none"> <li>• Production from the Sawan D&amp;PL continued during the year.</li> <li>• Exploration well Sawan North Deep-1 was spud in September 2024. During rig-less testing, marginal gas flow was observed. Further evaluation of various options is in progress to assess associated volumes and determine the future course of action.</li> </ul>



# EXPLORATION ACTIVITIES

PPL, together with its subsidiaries and associated entity, maintains a portfolio of 46 exploration blocks comprising 25 operated blocks (23 onshore, one offshore in Pakistan, and offshore Block-5 in Abu Dhabi) and 21 partner-operated blocks (including Block-3 in Yemen). In addition, the Company holds three provisionally awarded blocks: Kalat South (operated), and Ziarat North and Miran (partner-operated). The exploration portfolio is strategically diversified across varying risk profiles, balancing high-risk, high-reward opportunities with lower-risk assets.

With basin maturity leading to smaller discoveries, PPL is intensifying efforts in frontier regions to pursue larger prospects, while continuing activity in mature basins to capitalize on existing infrastructure and reduce overall portfolio risk.

A significant milestone during the year was the execution of the Production Concession Agreement (PCA) for development of three pre-existing discoveries in Offshore Block-5, Abu Dhabi. The agreement secures PPL's 40% working interest in partnership with Abu Dhabi National Oil Company (ADNOC) and where ADNOC Offshore is the operator.

## PPL OPERATED DOMESTIC ASSET EXPLORATION BLOCKS

Exploration activities in these blocks are summarized below:

<b>GAMBAT SOUTH</b>	<ul style="list-style-type: none"> <li>• Preparations are underway for civil works of exploration well Taban East X-1.</li> <li>• Bidding for merged reprocessing of 2,500 sq. km of 3D seismic data is in progress.</li> <li>• In-house geological and geophysical (G&amp;G) evaluation continued to mature additional prospects for exploratory drilling.</li> </ul>
<b>KANDHKOT</b>	<ul style="list-style-type: none"> <li>• Prospectivity evaluation of limestone beds in the Lower Alabaster formation yielded encouraging results, leading to the spud-in of the first exploratory well, LAL X-1, in June 2025 to test hydrocarbon potential.</li> </ul>
<b>HALA</b>	<ul style="list-style-type: none"> <li>• Completed post-well core sedimentology study of Maarab X-1.</li> <li>• Concluded bidding for third-party Integrated Sequence Stratigraphy Study; contract award is in progress.</li> <li>• In-house G&amp;G evaluation continues to mature prospects for drilling.</li> </ul>
<b>KOTRI</b>	<ul style="list-style-type: none"> <li>• Applied for relinquishment upon license expiry in November 2023, excluding Yasar X-1 discovery area.</li> <li>• Preparations are underway for re-bidding of third-party gas sales from Yasar X-1.</li> </ul>

<b>SORAH</b>	<ul style="list-style-type: none"> <li>Completed Pre-Stack Depth Migration (PSDM) of 861 sq. km of 3D and 65 line km of 2D seismic data.</li> <li>Finalized seismic AVO inversion feasibility study.</li> <li>Conducted in-house interpretation of time-and depth-processed 3D and 2D seismic data.</li> <li>Integrated G&amp;G evaluation and environmental studies are ongoing to mature drilling prospects.</li> </ul>
<b>GAMBAT-II</b>	<ul style="list-style-type: none"> <li>Completed G&amp;G evaluation of vintage data.</li> <li>Environmental study for planned seismic data acquisition is in progress.</li> </ul>
<b>SIRANI</b>	<ul style="list-style-type: none"> <li>Civil works for exploration well Dolphin X-1 are in progress.</li> <li>Completed in-house PSDM processing of 400 sq. km of 3D seismic data.</li> <li>In-house G&amp;G evaluation is in progress.</li> </ul>
<b>NAUSHAHRO FIROZ</b>	<ul style="list-style-type: none"> <li>Applied for relinquishment upon license expiry in February 2023, excluding 266 sq. km covering Naushahro Firoz X-1 and Nusrat X-1 discovery areas.</li> <li>Re-bidding process for third party gas sales from Naushahro Firoz X-1 discovery through virtual pipeline is underway.</li> </ul>
<b>SHAH BANDAR</b>	<ul style="list-style-type: none"> <li>Pateji X-1 was drilled and resulted in two discoveries in different formations. Discoveries have been made in all three exploration wells drilled to-date.</li> <li>Preparations for two additional exploratory wells Rahi X-1 &amp; Boohar X-1 are underway.</li> <li>In-house G&amp;G evaluation is continuing in parallel.</li> </ul>
<b>BASKA</b>	<ul style="list-style-type: none"> <li>Drilling of first exploration well Durug X-1 has been completed and well was plugged and abandoned (P&amp;A).</li> <li>Completed Pre-Stack Time Migration (PSTM) and PSDM reprocessing of 117 sq. km 3D seismic data; interpretation is in progress.</li> <li>No bids received for 2D seismic data acquisition; re-bidding planned.</li> <li>In-house Integrated G&amp;G evaluation is in progress.</li> <li>Civil works for the appraisal well Savi Ragha-1 were suspended due to security concerns.</li> </ul>
<b>DHOK SULTAN</b>	<ul style="list-style-type: none"> <li>Dhok Sultan-03 was drilled to target depth of 5,815 m. During the Drill Stem Test (DST), well flowed hydrocarbons from Patal-Lockhart formations and it was announced as a discovery subsequent to the year-end.</li> <li>Completed 3D Mechanical Earth Modelling for Dhok Sultan discovery area.</li> <li>Bid evaluation for reprocessing of 350 sq. km of 3D seismic data is in progress.</li> <li>In-house integrated G&amp;G evaluation is in progress.</li> </ul>
<b>KARSAL</b>	<ul style="list-style-type: none"> <li>Completed interpretation and mapping of reprocessed 3D seismic data and its integration with fracture characterization study.</li> <li>Applied for relinquishment of the block, effective 10 February 2025, due to low prospectivity.</li> </ul>
<b>HISAL</b>	<ul style="list-style-type: none"> <li>Completed PSTM and PSDM processing of 233 sq. km of 3D seismic data; fracture characterization study is in progress.</li> <li>Interpretation &amp; mapping of processed 3D seismic data is in progress.</li> </ul>
<b>PUNJAB</b>	<ul style="list-style-type: none"> <li>Completed PSDM processing of 293 line km of 2D seismic data.</li> <li>In-house integrated G&amp;G evaluation is in progress.</li> </ul>

## PPL OPERATED FRONTIER ASSET EXPLORATION BLOCKS

Exploration activities in these blocks are summarized below:

<b>BARKHAN</b>	<ul style="list-style-type: none"> <li>Planning for 3D seismic acquisition is underway. Geological fieldwork (GFW) will be conducted with seismic survey.</li> <li>In-house integrated G&amp;G evaluation is in progress.</li> </ul>
<b>BELA WEST</b>	<ul style="list-style-type: none"> <li>JV partners decided not to re-enter Bela West X-1 due to technical and cost concerns.</li> <li>Planning for the acquisition of new 2D seismic data has been completed, and the 3D seismic design study is currently underway.</li> <li>In-house integrated G&amp;G evaluation of the block is in progress.</li> </ul>
<b>HUB</b>	<ul style="list-style-type: none"> <li>Applied to DGPC for relinquishment upon license expiry in February 2022, excluding 150 sq. km around Hub X-1 discovery.</li> </ul>
<b>KALAT</b>	<ul style="list-style-type: none"> <li>Completed post-well evaluation study of exploratory well Murad X-1.</li> <li>Completed processing and interpretation of 250 line km of 2D seismic data.</li> <li>Bidding for the Magnetotelluric (MT) survey is in progress.</li> </ul>
<b>KALAT WEST</b>	<ul style="list-style-type: none"> <li>Completed acquisition, processing, and modeling of 2,832 line km of gravity-magnetic data.</li> <li>Completed GFW and post-GFW studies along with data interpretation.</li> <li>Preparations are underway to acquire 500 line km of 2D seismic data.</li> <li>Bidding for MT survey is in progress.</li> </ul>
<b>KHARAN &amp; KHARAN EAST</b>	<ul style="list-style-type: none"> <li>Completed in-house 3D basin modelling study.</li> <li>Preparations for outsourced prospectivity study are underway.</li> <li>In-house integrated G&amp;G evaluation is in progress.</li> </ul>
<b>KHUZDAR</b>	<ul style="list-style-type: none"> <li>Acquisition of 260 line km of 2D seismic data over Shutruk lead is in progress.</li> <li>In-house integrated G&amp;G evaluation of the block is in progress.</li> </ul>
<b>MARGAND</b>	<ul style="list-style-type: none"> <li>Completed interpretation &amp; mapping of new and vintage 2D seismic data.</li> <li>Bidding for MT survey in progress.</li> <li>Morgandh appraisal feasibility study is ongoing.</li> </ul>
<b>MUSAKHEL</b>	<ul style="list-style-type: none"> <li>Completed structural modeling and 1D Mechanical Earth Model studies.</li> <li>Preparations underway for civil works of first exploration well Kashf X-1.</li> </ul>
<b>NAUSHERWANI</b>	<ul style="list-style-type: none"> <li>Completed in-house 3D basin modelling study.</li> <li>In-house integrated G&amp;G evaluation is in progress.</li> </ul>
<b>SUI NORTH</b>	<ul style="list-style-type: none"> <li>Completed interpretation &amp; mapping of vintage 2D seismic data.</li> <li>Preparations underway for bidding of 2D seismic acquisition.</li> </ul>
<b>EASTERN OFFSHORE INDUS-C</b>	<ul style="list-style-type: none"> <li>Completed interpretation &amp; mapping of reprocessed 2D &amp; 3D seismic.</li> <li>Third-party prospectivity evaluation is in progress.</li> <li>In-house 3D basin modelling is in progress.</li> <li>Preparations are underway to acquire 500 sq. km of 3D seismic data with drilling of first exploratory well being targeted by Q4 FY 2026-27.</li> </ul>
<b>SHAIGALU</b>	<ul style="list-style-type: none"> <li>Completed G&amp;G evaluation of vintage data.</li> <li>Completed processing of 130 line km of vintage 2D seismic data.</li> <li>Planning for acquisition of gravity-magnetic data completed, bidding preparation underway.</li> <li>Bidding for GFW is in progress.</li> </ul>

## PARTNER OPERATED BLOCKS

Exploration activities in these blocks are summarized below:

<b>KIRTHAR</b> OPERATOR: POGC	<ul style="list-style-type: none"> <li>Exploration well Rafat-1 was spud in September 2024 and resulted in a gas discovery, flowing 1.1 MMscfd. The operator is evaluating low-cost tie-in options to enable economic production.</li> </ul>
<b>LATIF</b> OPERATOR: UEP-BETA	<ul style="list-style-type: none"> <li>Exploration well Tor-1 was spud in May 2024 and resulted in a gas discovery, flowing 11.3 MMscfd.</li> <li>In-house G&amp;G evaluation is ongoing to mature prospects for drilling of exploratory well.</li> </ul>
<b>NASHPA</b> OPERATOR: OGDCL	<ul style="list-style-type: none"> <li>Exploration well Baragzai-1 was spud in December 2024. Drilling activities are in progress. The well is targeting a prospective structure with potential for reserves replacement.</li> </ul>
<b>TAL</b> OPERATOR: MOL	<ul style="list-style-type: none"> <li>Exploration well Razgir-1 was successfully drilled and declared as a gas and condensate discovery in three different formations. Tie-in activities have been completed, with first production expected in 2025.</li> <li>Completed wellsite construction for exploratory well Bilitang-1. Spud-in is planned within 2025.</li> </ul>
<b>GHAURI</b> OPERATOR: MARIENERGIES	<ul style="list-style-type: none"> <li>Wellsite construction for exploratory well Ghauri East-1 is in progress, with spud-in expected within 2025.</li> <li>The well will test new geological prospects within the block.</li> </ul>
<b>KOTRI NORTH</b> OPERATOR: UEP-BETA	<ul style="list-style-type: none"> <li>Takri-1 and Takri-2 were drilled and completed as gas producers (producing ~4.5 MMscfd and ~6.5 MMscfd of gas respectively).</li> <li>Barki-1 drilled to target depth; completion/testing is in progress.</li> <li>Other G&amp;G evaluations are in progress.</li> </ul>
<b>PEZU</b> OPERATOR: OGDCL	<ul style="list-style-type: none"> <li>Awaiting security NOC for 3D seismic acquisition.</li> <li>Other G&amp;G evaluations are in progress.</li> </ul>
<b>SHAKAR GANJ WEST</b> OPERATOR: OGDCL	<ul style="list-style-type: none"> <li>Interpretation &amp; mapping of reprocessed 2D seismic data is in progress.</li> <li>Other G&amp;G evaluations are in progress.</li> </ul>
<b>SULEIMAN BLOCK</b> OPERATOR: OGDCL	<ul style="list-style-type: none"> <li>Acquired 731 line km of 2D seismic data, with processing completed at OGDCL's processing center.</li> <li>It is also being processed by a third party for comparison and validation.</li> </ul>
<b>KUHAN</b> OPERATOR: UEP-BETA	<ul style="list-style-type: none"> <li>548 line km of 2D seismic data was acquired, processed, interpreted, and mapped.</li> <li>Drilling of first exploration well Sabzkani-1 completed, and the well was P&amp;A.</li> <li>Post-well studies and G&amp;G evaluations are ongoing.</li> </ul>
<b>KHUZDAR NORTH</b> OPERATOR: OGDCL	<ul style="list-style-type: none"> <li>Completed structural modelling and in-house G&amp;G data integration.</li> <li>Preparations for first exploration well are underway.</li> </ul>
<b>DADHAR &amp; MACH</b> OPERATOR: MARIENERGIES	<ul style="list-style-type: none"> <li>Completed interpretation &amp; mapping of vintage 2D seismic data.</li> <li>Award of contract for acquisition of gravity-magnetic data is delayed due to security concerns.</li> <li>Planning for 2D seismic in northern part of Dadhar block is underway.</li> <li>G&amp;G evaluation is ongoing.</li> </ul>
<b>SOUTH PISHIN</b> OPERATOR: MARIENERGIES	<ul style="list-style-type: none"> <li>Completed review and evaluation of vintage G&amp;G data.</li> <li>Planning for acquisition of gravity-magnetic data and geological fieldwork has been completed.</li> <li>Bidding process initiated for acquisition of gravity-magnetic data.</li> </ul>

<b>TANISHPA &amp; LUGAI</b> OPERATOR: OGDCL	<ul style="list-style-type: none"> <li>Completed review and evaluation of vintage G&amp;G data.</li> <li>Planning for gravity-magnetic data acquisition and geological fieldwork is in progress.</li> </ul>
<b>BARAN</b> OPERATOR: POGC	<ul style="list-style-type: none"> <li>Acquired 337 line km of 2D seismic data, 3D seismic acquisition is in progress.</li> <li>Processing of the acquired 2D seismic data is in progress.</li> </ul>
<b>SARUNA WEST</b> OPERATOR: POL	<ul style="list-style-type: none"> <li>Completed review &amp; evaluation of vintage G&amp;G data.</li> <li>Other G&amp;G evaluations are in progress.</li> </ul>



## NEW BLOCKS, FARM-IN, AND FARM-OUT ACTIVITIES

As part of its business strategy, the Company regularly acquires and divests working interests in exploration blocks to expand and optimize its portfolio while maintaining an appropriate risk profile. Key activities undertaken during the year are summarized below:

### DOMESTIC ACTIVITIES

During the year, PPL was provisionally awarded two exploration blocks in May 2025. Details of these blocks are summarized below:

#### KALAT SOUTH

Block awarded to PPL as an Operator with 40% Working Interest (WI), while OGDCL and Mari Energies Limited (MEL) hold 30% working interest each as joint venture partners.

#### ZIARAT NORTH

Block awarded to MariEnergies as an Operator with 33.16% WI. The joint venture partners include OGDCL (24.87%), PPL (24.87%), GHPL (7.10%), and Turkish Petroleum Overseas Company (10%).

### FARM-IN EFFORTS

#### MIRAN

PPL, in partnership with OGDCL (operator) and GHPL, successfully farmed-in in the Miran Block offered by KPOGCL through competitive bidding. The farm-in agreement has been executed, and the signing of the Deed of Assignment is currently in progress.

### FARM-OUT EFFORTS

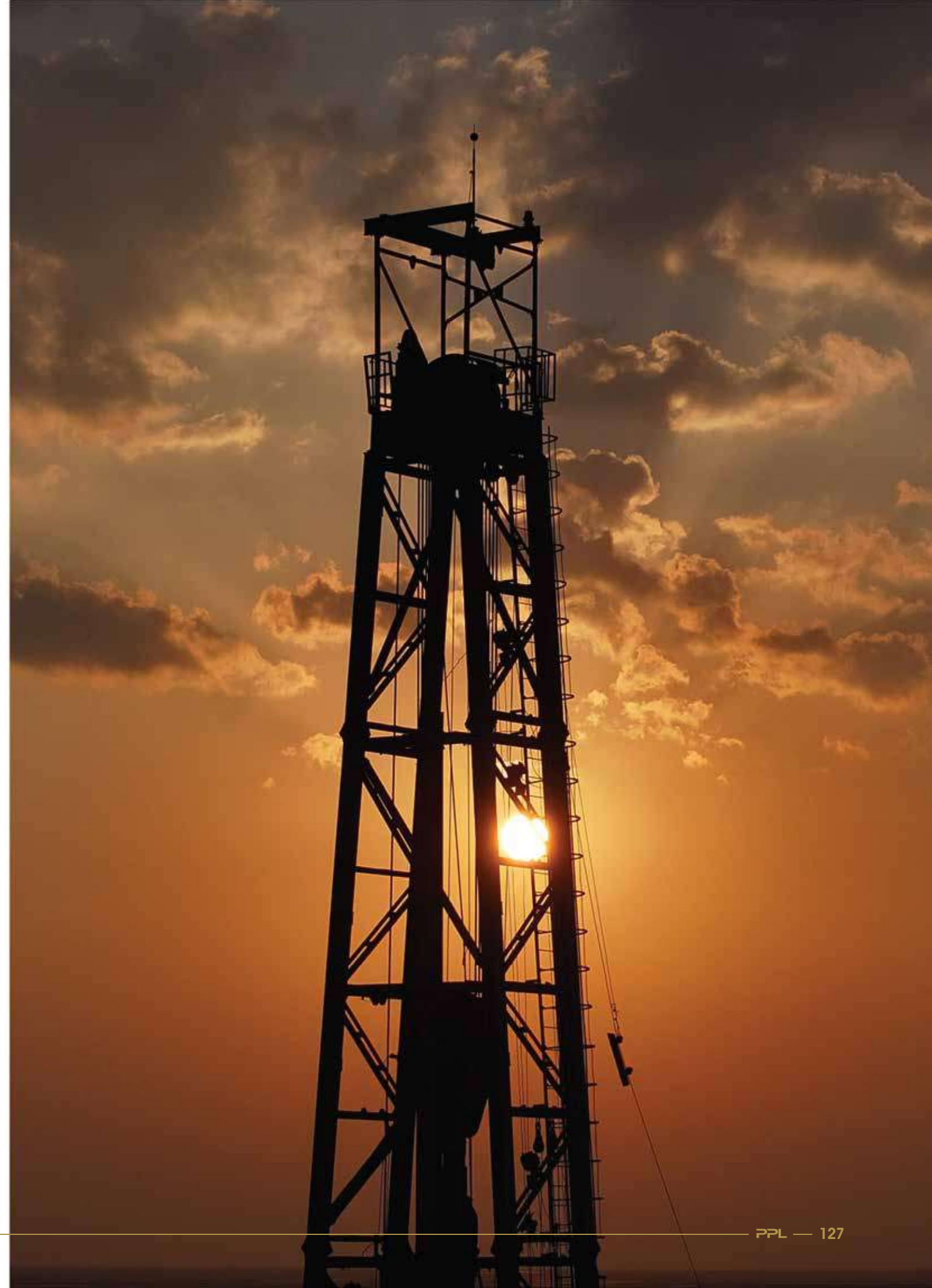
#### KUHAN

PPL divested 12.5% working interest to GHPL.

### UNCONVENTIONAL EXPLORATION

#### TIGHT GAS DEVELOPMENT

Four tight gas discoveries i.e., Naushahro Firoz, Hadi, Hub, and Morgandh are planned to be appraised.



# HUMAN RESOURCE



The Human Resources department plays a vital role in driving corporate strategy by building a dynamic, high-performing workforce. Leadership strength was enhanced through succession planning, staff rotations, and selective external hiring for critical roles. A structured Graduate Trainee Program supported talent development and diversity, while automation of transfers and exits improved efficiency and governance. Employee engagement rose 15% as remuneration benchmarking, leadership programs and team-building strengthened motivation and development. Recognizing its commitment to equity and inclusion, PPL received the 2025 Global Diversity, Equity & Inclusion Benchmark (GDEIB) award for advancing gender-inclusive practices.

## TALENT ACQUISITION

The Company enhanced its workforce diversity by inducting young professionals through a structured 2-year Graduate Trainee Program, selecting engineers, geoscientists, and management graduates on open merit nationwide. External hiring was limited to critical roles, emphasizing internal talent development. A Special Trainee Program was also launched for eligible students from Dera Bugti, Balochistan, reinforcing the Company's commitment to local capacity building.

## PERFORMANCE MANAGEMENT

The Company's Pay for Performance system links rewards to individual and departmental contributions. The Company uses the Balanced Scorecard (BSC) methodology to align activities with strategic goals. The Corporate BSC, outlining key success factors and KPIs for sustainable growth, is reviewed regularly in management meetings and presented to the Board, ensuring transparency and consistency.

## REMUNERATION POLICY

The Remuneration Policy aims to attract and retain qualified staff by linking pay to performance while ensuring affordability. Fair and transparent procedures promote high performance. Top performers are recognized through the Performance Excellence Award, which fosters pride and motivates others to meet similar standards.

## SUCCESSION PLANNING

The leadership pipeline was reinforced through succession planning that aligned the right candidates with key roles. Cross-functional and inter-location rotations provided valuable exposure and business insights, while enhancing efficiency, staff development, and long-term continuity. Critical positions were also filled through a transparent recruitment process to support operations.

## ETHICS AND COMPLIANCE

The Board is committed to conducting the business of the Company with honesty, integrity, and in accordance with the highest ethical and legal standards. As a fundamental policy, PPL ensures non-discrimination in recruitment, training, and advancement of employees, regardless of race, sex, religion, disability, or family status.

All employees are required to formally accept the Code of Business Ethics, reinforcing a culture of transparency and accountability. Additionally, the Whistle Blowing Policy provides employees a secure channel to raise concerns, supporting PPL's dedication to fair and lawful operations.



### PROCESS IMPROVEMENT

During the year, HR and IT collaborated to enhance Human Capital Management system and expand SAP Fiori use. Key upgrades included automation of employee onboarding process, improved analytics in SuccessFactors, and new employee self-service features in SAP Fiori. Tools for workforce cost simulations were also introduced to support better decision-making.

### DIVERSITY

The Company promotes equal employment through a strong diversity strategy and merit-based hiring. This year, 22 Graduate Trainees were confirmed as permanent employees, with 18% being female, reflecting efforts to improve gender diversity. Legal obligations for employing individuals with disabilities are also consistently met, fostering an inclusive workplace.



### EMPLOYEE ENGAGEMENT SURVEY

Enhancing employee engagement is a key HR goal, supported by systems, policies, and culture. An external consultant conducted the Employee Engagement Survey (EES) for management staff, assessing leadership, culture, internal processes, and employee recognition. The results led to targeted action plans, with the 2024–25 EES showing a 15% rise in the Employee Engagement Index.



### TRAINING AND DEVELOPMENT

The Company promoted team building and a positive culture through away days. Leadership development programs, including the LUMS leadership program and leadership retreats, offered experiential learning for high-potential staff, enhancing leadership skills and peer networks to support growth and organizational success.

### MEDICAL SERVICES

Health remains essential for well-being and productivity. The Company held awareness sessions with experts and conducted a Hepatitis B vaccination drive at Head Office. A Health Surveillance initiative assessed employees and referred at-risk individuals to specialists.

### INNOVATION

PPL strengthened its innovation culture by encouraging employee-driven ideas to improve efficiency, safety, and sustainability. The Employee Initiative Recognition Scheme acknowledged impactful contributions, while enhanced internal communication further supported engagement and continuous improvement.

### INDUSTRIAL RELATIONS

The Management maintained a positive relationship with Union representatives, creating a harmonious work environment at the Head Office and all field locations.

### WHISTLE BLOWING AND ANTI-HARASSMENT POLICIES

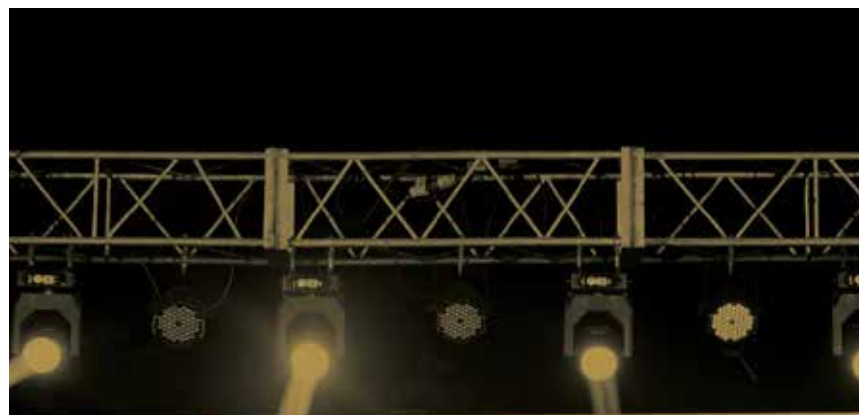
PPL upholds ethical and lawful business conduct through its Whistle Blowing Policy, offering a secure, confidential channel for reporting misconduct with protection against retaliation.

The Anti-Harassment Policy ensures a respectful, safe workplace, prohibiting all forms of harassment and providing clear, confidential reporting and investigation procedures.



# STAFF WELLBEING





# GENDER PAY GAP

## GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024

Following is the gender pay gap calculated for the year ended 30 June 2025:

### i. MEAN GENDER PAY GAP:

MANAGEMENT CADRE*	25%
NON-MANAGEMENT CADRE	-2%

### ii. MEDIAN GENDER PAY GAP :

MANAGEMENT CADRE*	16%
NON-MANAGEMENT CADRE	4%

### iii. ANY OTHER DATA / DETAILS AS DEEMED RELEVANT:

The Company is committed to providing equal employment opportunities and follows a diversity and inclusion strategy in accordance with the requirements of applicable law and agreements without discrimination based on gender, race, religion, color, ethnicity, marital status, or social class.

Management cadre salaries are based on the Board's approved salary ranges for each job group. We ensure that all employees are rewarded competitively for their contributions by determining salaries based on their job responsibilities, duties, abilities, and scope. The salary of employees may vary based on performance and length of service, however, there is no discrimination on the basis of gender.

Salary structures for employees in non-management cadres are determined by collective bargaining agreements.



**MANAGING DIRECTOR  
& CHIEF EXECUTIVE OFFICER**

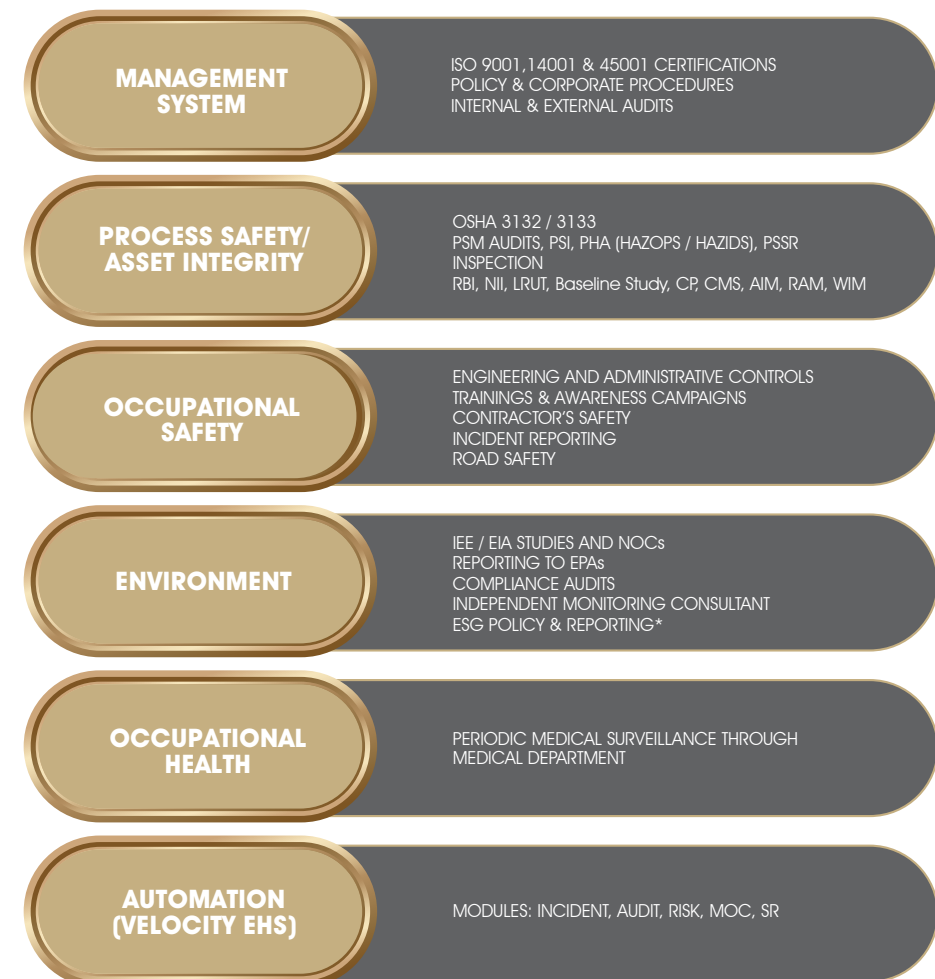
\* Since PPL operates in the oil and gas exploration industry, majority of its activities take place in remote and high-security areas. Consequently, male employees occupy the majority of field-based roles. This occupational distribution contributes to the gender pay gap but does not indicate unequal pay for equal work.

# QUALITY, HEALTH, SAFETY AND ENVIRONMENT

PPL maintains a dedicated QHSE department staffed with experienced specialists. The department develops strategies and recommends policies and procedures to establish both short- and long-term objectives aligned with the Company's QHSE vision.

It ensures compliance with internal standards and industry benchmarks across PPL-operated fields and assets, provides impartial assessments, and extends expert guidance where required. The Function also reviews equipment inspection schedules, manages Call Out Agreements (CoAs) for Third Party Inspections (TPI), and oversees environmental monitoring activities.

In addition to providing technical expertise for operational assurance, performance, and asset integrity, the QHSE department fosters a culture of safety, ensuring legal compliance and promoting the adoption of progressive best practices across the organization.



\* ESG Policy and Reporting is a new dimension added during the reporting period.

## QHSE MANAGEMENT SYSTEM:

Corporate-level QHSE Management System procedures serve as the backbone of all activities and initiatives, enabling the effective and systematic implementation of policies while clearly defining stakeholder roles and responsibilities.

The system was further strengthened through digitization, risk-based audit planning, and performance assurance tools. All major operated assets continue to maintain international certifications, including ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), and ISO 45001:2018 (Occupational Health & Safety Management).

Certified departments undergo regular internal and external audits, with corrective actions tracked to closure. Lead auditors, trained across functional domains, play a pivotal role in ensuring audit quality, consistency, and overall system effectiveness.

## QHSE INITIATIVES

Recognizing that QHSE efforts are perpetual in nature and complacency is not an option in the high-risk oil and gas industry, several initiatives were undertaken during FY 2024–25.

### i) QHSE AUTOMATION

The Sustainability Reporting module was enhanced with updated standards to improve data reliability and timeliness. Rigorous incident investigations continued, with Root Cause Analyses (RCAs) and corrective actions tracked via the VEHS digital platform, ensuring transparency and timely closure of gaps.

### ii) INCIDENT MANAGEMENT SYSTEM (IMS)

The IMS was updated to address Level 3 emergencies requiring external resources. The revised framework ensures prompt activation of the Incident Management Team (IMT) at Head Office and provides a structured response to severe incidents, bridging the gap between routine emergencies (Level 1 & 2) and business continuity requirements.



### iii) 5S IMPLEMENTATION AT WEST WHARF WAREHOUSE

PPL introduced the 5S methodology—Sort, Set in order, Shine, Standardize, and Sustain—at its West Wharf warehouse in Karachi. The initiative improved layout, housekeeping, labelling, and inventory management, reducing retrieval times and fostering a culture of discipline and ownership among warehouse staff.

### iv) ASSET INTEGRITY GAP ASSESSMENT STUDY (ISO 55001)

An external consultant was engaged to conduct a gap assessment across all operated fields in accordance with ISO 55001. The study, to be completed in FY 2025–26, will identify opportunities for alignment with global best practices and support operational excellence.

### v) STRUCTURAL INTEGRITY STUDY

A comprehensive structural assessment of the head office building was undertaken to ensure safety, stability, and compliance. The initiative forms part of PPL's proactive asset management and risk mitigation strategy.

### vi) ROLLOUT OF IN-HOUSE ASSET INTEGRITY MANAGEMENT (AIM) DASHBOARD

The AIM Dashboard integrates Well Integrity Management (WIM), Corrosion Monitoring System (CMS), Risk-Based Inspection (RBI), and Reliability, Availability & Maintainability (RAM) modules to provide holistic oversight of critical assets. This digital tool enhances operational visibility, decision-making, and asset uptime, positioning PPL at the forefront of asset integrity management in Pakistan's E&P sector.

### vii) ROAD TRANSPORT SAFETY AUDIT

A transport safety audit at Kandhkot Field reviewed hydrocarbon dispatch and passenger travel arrangements. The scope included gantry operations, vehicle inspections, SOPs, incident records, and third-party reports, identifying strengths and improvement areas.

### viii) FIRE RISK SURVEY

A fire safety survey was conducted at Hala Field under detailed Terms of Reference. The review assessed firefighting systems, fire & gas detection, evacuation plans, and emergency signage, with findings used to strengthen site readiness and resilience.

## ENVIRONMENTAL AUDITS & STUDIES

As part of its long-term stewardship strategy, PPL continued structured environmental audits under a Five-Year Plan. Focus areas included produced water disposal, drilling waste management, site restoration, and waste recovery. During the year, an internal audit was conducted at the Dhok Sultan drilling site, resulting in targeted improvement plans.

In parallel, Initial Environmental Examinations (IEEs) and Environmental Impact Assessments (EIAs) were undertaken through third-party consultants to secure Environmental NOCs from provincial Environmental Protection Agencies (EPAs). IEEs addressed short-term impacts in non-protected areas, while EIAs covered protected areas with detailed ecological assessments, community engagement, and public health reviews. In total, eighteen IEE/EIA NOCs were acquired ahead of drilling, seismic, and plant installation projects.

## ENGAGEMENT WITH REGULATORY BODIES

PPL facilitated multiple visits by legal and regulatory authorities during the year to ensure transparency and compliance. These included inspections by the Chief Inspector of Mines (CIM) and delegations from the Balochistan EPA at Sui field, and Sindh EPAs at Kandhkot and Gambat South fields. Such engagements reinforced regulatory alignment and strengthened collaboration with government stakeholders.

## QHSE TRAININGS AND EVENTS

Proactive training, drills, and awareness programs remain central to building a strong QHSE culture. During FY 2024–25, PPL conducted sessions on contractor safety management, IMS internal auditing, workplace sustainability, 5S implementation, marine safety, stress management, and emergency response.

QHSE events were also organized across operated sites, including World Day for safety and health at work, Earth Hour, and Environment Day. Activities such as awareness walks, toolbox talks, fire drills, safety quizzes, and poster competitions engaged both employees and contractors, reinforcing QHSE as a shared responsibility.

Additionally, PPL Gambat South launched a Felt Leadership Program, enabling frontline supervisors and senior management to demonstrate visible safety leadership through field presence, workforce engagement, and open dialogue. The initiative fostered trust, strengthened communication, and underscored safety as a core business priority.



# ESG AND SUSTAINABILITY

Pakistan Petroleum Limited (PPL) continues to embed sustainability into its business strategy, reaffirming its commitment to long-term value creation through responsible Environmental, Social, and Governance (ESG) practices. In FY 2024–25, PPL made significant progress in strengthening ESG governance, enhancing environmental stewardship, and deepening social impact, while aligning its efforts with global sustainability frameworks and national development priorities.

## (a) SOCIAL INITIATIVES

The company expanded its community development programs with targeted investments in education, healthcare, skills training, and infrastructure in underserved regions. Health and safety initiatives were reinforced through advanced training, digital monitoring, and preventive programs, fostering a zero-harm culture for employees and contractors. Local hiring also continued to generate shared value for the host communities. Grievance handling mechanisms remain in place, supported by independent impact assessments to ensure transparency and effectiveness of social investments. Further details on initiatives in education, healthcare, and skills development are provided in the CSR section of this report.



## (b) ENVIRONMENTAL INITIATIVES

PPL advanced its environmental agenda by adopting sustainable resource management practices and integrating climate resilience, emissions reduction, and biodiversity conservation into operations. Key actions included avoiding carbon emissions through initiatives like conserving water, undertaking plantation drives, and deploying energy-efficient technologies, alongside exploring additional strategies to ensure a balance between operations and environmental stewardship. During the year, the company also completed its first GHG inventory for Scope 1 and 2 emissions, laying the groundwork for future target-setting. Further details on clean energy initiatives and plantation programs are provided in the CSR section of this report.

## (c) GOVERNANCE

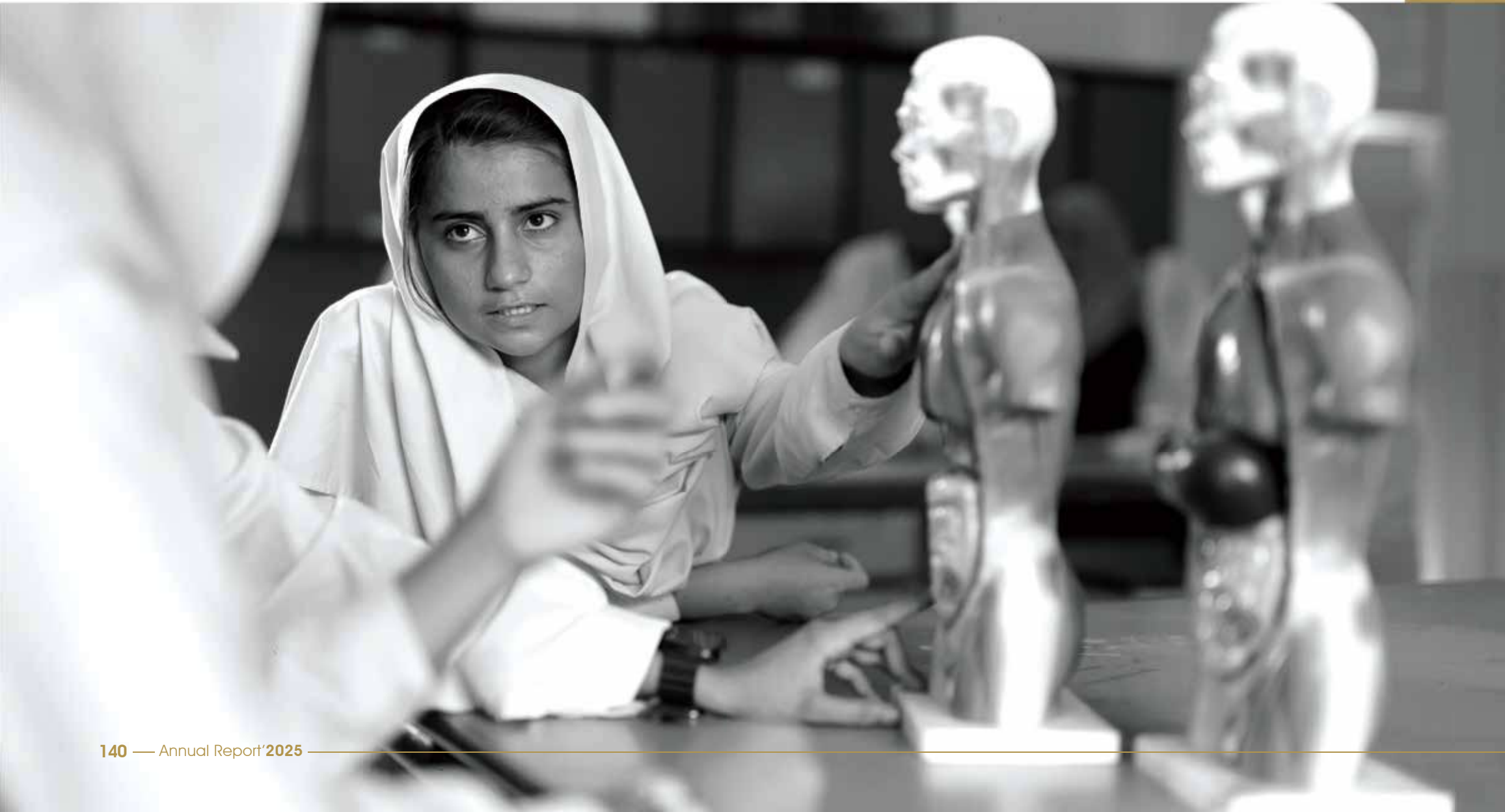
To strengthen sustainability governance, PPL established a dedicated Board ESG Committee, supported by an ESG Steering Committee and cross-functional working groups. These bodies provide strategic oversight, facilitate integration of ESG risks into enterprise risk management, monitor performance, and promote transparent reporting. The board of directors attended a two-day ESG Stewardship Workshop organized by Pakistan Institute of Corporate Governance. Further details are provided in the Governance section of the Directors' Report.

## (d) TECHNOLOGICAL INNOVATION

Digitalization and innovation remain central to the company's sustainability strategy. Real-time monitoring systems for emissions, water, energy, and waste have been deployed, while efficiency projects contributed to lowering GHG emissions. Collectively, these initiatives improve operational efficiency, reduce environmental footprint, and support the transition to a low-carbon future.

## (e) RESOURCE MANAGEMENT

Adopting a lifecycle approach, the company manages energy, water, and waste responsibly to minimize environmental impact. Initiatives include the installation of Waste Heat Recovery Units (WHRU), deployment of propane chillers, and solarization projects to cut GHG emissions. Waste is managed through certified contractors and digital tracking systems, ensuring accountability and transparency. Water conservation efforts span reuse and recycling, initiation of flow meter expansion for efficient monitoring, and awareness campaigns to promote responsible consumption. Biodiversity protection is also integrated through Environmental Impact Assessments (EIAs), habitat restoration programs, and urban forestry initiatives aimed at preserving ecosystems and enhancing green cover.



## ESG RISKS AND OPPORTUNITIES

ESG-related risks include greenhouse gas emissions, spills, leaks, and potential social impacts on local communities. To address these, PPL is aiming to invest in cleaner technologies and use of digital tools with an aim to further optimize operations and reduce waste. PPL also advocates proactive community engagement and regulatory collaboration to strengthen trust and gain a long-term competitive advantage.

## FINANCIAL IMPACTS

ESG risks can elevate operational costs and disrupt business continuity, often requiring significant investments in technology infrastructure, data management, and regulatory compliance. Environmental or social incidents may also expose the company to legal liabilities, reputational damage, and loss of stakeholder confidence. Furthermore, operational setbacks—such as workplace accidents, supply chain interruptions, or environmental breaches—can result in costly delays, remediation efforts, and other disruptions that affect overall performance.

## CERTIFICATIONS AND STANDARDS

The company holds several ISO certifications, including ISO 9001 for Quality Management Systems, ISO 14001 for Environmental Management Systems, and ISO 45001 for Occupational Health and Safety Management Systems. These certifications underscore PPL's commitment to excellence in quality, environmental stewardship, and employee well-being.

## METRICS AND TARGETS

To measure and track progress, PPL has established a baseline which serves as foundation for defining clear sustainability metrics and targets covering a broad range of ESG priorities, including carbon footprint reduction, energy efficiency, and responsible resource management in due course. Regular performance reviews ensure progress toward these goals while addressing broader social and governance considerations. Through transparent reporting, the company remains committed to providing stakeholders with a clear and accountable view of its progress in advancing long-term sustainability.



## FIRST EVER ESG REPORT

FY 2024–25 marked an important milestone with the publication of PPL's first ESG Report. The report has been prepared in reasonable alignment with globally recognized frameworks, including the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), the International Petroleum Industry Environmental Conservation Association (IPIECA), and the SECP/PSX ESG guidelines, ensuring consistency with both international best practices and local regulatory requirements. To enhance credibility, the report was independently assured, providing stakeholders with confidence in the accuracy and reliability of its disclosures.

As a signatory to the United Nations Global Compact (UNGC) and a member of the Oil & Gas Decarbonization Charter (OGDC) launched at COP28, PPL aligns its sustainability practices with global commitments on human rights, labor standards, environmental protection, and climate action. This inaugural ESG Report underscores the company's commitment to integrating ESG considerations into its business strategy, while setting a strong foundation for continuous improvement and future target-setting. The report will be made available on the Company's website.

# CORPORATE SOCIAL RESPONSIBILITY

Pakistan Petroleum Limited (PPL) remains dedicated to uplifting communities through inclusive and sustainable development. Guided by its core values and CSR philosophy, the company continues to invest in impactful initiatives that address critical social needs in education, healthcare, and livelihood. In 2024–25, PPL's CSR expenditure amounted to Rs. 4.7 billion, surpassing the Board-mandated benchmark of 1.5% of annual pre-tax profit. This underscores the company's strong commitment to supporting its operational areas and enhancing the well-being of local communities.

PPL respects the culture, traditions, and beliefs of the communities where it operates. Acknowledging the high expectations of local stakeholders, the company conducts regular needs assessments to identify and prioritize development requirements. Guided by approved policies and frameworks, PPL implements initiatives that address pressing issues and foster the well-being of marginalized groups.

PPL also aligns its efforts with the United Nations Sustainable Development Goals (SDGs) through its extensive CSR program, operational since the mid-1950s. During 2024–25, the company advanced initiatives in quality education, healthcare improvement, vocational training and e-skills for job creation, access to safe drinking water, energy-efficient infrastructure, afforestation, and humanitarian support.

The following highlights reflect the company's strategic efforts to foster resilience and improve quality of life in underserved regions.

## REACHING OUT TO COMMUNITIES IN DIFFICULT TIMES

In recent years, the rising cost of essential goods—including food, medicines, and daily supplies—has placed additional strain on economically challenged local communities. To help ease this burden, the Company contributed Rs. 104 million in FY 2024–25 for in-kind support. Through this initiative, ~21,400 households across the company's operational areas—including Sui, Dera Bugti, Kalat, Khuzdar, Kandhkot, Sanghar, Attock, Dera Ghazi Khan, Lahore, Jampur, and Bajaur—received ration bags containing essential food items.

## EDUCATION

PPL has consistently prioritized access to holistic education to equip children and youth with the knowledge and skills needed for future success, thereby enabling their families to lead better lives. Key ongoing and new initiatives during the year include:

### CENTRE OF EXCELLENCE FOR RESEARCH AND DEVELOPMENT, UET LAHORE:

Established with an investment of Rs. 51 million over 2022–2025 to strengthen academia–industry collaboration and train aspiring professionals for the oil, gas, and minerals sector.

### SUI MODEL SCHOOL & GIRLS COLLEGE:

Operational since 1957, benefitting over 3,000 students, including 100 girls at the college level, with modern teaching and e-learning facilities. PPL contributed Rs. 213 million in 2024–25 to support its operations.

### VIRTUAL UNIVERSITY CAMPUS, SUI TOWN:

First-ever campus in the area, benefitting over 50 students. Five deserving students were awarded merit-based scholarships.

### PPL–TCF SCHOOLS, KANDHKOT:

Operating three primary and one secondary school since 2011, serving more than 800 students.

### TEACHER SUPPORT, MAZARANI:

Sponsorship of teachers' salaries at two government primary schools near Mazarani Gas Field.

### STUDENT TRANSPORT, SUI TOWN:

Provision of transport facilities for students of FC Public School, FG Public High School, and Taleem Foundation School in Sui town.

### INFRASTRUCTURE DEVELOPMENT:

Construction of classrooms and an academic block at various schools.

### SCHOOL REHABILITATION PROJECTS:

Rehabilitation and infrastructure development of five government schools at various locations.

### STUDENT SUPPORT:

Distribution of 2,300 school bags to students at government schools in Hala, Gambat South, Adhi, and Dhok Sultan fields.

### SCHOOL RESOURCES:

Provision of furniture and digital smart boards to a school in Shahdadpur.

## SCHOLARSHIP SCHEMES

To encourage students from PPL's operational areas to pursue quality education, the company has introduced several scholarship schemes. To date, nearly 2,000 scholarships have been awarded under different categories, with a particular focus on supporting women students. These scholarships have enabled recipients to pursue higher education at leading medical and engineering universities across Pakistan.

Key scholarship initiatives:

### HIGHER PROFESSIONAL EDUCATION

**SCHOLARSHIPS:** This year, 32 new students were granted scholarships from Dera Bugti, Kashmore, Sanghar, Matiari, Chakwal, Rawalpindi, and Attock.

### FOUR-YEAR SCHOLARSHIPS (GRADES 9–12):

Extended to 40 students from Dera Bugti and other parts of Balochistan.

### ALIGARH PUBLIC SCHOOL AND COLLEGE, MANGA, LAHORE:

Financial support provided to 40 deserving students from Balochistan, covering tuition fees along with boarding and lodging expenses.

## QUALITY HEALTHCARE & WELLBEING

PPL remains committed to strengthening healthcare systems in its operational areas as well as supporting leading medical facilities in major urban centers to ensure timely, affordable, and quality healthcare for underserved communities. To enhance local healthcare delivery, the company continues to invest in infrastructure development, improve service quality, and provide essential treatment and diagnostic equipment to tertiary, secondary, and primary care units.

During the year, PPL undertook the following initiatives:

**PPL PUBLIC WELFARE HOSPITAL, SUI:** Sponsored operations, including equipment, consultants' salaries, and inpatient meals, benefitting over 150,000 local patients.

**MOBILE MEDICAL DISPENSARIES:** Served more than 126,000 patients around producing fields in Kandhkot, Mazarani, Gambat South, Hala, and Dhok Sultan.

**PUBLIC DISPENSARY, MASTALA, ADHI FIELD:** Provided healthcare services to over 15,000 patients, mostly women, with 24-hour service now operational.

### FREE MEDICAL & SURGICAL EYE CAMPS:

Conducted in Sui, Kandhkot, Qambar, Shahdadpur, Adhi, and Dhok Sultan, benefitting nearly 40,000 patients.

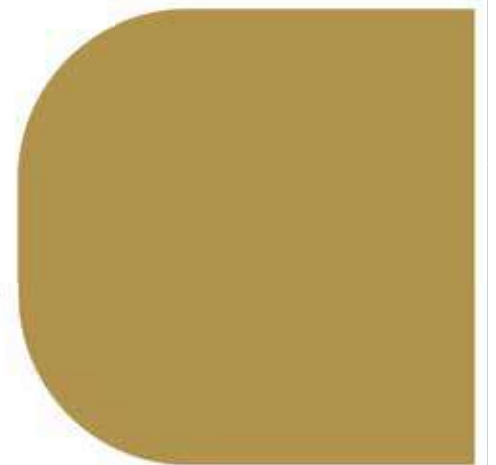
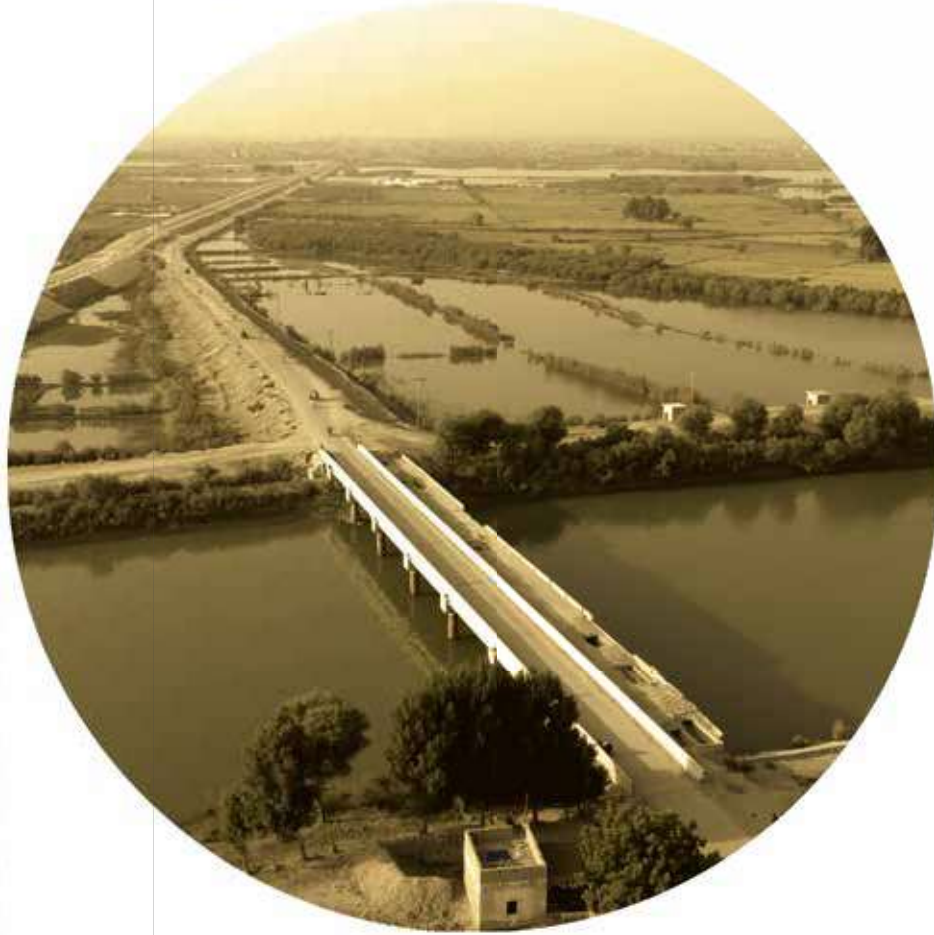
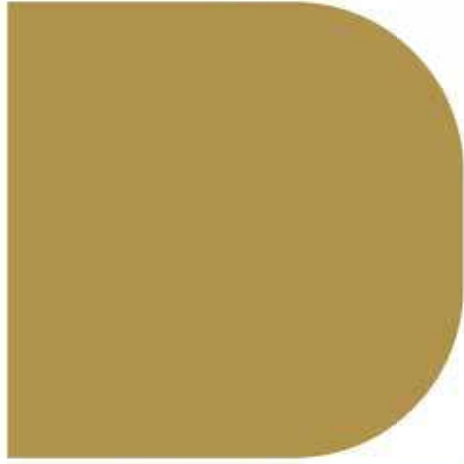
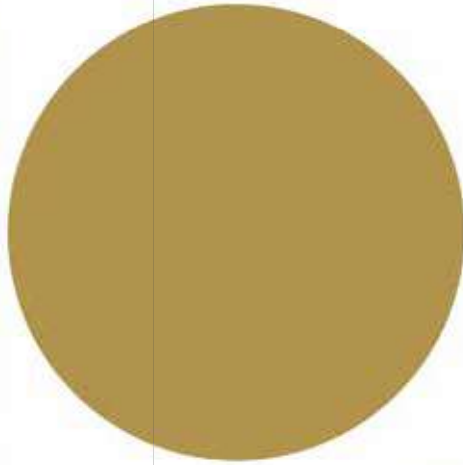
### DR. RUTH PFAU HEALTH CENTRE, KANDHKOT:

Delivered essential care to over 50,000 patients with PPL's continued funding.

**CHEST PAIN UNIT (NICVD), KASHMORE:** Supported repair and procurement of medical instruments, along with the donation of two ambulances to strengthen emergency response services.

**MEDICAL INFRASTRUCTURE:** Constructed a dispensary building at Narali, near Adhi Field.

**KIDNEY DISEASE SUPPORT:** Sponsored treatment for patients at the Pakistan Kidney and Liver Institute & Research Center, and the Karachi Institute of Kidney Diseases Association.



## VOCATIONAL & SKILL DEVELOPMENT FOR EMPLOYMENT

PPL is committed to empowering youth from marginalized communities in both urban and rural areas by equipping them with future-oriented, income-generating skills. The company invests in residential training programs, vocational facilities, and digital literacy initiatives to enhance employability and support sustainable livelihoods.

Key initiatives during the year included:

**E-SKILLS IT TRAINING AT AKHUWAT:** Sponsored 39 youth (20 girls and 19 boys) from operational areas for a six-month intensive program on E-commerce with Social Media Marketing. Several participants have already secured online earning opportunities.

**EMPLOYMENT-BASED DIGITAL LITERACY PROGRAM:** Organized in collaboration with Dawood Global Foundation and X-Loop Digital at a cost of Rs. 12 million, this initiative provided underprivileged youth with cutting-edge digital skills and direct access to international employment markets.

**COMPUTER TRAINING CENTRE & PUBLIC LIBRARY, SUI:** Continued support for operations benefitting over 1,000 library users annually and more than 200 participants in each computer training course.

**WOMEN VOCATIONAL TRAINING CENTRE, OKARA:** Supported in collaboration with Behbud Association of Pakistan, offering hands-on training in embroidery, stitching, and computer literacy. The initiative also creates income-generating opportunities for women through product development for Behbud-run boutique outlets.

## PROMOTING CLEAN ENERGY AND ENVIRONMENTAL CONSERVATION

Conservation of the environment and the sustainable use of natural resources remain key priorities for PPL, both in its operations and CSR initiatives. To this end, the company actively promotes the use of renewable energy in its community projects.

During the year, key initiatives included:

**SOLAR HOME KITS:** Funded the installation of 70 solar home kits in Washuk Town

**SOLAR-POWERED STREETLIGHTS:** Sponsored installation of 42 solar streetlights in Washuk Town and Palantak.

**SOLAR SYSTEMS FOR COMMUNITY FACILITIES:** Installations of solar systems each to ensure uninterrupted operations of three water filtration plants, a medical dispensary and a government school at Nardli, Gujjar Khan, and Sanghar.

**SOLAR INSTALLATIONS IN EDUCATIONAL INSTITUTES:** Supported installation and sponsorship of solar systems in government schools and educational institutions in Adhi, Dhok Hindu, Shahdadpur, District Thatta, Hyderabad, and Karachi.



## PLANTATION

In 2025, PPL planted over 18,630 trees, including 14,000 fruit-bearing species, across various locations. This campaign, with a strong focus on fruit tree plantation, not only contributes to environmental conservation but also supports local markets and generates livelihood opportunities for surrounding communities.

Key initiatives included:

**DISTRICT KALAT:** Planted 11,000 trees on orchard lands of local farmers, including 9,000 fruit trees and 2,000 Juniper/Thuja trees.

**DISTRICT MUSAKHEL:** Planted 5,000 olive trees on orchard lands of local farmers.

**DISTRICT ATTOCK:** Planted 2,630 trees, including 1,630 across 11 government schools and a rural health care center.

## POTABLE WATER SUPPLIES & MANAGEMENT

PPL continues to play a vital role in ensuring sustainable water supply across multiple regions. At Kashmore, the company operates a transmission and distribution system that delivers 2 million gallons of water daily to residents of Sui Town. In addition, uninterrupted potable water supply is maintained for Ghaibi Dero in Shahdadkot, along with operations of a Reverse Osmosis (RO) water filtration plant at District Sanghar.

Further efforts during the year included installation of solar-powered RO filtration plants across various villages in Sindh.

## FREE GAS TO SUI TOWN

PPL continues to provide free-of-cost natural gas to over 200,000 residents of Sui Town. In 2024–25, the company supplied approximately 4.1 MMscfd of natural gas to the town, amounting to Rs. 1.6 billion, significantly reducing household energy expenditures for the local community.

## EMPOWERING PERSONS WITH DISABILITIES

PPL is committed to the holistic development of persons with disabilities, enabling them to become active and empowered members of mainstream society. The company partners with reputable organizations that provide quality education, vocational training, and social and emotional support, while also promoting inclusive opportunities in sports.

During the year, key initiatives included:

**DEAF REACH SCHOOL:** Awarded 30 annual scholarships to children from Districts Sanghar and Matiari to pursue primary and secondary education at the school operated by the Family Education Services Foundation.

**LAHORE BUSINESSMEN ASSOCIATION FOR REHABILITATION OF THE DISABLED (LABARD):** Provided support for development programs and vocational training to enhance employability and social inclusion of differently-abled individuals.

**INCLUSIVE SPORTS:** Sponsored the Pakistan Blind Cricket Team to participate in two prestigious international events—the IBSA World Games in the United Kingdom and a Triangular Tournament in the United Arab Emirates—showcasing the potential of differently-abled athletes on global platforms.

## INFRASTRUCTURE DEVELOPMENT FOR BETTER LIVING STANDARDS

During the year, PPL carried out several infrastructure development projects to improve living conditions in its operational areas. These included the construction of concrete roads, streets, and drainage systems, as well as installation of paver blocks to enhance mobility, sanitation, and overall quality of life for local communities. These projects were undertaken across key operational areas in Punjab and Sindh.

## RECOGNITION

In recognition of PPL's diverse and inclusive CSR program, backed by substantial financial contributions spanning several decades, the Pakistan Centre for Philanthropy (PCP) has honored the company with its prestigious, research-based Corporate Philanthropy Award for 19 consecutive years. PPL has consistently ranked among the largest corporate givers in Pakistan between 2004 and 2023.

## LOOKING AHEAD

PPL aims to further deepen its engagement with underserved communities by investing in skills development and future-oriented vocational training, particularly in areas that generate income and employment opportunities across both conventional and digital platforms. The company's focus will remain on initiatives that promote sustainable development in line with the UN SDGs, while fostering long-term resilience and self-reliance among deserving communities. Key priorities will include digital education, climate-resilient infrastructure, women's economic empowerment, gender equity, and sustainable healthcare solutions.

To achieve these goals, PPL will continue to strengthen partnerships with public sector institutions and credible, forward-looking civil society organizations. These collaborations will help drive innovation, deliver sustainable solutions to development challenges, and ensure community ownership of CSR initiatives. Guided by its policy framework, core values, and alignment with national development priorities, PPL envisions a future where every development effort contributes to building a more equitable, resilient, and empowered Pakistan.

# INFORMATION TECHNOLOGY GOVERNANCE



The IT Governance function continued to strengthen PPL's digital infrastructure by enhancing ERP capabilities and expanding SAP Fiori applications for improved efficiency and user experience. Cybersecurity remained a core focus, with robust controls and monitoring systems implemented to safeguard critical data and operations. Through these initiatives, the Company ensured reliable and business-aligned IT systems to support operational excellence and long-term growth.

## ENTERPRISE RESOURCE PLANNING (ERP)

Leveraging SAP S/4 HANA, PPL implemented 50 new SAP Fiori applications across Finance, Human Capital Management, and Procurement, enhancing user experience and process efficiency. As part of its Continuous Process Improvement initiative, the ERP system was further optimized through automation of the travel desk, integrated vendor performance evaluation, automatic sales order generation, timesheet management, and other process enhancements.

Regular training sessions were held throughout the year to build user capability, support change request management, implement product updates, and strengthen cybersecurity through timely security patches.

System security and governance were reinforced through periodic internal and external audits, ensuring risk mitigation, compliance with internal controls, and effective segregation of duties. PPL's information assets remain safeguarded under a Board-approved Information Security Policy, with no data integrity compromises reported during the fiscal year.

## GOVERNANCE AND CYBERSECURITY

PPL became the first company in the energy sector to achieve ISO 27001 certification, reaffirming its leadership in information security and demonstrating the maturity of its Information Security Management System (ISMS) aligned with globally recognized standards.



## CYBER SECURITY POLICIES AND PROCEDURES

The Company's cybersecurity framework, aligned with industry best practices, emphasizes business integration, risk management, compliance, accountability, and data protection. Robust encryption, strict access controls, continuous monitoring, and proactive risk mitigation safeguard critical systems, while regular employee training sessions, assessments, and audits strengthen cyber resilience.

## CYBERSECURITY PERFORMANCE METRICS

To measure effectiveness, PPL tracks cybersecurity performance metrics such as incident response times, system uptime, and successful closure of vulnerabilities. These indicators provide early warning signals, enabling timely corrective measures and reporting to the Board, if required.

## CYBERSECURITY ASSESSMENT AND AUDITS

During the year, a comprehensive Cybersecurity Assessment Exercise was conducted, including Breach & Attack Simulation based on the MITRE Framework, to test the robustness of internal controls. In addition, a Cybersecurity Tabletop Drill validated the readiness and efficiency of people and processes in responding to potential incidents. The Company also extends its cybersecurity oversight to third-party vendors and contractors, ensuring their practices comply with industry-leading standards.

## SAFETY OF RECORDS

PPL's information assets continue to be safeguarded under a Board-approved Information Security Policy, with no data integrity compromises reported during the year. However, a ransomware attack was encountered subsequent to the year-end as mentioned in the directors' report. Management remains deeply engaged in advancing secure technology adoption, balancing innovation with strong governance, and proactively managing risks in a rapidly evolving digital landscape.

## INFRASTRUCTURE EXCELLENCE

During the year, the IT Infrastructure & Enterprise Connectivity domain delivered several strategic milestones, including the deployment of a GPU-based Virtual Desktop Infrastructure (VDI) for high-performance applications, implementation of an air-gapped cyber recovery solution to strengthen data protection, and expansion of enterprise-grade wireless connectivity at Hala, Gambat South and Kandhkot. The domain also maintained over 99% uptime for critical IT services with 98% SLA compliance, while conducting bi-annual disaster recovery drills to enhance resilience, mitigate risks, and ensure sustainable, secure, and reliable operations.

## DIGITAL TRANSFORMATION & TECHNOLOGY ENABLEMENT

Technological innovation continues to be a cornerstone of PPL's IT strategy. During the year, the Company introduced Artificial Intelligence (AI) and Machine Learning (ML) tools to empower business users, enabling faster innovation and delivery of value-driven, operationally relevant solutions. Key initiatives included the integration of AI into the Enterprise Content Management system and the deployment of ML models for seismic data processing, improving reservoir simulation capability.

## FUTURE FOCUS

PPL remains committed to advancing its Machine Learning (ML) and Artificial Intelligence (AI) initiatives across both technical and business domains. These efforts are anchored in a robust IT governance framework that ensures strategic alignment with organizational goals, promotes responsible technology adoption, and supports risk management and compliance. A key area of focus is the enhancement of advanced Seismic Data Processing (SDP) capabilities, leveraging AI/ML-powered interpretation and imaging to support current and future exploration commitments.

A separate management committee has been established for assessment and adaptation of emerging technologies in the Company's business processes.

# RISK GOVERNANCE

The Company has established a dedicated Board Enterprise Risk Committee that provides strategic oversight of risk management across the organization. This Committee is supported by the Executive Risk Management Committee and the ERM function, which are responsible for formulating, implementing, and continuously strengthening policies, procedures, and frameworks to identify, assess, and mitigate risks. Together, these structures ensure a proactive approach to risk governance, enabling the Company to safeguard its assets, maintain regulatory compliance, and support sustainable business growth.

## BOARD OF DIRECTORS AND BOARD ENTERPRISE RISK COMMITTEE (BERC)

The Board of Directors holds ultimate responsibility for risk governance, exercised through the BERC, which is structured in line with internationally recognized practices. As the apex body for risk oversight, the BERC evaluates the effectiveness of the Company's risk management framework, including plans, systems, policies, and procedures, while monitoring risk exposures and mitigation strategies across the organization. In this role, the Board also oversees PPL's sustainability-related risks and opportunities, with particular emphasis on climate impacts on the business model and long-term value creation. Through this governance structure, the Board ensures that risk management and sustainability considerations are firmly embedded within the enterprise risk management and capital planning frameworks.

## EXECUTIVE RISK MANAGEMENT COMMITTEE (ERMC)

At the management level, the Executive Risk Management Committee (ERMC) acts as the primary risk-focused body, comprising Directorate and Business Unit Heads along with Functional Heads. Serving in an advisory role to the Managing Director, the Committee is responsible for reviewing enterprise risks, evaluating risk management methodologies, and promoting organization-wide risk awareness and strategic alignment.

## ENTERPRISE RISK MANAGEMENT (ERM) FUNCTION

The Enterprise Risk Management (ERM) function drives group-wide risk management by coordinating activities, monitoring exposures, and conducting detailed risk reviews across business units. It provides strategic recommendations to the ERMC while continuously refining risk methodologies to ensure operational excellence. Each fiscal year, a corporate risk register is developed and updated with stakeholder input, capturing all key enterprise-level risks and assessing them at both inherent and residual levels.

## ERM POLICY AND FRAMEWORK

PPL has established a robust ERM Framework, guided by a comprehensive ERM Policy that defines risk processes, stakeholder responsibilities, and a regularly updated Risk Appetite Statement. The Policy outlines the principles, scope, and governance structure for risk management, ensuring consistency and accountability across the organization. Adaptable to evolving business needs and external conditions, the framework fosters a risk-aware culture, embeds mitigation as a shared responsibility, and promotes informed decision-making. Its focus on proactive identification, rigorous assessment, and effective management of enterprise-wide risks strengthens resilience and supports long-term sustainable value creation.



Each risk is assessed across short, medium, and long-term horizons, and mitigation measures are implemented through operational safeguards, insurance coverage, contractual protections, compliance controls, and business continuity planning.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RELATED RISKS

As a responsible corporate citizen, PPL systematically identifies, assesses, monitors, and mitigates ESG risks from a comprehensive sustainability perspective. In line with COSO's ERM guidelines, these risks are fully integrated into the corporate risk register and embedded within the broader risk management framework.

## RISK RESPONSE PLAN MONITORING

The progress of risk response actions is systematically monitored and reported through monthly ERM dashboards, which are shared with senior management and the Board via the BERC. These reports provide comprehensive updates on corporate compliance with risk response plans over the fiscal year, ensuring transparency and accountability in execution.

## ASSESSMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors of PPL follows a systematic approach to identifying, evaluating, and managing key risks that could affect the Company's business model, strategic goals, and long-term sustainability. Comprehensive risk assessments are carried out by management, covering potential impacts on performance, solvency, and liquidity. The principal categories of risks monitored include, but are not limited to, strategic, operational, regulatory and compliance, environmental and security, technological, reputational, and supply chain risks.

The Board receives periodic reports on the Company's risk profile, ensuring that principal risks are effectively managed, and that PPL remains resilient, adaptive, and positioned for sustainable value creation in a dynamic business environment.

## ANNUAL RISK MANAGEMENT REVIEW AND CORPORATE RISK REGISTER

Comprehensive focus sessions with key stakeholders across the organization are held to identify major and emerging risks along with their mitigation strategies. Identified risks are rigorously evaluated for their potential impact and likelihood, with outcomes reviewed during the Annual Risk Management Review process.

## CORPORATE RISK APPETITE TESTING

Biannual testing of risk appetite was conducted for PPL, its subsidiaries, and joint ventures. Any breach events were reported to the BERC, with mitigation measures implemented to prevent recurrence.

## REVISIONS IN CORPORATE RISK APPETITE STATEMENT

In light of external and economic challenges, the corporate risk appetite framework was updated, with revisions made in key areas such as International Exploration, Cybersecurity, and Human Resources to ensure proactive monitoring and timely course correction.

## STRATEGIC AND PROJECT RISK ASSESSMENTS

As part of the 2025–30 Five-Year Plan, strategic risks were comprehensively assessed. Project-level risk reviews were also undertaken for exploration, development, and diversification initiatives to safeguard value and support informed decision-making.

## RISK CULTURE BUILDING

Risk awareness sessions were organized across the Company to strengthen a risk-aware culture and embed sound decision-making practices at all levels.

# RISKS AND OPPORTUNITIES REPORT

## KEY RISKS FACED BY PPL

This section provides a comprehensive overview of key risks faced by the Company, covering their likelihood of occurrence, potential impact, mitigation measures undertaken in 2024-25, strategic approaches to contain their effects within the Company's defined risk appetite, and the capital implications if these risks materialize.

These key risks span a broad range of environmental, social, and governance (ESG) factors that may affect the long-term viability and success of the organization. Where relevant, risks are classified under Environmental (E), Social (S), and Governance (G) categories to highlight their sustainability dimension. Given their interconnected nature, these risks can pose significant financial, operational, and reputational impacts if not addressed. The Company emphasizes the effective management of sustainability risks essential for long-term success and resilience.

## CAPITALS - LEGEND







RISKS CATEGORY	RISKS & CATEGORIZATION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
<b>STRATEGIC RISKS</b>	<b>INTERNAL</b> <ul style="list-style-type: none"> <li>Inadequate or unsuccessful exploration activities</li> </ul>	<ul style="list-style-type: none"> <li>Failure in maintaining the target Reserves Replacement Ratio</li> </ul>	<ul style="list-style-type: none"> <li>Exploration acreage expansion through participation in domestic bid rounds while sharing costs and risks with reputable partners. Successfully acquired two blocks in Domestic Bid Round (one as operator and other as JV partner). In addition, PPL further increased its exploration portfolio by acquiring working interest in Miran EL through a farm-in.</li> <li>Timely and quality execution of exploration work program with two discoveries in operated and six in partner-operated areas.</li> </ul>	

RISKS CATEGORY	RISKS & CATEGORIZATION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
	<ul style="list-style-type: none"> <li>Delay in monetization of discoveries</li> </ul> <p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>Limited domestic exploration potential and lack of blocks with good prospects.</li> <li>Fast emerging new technologies and trends that may gradually replace the use of fossil fuels, or any other event that may lead to diminishing revenues from core business.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced economic value</li> <li>Failure in maintaining the target Reserves Replacement Ratio</li> <li>Reduced revenues due to low fossil fuels demands in the long run.</li> </ul> <p>These risks have moderate to high likelihood.</p>	<ul style="list-style-type: none"> <li>Internal operations are being optimized to ensure earliest commercialization of discoveries. Production is being accelerated through nearby existing facilities, where available.</li> <li>International opportunities, such as participation in bid rounds and farm-ins, are being evaluated for portfolio balancing.</li> <li>Diversification opportunities, particularly in the minerals sector, are being pursued to increase the share of diversified income streams. The emerging minerals sector remains a key area of focus. In 2024-25, the operating agreement for BLZ project was concluded, paving the way for development activities. For Nokkundi Iron Ore project, mine development and feasibility studies are underway. For the Reko Diq project, feasibility study has been updated and financial close is targeted within 2025.</li> </ul>	
<b>FINANCIAL &amp; COMMERCIAL RISKS</b>	<b>EXTERNAL</b> <ul style="list-style-type: none"> <li>Delays in settlement of Company's dues by its customers, due to circular debt issues.</li> <li>Amendment in Petroleum Policy 2012 resulting in retrospective imposition of Windfall Levy on Oil (WLO) in Tal block.</li> <li>Exchange rate volatility</li> <li>Crude Oil price volatility</li> </ul>	<ul style="list-style-type: none"> <li>Deteriorating circular debt affects the Company's ability to add desirable economic value for the shareholders</li> <li>Additional cash outflows for payment of WLO retrospectively.</li> <li>Exchange rate affects both revenues and costs</li> <li>Crude oil price volatility affects revenues and profitability</li> </ul> <p>These risks have a high likelihood except the potential WLO outflow.</p>	<ul style="list-style-type: none"> <li>Intensive cash collection efforts continued through high-level engagement with all stakeholders, resulting in improved collections in 2024-25 vs last year.</li> <li>Imposition of WLO has been challenged in the Court of law.</li> <li>The Company is hedged against the devaluation of exchange rate as it impacts its revenues also. However, the effect of the exchange rate on realized cashflows is delayed in case of gas.</li> <li>The effect of crude oil price on revenues is not linear in case of gas, as the gas pricing is based on a sliding scale.</li> </ul>	

RISKS CATEGORY	RISKS & CATEGORIZATION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
<b>OPERATIONAL RISKS</b>	<p><b>INTERNAL</b></p> <ul style="list-style-type: none"> <li>Production decline from mature fields due to natural depletion.</li> </ul> <p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>Low customer offtakes from producing fields.</li> <li>Expiry of producing fields' leases prior to economic cut-off.</li> <li>Reserves migration in producing fields across lease boundaries.</li> <li>Operator non-performance in certain partner operated ELs</li> </ul>	<ul style="list-style-type: none"> <li>Failure in achieving production targets and project value erosion</li> <li>Delayed revenues and high OPEX per BOE</li> <li>Failure to achieve maximum hydrocarbon recovery</li> <li>Accelerated depletion of PPL fields, and loss of economic value.</li> <li>Sub-optimal return on investment in partner operated areas.</li> </ul> <p>These risks have moderate to high likelihood.</p>	<ul style="list-style-type: none"> <li>Drilling of development wells continued in producing fields to optimize production with three wells drilled in partner-operated areas during FY 2024-25. In addition, production enhancement jobs contributed an incremental 19 MMscfd.</li> <li>Low customer offtakes remained a significant challenge during the year. For Kandhkot field, the Company is pursuing for reallocation of gas to another party. Curtailment by SNGPL due to LNG imports is an industry wide issue and is taken up with GoP for amicable solution.</li> <li>Grant / renewal of D&amp;PL for Sui was received till May 2025. Further extension is being pursued.</li> <li>Reserves migration studies are conducted as and when required. Relevant stakeholders are engaged to address migration issues. Production strategies are also optimized to realize maximum economic value.</li> <li>With regards to reserves migration in Gambat South, legal counsel has been engaged for settlement of the issue.</li> <li>Active engagement with JV partners for optimal performance</li> </ul>	   
<b>REGULATORY &amp; COMPLIANCE RISKS</b>	<p><b>INTERNAL</b></p> <ul style="list-style-type: none"> <li>Non-compliance with applicable laws, rules, regulations, procedures, and policies resulting in inquiries, penalties, legal actions, or reputational damage etc. (G)</li> </ul> <p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>Delay in requisite approvals from the Government for allocation of oil and gas from new discoveries.</li> </ul>	<ul style="list-style-type: none"> <li>Penalties leading to suspension of licenses or regulatory approvals in extreme cases.</li> <li>Reputational damage.</li> <li>Opportunity cost / financial loss for the Company.</li> </ul> <p>These risks have low to moderate likelihood.</p>	<ul style="list-style-type: none"> <li>All departments are required to ensure compliance with applicable laws and procedures. Review mechanisms are in place to identify instances of non-compliance, if any.</li> <li>Regulatory authorities are engaged and regularly followed up for grant of NOCs required for carrying out work program.</li> </ul>	 

RISKS CATEGORY	RISKS & CATEGORIZATION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
<b>ENVIRONMENT, SAFETY &amp; SECURITY RISKS</b>	<p><b>INTERNAL</b></p> <ul style="list-style-type: none"> <li>Major accidents due to human error or system failure. (S)</li> <li>Spills or release of toxic waste into environment (E, S)</li> </ul> <p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>Security incidents at locations (S)</li> <li>Bio-security threats, such as pandemics (E, S)</li> </ul>	<ul style="list-style-type: none"> <li>Injuries, fatalities, disruption of operations and associated losses</li> <li>Damage to the environment leading to punitive actions by regulatory authorities and reputational damage</li> <li>Disruption in exploration and production operations</li> <li>Fatalities</li> </ul> <p>These risks have low to moderate likelihood.</p>	<ul style="list-style-type: none"> <li>QHSE is a core value at PPL, with controls in place to minimize the likelihood of any HSE incidents.</li> <li>No major environmental incidents occurred during the year.</li> <li>Maintained continuous liaison with law enforcement and intelligence agencies, while strengthening security infrastructure at well sites.</li> <li>Compliance with biosecurity protocols is observed.</li> </ul>	   
<b>CLIMATE RISK</b>	<p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>Physical risks arising due to severe climatic events, such as floods, cyclones, storms, droughts, heatwaves, etc. (E, S)</li> </ul>	<ul style="list-style-type: none"> <li>Disruption in exploration and production operations</li> <li>Potential fatalities</li> </ul> <p>This risk has low to moderate likelihood.</p>	<ul style="list-style-type: none"> <li>Business Continuity Plan is in place. Immediate corrective actions are implemented where necessary.</li> </ul>	  
<b>TECHNOLOGY RISKS</b>	<p><b>EXTERNAL</b></p> <ul style="list-style-type: none"> <li>Cybersecurity breach of digital IT &amp; Operational Technology (OT) systems. (G)</li> </ul>	<ul style="list-style-type: none"> <li>Loss or misuse of data or sensitive information, business / production disruption</li> </ul> <p>This risk has moderate likelihood.</p>	<ul style="list-style-type: none"> <li>No IT or OT Cybersecurity breach occurred during the year. However, after the year end, a cybersecurity incident involving ransomware intrusion targeting the Company's IT infrastructure was identified. Containment measures were promptly taken.</li> <li>Annual IT vulnerability assessments and penetration testing are conducted, while OT cybersecurity assessments and safeguard enhancements are implemented across multiple facilities.</li> </ul>	 

RISKS CATEGORY	RISKS & CATEGORIZATION	IMPACT AND LIKELIHOOD	MITIGATION STRATEGY AND PERFORMANCE	CAPITALS IMPACTED
<b>HUMAN RESOURCE RISKS</b>	<b>INTERNAL</b> <ul style="list-style-type: none"> <li>Low Employee Engagement and/or uncompetitive benefits. (S, G)</li> </ul>	<ul style="list-style-type: none"> <li>Increasing staff attrition and declining employee morale affecting Company's performance</li> </ul> <p>This risk has moderate to high likelihood.</p>	<ul style="list-style-type: none"> <li>Employee Engagement Survey (EES) is conducted annually to identify related issues, and steps are taken to address them.</li> </ul>	
<b>REPUTATION RISKS</b>	<b>EXTERNAL</b> <ul style="list-style-type: none"> <li>Negative Publicity / media coverage resulting in damage to the Company's reputation. (S)</li> </ul>	<ul style="list-style-type: none"> <li>Loss of confidence of stakeholders.</li> </ul> <p>This risk has low to moderate likelihood.</p>	<ul style="list-style-type: none"> <li>The Company proactively engages with all stakeholders and takes every measure to prevent any incidents which could adversely impact its reputation.</li> </ul>	
<b>SUPPLY CHAIN RISKS PARTICULARLY ARISING FROM ESG INCIDENTS</b>	<b>EXTERNAL</b> <ul style="list-style-type: none"> <li>Macro-economic factors, such as delays in opening of LCs due to Forex issues.</li> <li>Geopolitical events, such as war, political instability, etc. that may disrupt global supply chain.</li> <li>Societal or communal disturbances. (E, S)</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain disruptions</li> <li>Reputational damage issues</li> <li>Disruption in operations</li> <li>Effect on Country's energy security</li> </ul> <p>These risks have low likelihood</p>	<ul style="list-style-type: none"> <li>The Company diversifies its supply sources to reduce single-supplier dependency, with a focus on sustainable and local sourcing to mitigate risks associated with long-distance supply chains.</li> <li>Regular supplier risk assessments are conducted, including geopolitical assessments, to anticipate potential issues and make proactive decisions.</li> <li>Pro-active monitoring of societal disturbances is carried out across all fields.</li> </ul>	 

## KEY OPPORTUNITIES

The Company remains committed to sustainable growth, strategic diversification, and long-term value creation. In 2024–25, PPL continued to pursue a balanced expansion strategy, leveraging its core strengths while exploring new avenues to enhance resilience and competitiveness in a rapidly evolving energy landscape.

### CORE BUSINESS

PPL is focused on strengthening its upstream portfolio through targeted exploration and development initiatives, both domestically and internationally. By leveraging existing expertise and resources, the Company seeks to capitalize on emerging opportunities and drive growth in core operations.

- DOMESTIC OFFSHORE EXPLORATION:** The Company is advancing its offshore exploration efforts, particularly in shallow waters, with promising prospects identified in the Offshore Indus C block. Ongoing technical and strategic evaluations aim to unlock its full potential, strengthening PPL's position as a key player in offshore development.
- BIDDING ROUNDS & BLOCK ACQUISITIONS** PPL continues to participate in upcoming domestic and international bidding rounds, with a focus on acquiring high-potential blocks, while exploring farm-in opportunities to accelerate growth and diversify its exploration portfolio.
- INTERNATIONAL EXPANSION:** In line with its risk diversification strategy, PPL is evaluating international exploration opportunities in geologically favorable regions with stable regulatory regimes, focusing on quality assets that offer long-term growth and strategic alignment. PIOL, PPL's associate company, entered into the Production Concession Agreement with ADNOC for Offshore Block 5 in Abu Dhabi.

### DIVERSIFICATION

To mitigate sectoral risks and capitalize on emerging trends, PPL is expanding into complementary sectors aligned with its operational strengths and sustainability goals. The diversification strategy emphasizes leveraging our existing expertise and resources to identify and pursue attractive investment opportunities.

- MINERAL EXPLORATION AND DEVELOPMENT:** Progress continues on the Barite, Lead, and Zinc (BLZ) development project, with the operating agreement finalized. This project offers consistent revenue potential and strategic relevance in industrial supply chains. Exploration activities and studies are also underway in EL-207, operated by Degan Exploration Works.
- REKO DIQ COPPER & GOLD PROJECT:** PPL's participation in the world-class Reko Diq project, operated by Barrick Mining Corporation, is a cornerstone of its mineral strategy. The Company is committed to supporting project development and maximizing value through strategic collaboration.
- MIDSTREAM INVESTMENTS:** PPL is pursuing partnerships in the midstream sector, including joint ventures in refinery projects, to strengthen the value chain, enhance energy security, and create new revenue streams.
- ENERGY TRANSITION PROJECTS:** In line with global sustainability goals, PPL is evaluating renewable and hybrid power solutions, particularly to support its mining operations. These initiatives reflect the Company's commitment to environmental stewardship and long-term energy diversification.



The 3D Minerals Map of Pakistan, was the key highlight of the Pakistan Pavilion at Future Minerals Forum 2025. Curated by PPL as a lead partner in collaboration with MoE(PD), the 3D Minerals Map, a first-ever endeavour to showcase the country's rich potential at an international forum, was carefully designed transforming complex geological data into a visually compelling experience. The display demonstrated how innovation and technology can unlock new pathways for a Pakistan to seek global partnerships in the mineral sector.

# STAKEHOLDERS' ENGAGEMENT

The Company places high importance on engaging with its stakeholders through transparent, consistent, and meaningful communication at various platforms. The company recognizes that maintaining strong relationships with stakeholders is essential for long-term success and sustainability. The Company's major stakeholders and their engagement process is depicted below:

 <p><b>SHAREHOLDERS</b></p>	<ul style="list-style-type: none"> <li>• Annual General Meetings (AGMs) are held, including Q&amp;A sessions to respond to shareholders' queries.</li> <li>• Extraordinary General Meetings (EGMs) are convened as needed to seek shareholders' approval for special resolutions.</li> <li>• The Investors' section on the Company's website provides access to key resources like financial reports, notices etc.</li> </ul>
 <p><b>REGULATORS</b></p>	<ul style="list-style-type: none"> <li>• Coordination with the Ministry of Energy (Petroleum Division) for necessary approvals and interventions.</li> <li>• Engagement with OGRA for price notifications.</li> <li>• Regular notices on PSX website.</li> <li>• Compliance with SECP requirements.</li> <li>• Engagement with provincial regulatory authorities.</li> <li>• Engagement with tax authorities.</li> </ul>
 <p><b>EMPLOYEES</b></p>	<ul style="list-style-type: none"> <li>• Team-building activities to enhance collaboration and communication.</li> <li>• Regular training and development programs for staff growth and skill enhancement.</li> <li>• Employee engagement activities including annual dinner and family picnic.</li> <li>• Communication to employees through Corporate Intranet.</li> <li>• Engagement surveys and townhall meetings to seek employee feedback and open dialogue.</li> <li>• Performance monitoring through KPIs and Balanced Scorecard.</li> </ul>
 <p><b>LOCAL COMMUNITIES</b></p>	<ul style="list-style-type: none"> <li>• Development of local infrastructure, including roads, schools, and healthcare facilities, in our operational areas.</li> <li>• Provision of free gas and water to nearby communities.</li> <li>• Employment opportunities for local communities.</li> <li>• Skill development for unemployed youth in partnership with local NGOs including scholarships.</li> <li>• Establishment of vocational training institutes to promote technical education and self-reliance.</li> </ul>
 <p><b>FINANCIAL INSTITUTIONS</b></p>	<ul style="list-style-type: none"> <li>• The Company maintains strong relationships with banking partners to ensure smooth execution of financial transactions, regulatory compliance and approvals from the State Bank of Pakistan.</li> <li>• Engagement with other financial institutions is carried out for effective fund management and investment activities.</li> </ul>
 <p><b>CUSTOMERS / SUPPLIERS</b></p>	<ul style="list-style-type: none"> <li>• Regular meetings with customers to maintain strong business relationships and timely collections.</li> <li>• Pre- and post-bid meetings are held with suppliers to clarify bidding requirements and results.</li> <li>• A transparent bidding process is maintained, with queries addressed through an online portal to ensure fairness and accessibility.</li> <li>• Grievance Committee reviews supplier grievances.</li> </ul>
 <p><b>ANALYSTS / MEDIA</b></p>	<ul style="list-style-type: none"> <li>• Analyst briefings are conducted to present the Company's financial results, discuss future plans, and address analysts' queries.</li> <li>• Media relations are managed by the Corporate Communications Department, ensuring consistent and professional engagement.</li> <li>• Interviews and articles are regularly published through various media outlets to communicate key developments and insights.</li> </ul>
 <p><b>JOINT VENTURE PARTNERS</b></p>	<ul style="list-style-type: none"> <li>• Active engagement through Operational and Technical Committee meetings.</li> <li>• Peer reviews for major investment and work program decisions.</li> <li>• Joint venture audits</li> </ul>

## NEEDS AND INTERESTS OF KEY STAKEHOLDERS

The Company is committed to effectively addressing the needs and expectations of its key stakeholders:

- Shareholders are provided with consistent returns through dividend payouts, although these have remained low due to circular debt.
- Shareholders are given ample opportunity to voice their concerns and have their queries resolved.
- Regulatory relationships are maintained through timely compliance with all applicable requirements.
- A dedicated department handles investor complaints to ensure prompt and effective resolution.
- Local communities are actively engaged to identify their needs, which are met through a robust and well-structured CSR program.
- Employees are rewarded appropriately based on their performance, ensuring motivation and retention.
- The information needs of analysts and media are addressed through regular analyst briefing sessions.
- The Company maintains regular interaction with its joint venture partners to collaboratively make key decisions in operating blocks.
- All queries raised during the previous Annual General Meeting (AGM) were addressed appropriately.



# FUTURE OUTLOOK

## FORWARD LOOKING STATEMENT

PPL remains committed to strengthening Pakistan’s energy security while ensuring sustainable growth and long-term value creation for all stakeholders. The strategy seeks to secure consistent revenues from a diversified portfolio and build greater resilience in a dynamic market.

To this end, the Company continues to consolidate its core upstream operations domestically, while also pursuing new opportunities in international markets. At the same time, PPL is exploring opportunities in the growing local mining industry and value-added segments of the energy chain.

Exploration activities are progressing across both new prospects in producing fields and high-potential frontier basins. To mitigate risks, PPL is conducting extensive geological and geophysical studies, carrying out seismic surveys, and implementing a comprehensive drilling program.

At the same time, the Company is optimizing production from existing fields through well interventions and workovers, development wells, and investments in gas processing and compression facilities, aimed at maximizing recovery from mature assets.

Internationally, PPL is targeting strategic assets in regions with established hydrocarbon potential. The Company’s work program in Abu Dhabi’s Block 5 is progressing, while other international opportunities remain under active evaluation.

To diversify its portfolio and reduce reliance on oil and gas, PPL is expanding its presence in the mining sector through the Barite, Lead and Zinc (BLZ) project and participation in the Reko Diq copper and gold project. The Company has also applied for additional mineral exploration blocks and is exploring opportunities in refining and renewable energy—particularly hybrid solutions to support mining operations and align with global sustainability goals.

The Company’s revenue is sensitive to fluctuations in international crude oil prices, which have recently declined due to increased OPEC production. Lower interest rates have also reduced finance income. While the exchange rate is expected to remain stable, PPL’s USD-denominated revenue stream provides some protection. However, sustained political and global stability remains critical for encouraging long-term investment and growth.

PPL remains committed to social development, with continued investments in healthcare, education, and skill-building for underprivileged communities. The Company also upholds its responsibility to the environment and is actively pursuing low-carbon opportunities to advance a sustainable energy future. With a clear strategic vision, PPL is confident in its ability to deliver strong performance and create lasting value for its shareholders, employees, and the communities it serves.

## PERFORMANCE OF THE COMPANY AS AGAINST FORWARD LOOKING DISCLOSURES MADE LAST YEAR

During the year, the Company acquired 2D seismic data for the Khuzdar, Kuhan, Baran, and Suleiman blocks, supporting the evaluation of potential areas for future drilling. In addition, the Company drilled three exploration wells in operated areas and six in partner-operated areas. Overall, eight new discoveries were announced, two in operated and six in partner-operated blocks.

To sustain production levels and mitigate natural decline, four development wells were drilled in partner-operated areas—one each in the Tal, Qadirpur, Ziarat, and Miano blocks.

The Company has also strategically commissioned production from new wells and implemented several cost-efficient production enhancement initiatives, including rig-less interventions, surface system optimization, and workovers. These efforts resulted in incremental gains of approximately 35 MMscfde.

As part of its ongoing efforts to strengthen core operations, the Company participated in the Pakistan Bid Round, provisionally securing two blocks—one as operator and the other as partner. Additionally, the Company farmed-in as a non-operating partner in the Miran block.

Internationally, the Company-led consortium (PIOL) drilled one exploratory and one appraisal well in Abu Dhabi’s Offshore Block 5, which holds the potential to generate stable USD-denominated cash flows for all partners in the medium term.

On the minerals front, the Reko Diq project remains on track, with financial close expected in 2025. Exploratory and geological studies are underway in EL-207, operated by Degan Exploration Works. For the BLZ project, the operating agreement has been finalized, and the onboarding of the project consultant is in progress.

## FUTURE PLANS FOR AI ADOPTION

PPL is in the early stages of integrating Artificial Intelligence (AI) into its operations, with a long-term vision to become a data-driven organization. Planned initiatives include:

- **PREDICTIVE MAINTENANCE:** Using AI to monitor equipment health and predict failures, reducing downtime and maintenance costs.
- **EXPLORATION ANALYTICS:** Leveraging machine learning to analyze seismic and geological data for faster and more accurate prospect identification.
- **OPERATIONAL OPTIMIZATION:** Applying AI to optimize drilling parameters, production rates, and energy consumption.

## FUTURE RESEARCH & DEVELOPMENT INITIATIVES:

PPL recognizes the critical role of R&D in sustaining long-term growth and competitiveness. The Company is planning to:

- Develop and deploy advanced seismic imaging and reservoir modeling tools to improve exploration success rates.
- Invest in enhanced oil recovery (EOR) techniques to maximize output from mature fields.
- Explore low-carbon technologies and emissions reduction solutions.
- Collaborate with academic and research institutions to foster innovation in subsurface technologies and energy transition solutions.

These initiatives are aimed at improving resource recovery, reducing environmental impact, and supporting the Company’s diversification strategy.

## SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS

The Company relies on a range of internal and external sources to develop assumptions for projections and forecasts that shape its business plan and work program. These sources include field life profiles, local and international analyst reports, publications from international agencies, and the Economic Survey of Pakistan. For field and project economics, the Company utilizes reputable software that generates outputs based on defined criteria.

## RESPONDING TO CHALLENGES AND UNCERTAINTIES

The Company has robust operational processes and comprehensive risk management procedures in place to manage uncertainties. Detailed contingency planning is implemented at the fields to minimize the impact of potential disruptions. Several fields have obtained ISO certifications, reinforcing the Company’s commitment to high operating standards. In addition, strict compliance with Quality, Health, Safety, and Environmental (QHSE) protocols is ensured across operations.

## EFFECT OF EXTERNAL ENVIRONMENT ON COMPANY'S BUSINESS

Details of economic, political and legal and regulatory factors affecting the Company are as follows.

### ECONOMIC ENVIRONMENT AFFECTING THE COMPANY

Pakistan's economy witnessed improvement in FY 2024-25, marked by low inflation, a stable exchange rate, a current account surplus, low interest rates, and an upgrade in the country's credit rating by international agencies. However, global economic fragility amid geopolitical tensions, along with a decline in crude oil prices due to OPEC production cuts, adversely impacted the Company's profitability. Furthermore, lower interest rates translated into reduced interest income.

### POLITICAL ENVIRONMENT AFFECTING THE COMPANY

The Company's primary operations are based in Pakistan, where political stability is critical, as many policies affecting its business require political consensus, including recoveries from customers. Internationally, the Company also operates in the UAE and Yemen. While the UAE offers an investor-friendly environment, operations in Yemen remain suspended under force majeure due to political instability and security concerns.

### LEGAL AND REGULATORY ENVIRONMENT AFFECTING THE COMPANY

As an oil and gas exploration and production company, the Company operates under a strict legislative and regulatory framework, with oversight from multiple regulatory bodies. It fully complies with all applicable regulations, including environmental, social, health, and safety requirements.

## SIGNIFICANT CHANGES IN ENVIRONMENT AFFECTING THE COMPANY FROM PRIOR YEARS

Pakistan is importing LNG under long-term contracts; however, weak demand driven by high consumer prices for captive power generation and the increase in solar power has limited the intended use of gas for power generation. Consequently, local indigenous gas producers, including the Company, faced production cuts, resulting in an estimated 10% decline in sales volumes. While global economic conditions remain fragile amid geopolitical tensions, the recent decline in crude oil prices has adversely impacted the Company's profitability. On a positive note, customer collections have improved following gas price revisions, while efforts are underway at the government level to address the settlement of past circular debt and to curb its future buildup. Meanwhile, the increasingly fragile security situation in frontier areas of Balochistan continues to pose significant challenges for exploration activities, leading to substantially higher security costs.

### EFFECT OF SEASONALITY ON BUSINESS

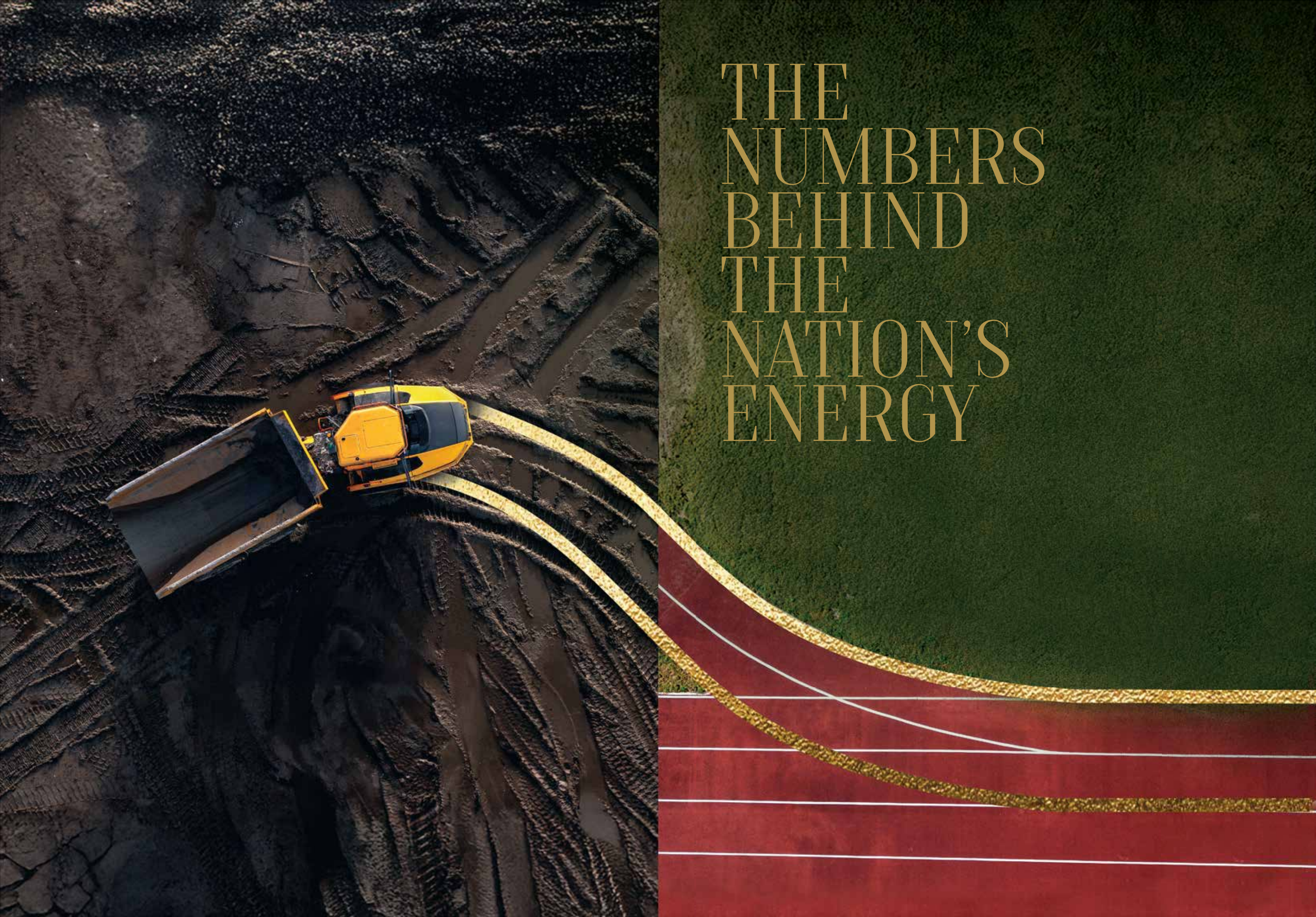
Seasonality does not have a significant impact on the Company's sales, as its products are primarily commodities produced throughout the year at a capacity. However, during winter, when gas demand increases, distribution companies tend to prioritize payments for imported RLNG over local indigenous supplies.

### IMPACT OF POLICIES OF GOVERNMENT OF PAKISTAN

As PPL is majority-owned by the Government of Pakistan (GoP), certain members of the Board are nominated by the GoP to represent the perspective of the majority shareholder.

More details of environmental, social, technological and other factors affecting the Company's performance can be found in the Strategy & Resource allocation section of this report.



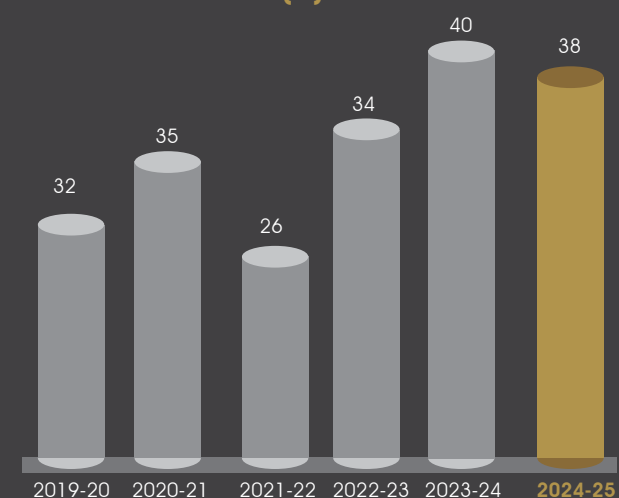


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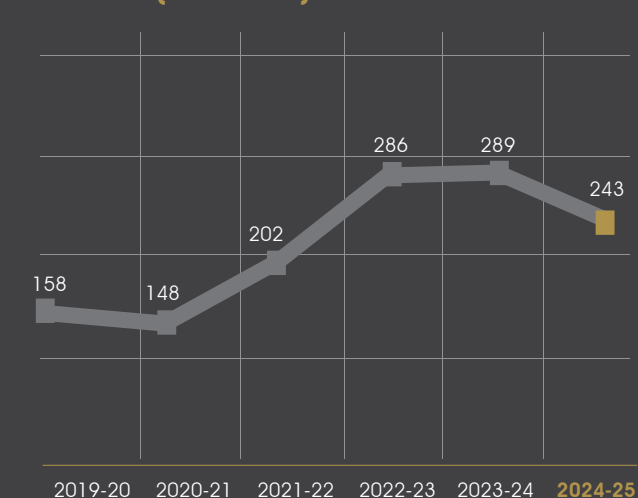
# SIX YEARS' SUMMARY

		2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>FINANCIAL PERFORMANCE</b>							
EBITDA Margin to sales <sup>1</sup>	%	60	59	59	66	63	<b>64</b>
Operating Leverage	%	294	45	118	163	(424)	<b>77</b>
Pre tax Margin	%	45	46	49	58	55	<b>57</b>
Net profit to sales	%	32	35	26	34	40	<b>38</b>
Gross Profit ratio	%	58	58	65	67	66	<b>63</b>
Return on Equity	%	15	13	12	18	18	<b>13</b>
Return on Capital Employed	%	17	15	20	27	23	<b>18</b>
<b>OPERATING PERFORMANCE / LIQUIDITY</b>							
Total assets turnover <sup>7</sup>	times	0.34	0.29	0.35	0.40	0.34	<b>0.26</b>
Fixed assets turnover	times	0.99	0.97	1.42	2.09	2.14	<b>1.76</b>
Debtors turnover <sup>7</sup>	times	0.69	0.61	0.64	0.63	0.56	<b>0.46</b>
Debtors turnover <sup>7</sup>	days	529	601	571	576	649	<b>786</b>
Current ratio <sup>7</sup>	ratio	4.03	4.42	3.57	3.35	3.59	<b>4.81</b>
Quick ratio <sup>7</sup>	ratio	3.98	4.36	3.52	3.31	3.55	<b>4.75</b>
Cash to Current Liabilities <sup>7</sup>	times	0.24	0.81	0.26	0.27	0.47	<b>0.43</b>
Cash flow from Operations to Sales	times	0.19	0.36	0.20	0.05	0.28	<b>0.09</b>
Creditors turnover <sup>2</sup>	times	-	-	-	-	-	-
Creditors turnover <sup>2</sup>	days	-	-	-	-	-	-
Inventory turnover <sup>2</sup>	times	-	-	-	-	-	-
Operating Cycle <sup>2</sup>	days	-	-	-	-	-	-
<b>CAPITAL MARKET / CAPITAL STRUCTURE ANALYSIS</b>							
Market value per share as at June 30	Rs	86.78	86.83	67.51	59.14	117.11	<b>170.17</b>
- Low during the year	Rs	68.65	76.85	64.22	51.05	63.58	<b>106.40</b>
- High during the year	Rs	154.49	106.05	90.00	83.84	137.90	<b>216.50</b>
Breakup value per share	Rs	126.65	143.53	159.82	198.73	235.05	<b>259.41</b>
Basic and Diluted EPS <sup>5</sup>	Rs	18.47	19.27	19.68	35.99	42.01	<b>33.82</b>
Price earning ratio <sup>6</sup>	ratio	4.70	4.51	3.43	1.64	2.79	<b>5.03</b>
Cash Dividend Yield	%	1.15	4.03	2.96	4.23	5.12	<b>4.41</b>
Cash Dividend Cover Ratio	times	18.47	5.51	9.84	14.40	7.00	<b>4.51</b>
Total Shareholder Return / Return on investment	%	(38.53)	2.94	(18.22)	(10.18)	106.48	<b>51.66</b>
Price to Book Ratio	times	0.69	0.60	0.42	0.30	0.50	<b>0.66</b>
Debt Equity Ratio <sup>3</sup>	ratio	-	-	-	-	-	-
Weighted average cost of debt <sup>3</sup>	%	-	-	-	-	-	-
Interest Cover Ratio <sup>3</sup>	ratio	-	-	-	-	-	-
Financial Leverage Ratio <sup>3</sup>	ratio	-	-	-	-	-	-
Cashflow Coverage Ratio <sup>3</sup>	ratio	-	-	-	-	-	-
<b>EMPLOYEE PRODUCTIVITY RATIOS</b>							
Production per employee	MMscfde	0.32	0.32	0.31	0.32	0.28	<b>0.25</b>
Revenue per employee	Rs million	57.7	55.9	77.4	112.97	111.50	<b>95.37</b>
Staff turnover ratio	%	1.2	0.5	0.8	1.1	1.7	<b>1.0</b>
<b>SUMMARY OF STATEMENT OF PROFIT OR LOSS</b>							
		<b>RS. MILLION</b>					
Sales - GROSS (including Govt. levies)		183,850	172,507	235,240	327,050	328,278	<b>277,395</b>
Sales - Net (excluding Govt. levies)		157,593	148,429	202,199	286,480	288,797	<b>242,516</b>
Profit before Tax		70,485	68,582	98,131	165,601	159,782	<b>139,083</b>
Profit after Tax		50,256	52,431	53,546	97,937	114,309	<b>92,027</b>
EBITDA <sup>1</sup>		95,047	87,847	120,223	188,633	183,050	<b>155,567</b>

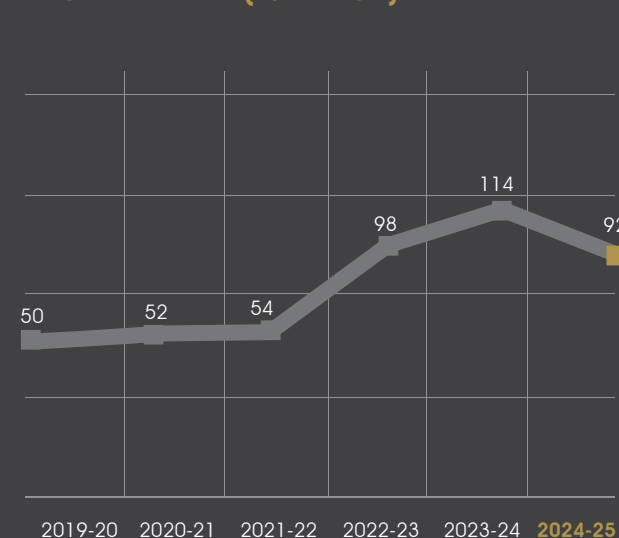
NET PROFIT TO SALES (%)



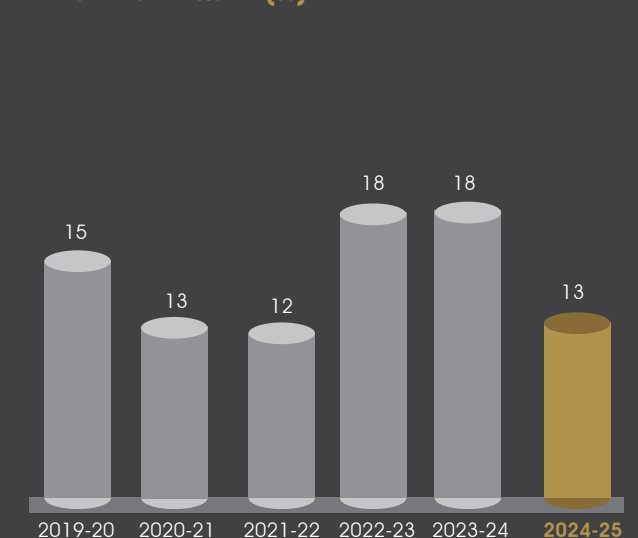
NET SALES (Rs. BILLION)



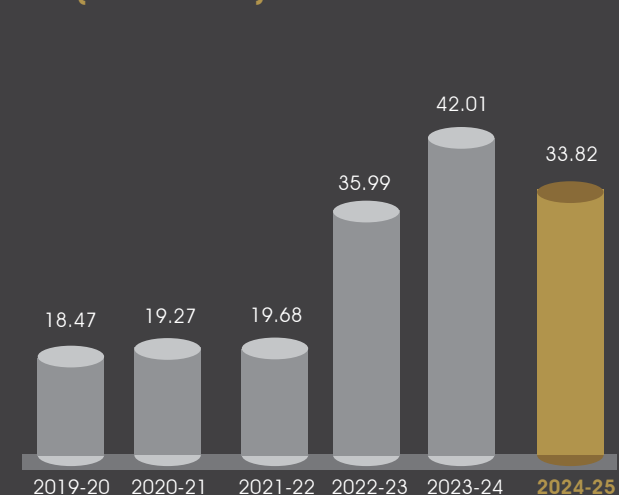
PROFIT AFTER TAX (Rs. BILLION)



RETURN ON EQUITY (%)



EPS (Rs. PER SHARE)



## ANALYSIS

The Company's profit after tax (PAT) declined by over PKR 22 billion compared to last year, mainly due to reduced sales volumes caused by RLNG back pressure in SNGPL's network and lower offtakes by GENCO-II from Kandhkot, coupled with decline in international crude oil prices. These factors collectively led to a 16% reduction in sales revenue. This adverse impact was partially mitigated by higher other income from the reversal of impairment on the Company's investment in PPL Asia and lower exploration expenses. However, it is important to note that last year's results also benefited from a one-off tax saving arising from a favorable court decision. Consequently, the net profit margin remained broadly in line with the previous year.

However, Return on Equity (ROE) declined to 13% in FY 2024-25 from 18% in the prior year, reflecting the dual impact of lower profitability and an expanded equity base due to higher retained earnings.

The decline in PAT resulted in a corresponding decrease in earnings per share (EPS), with no change in the number of ordinary shares outstanding during the year.

# SIX YEARS' SUMMARY

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
<b>CORPORATE DISTRIBUTION</b>							
Dividend - Interim	Rs million	-	4,081	4,081	2,721	9,523	<b>13,605</b>
- Final	Rs million	2,721	5,442	1,360	4,081	6,802	<b>6,802</b>
Cash Dividend per share <sup>4</sup>	Rs	1.00	3.50	2.00	2.50	6.00	<b>7.50</b>
Cash Dividend Payout Ratio <sup>4 &amp; 6</sup>	%	5.41	18.16	10.16	6.95	14.28	<b>22.18</b>
Bonus	Rs million	-	-	-	-	-	-

## SUMMARY OF STATEMENT OF FINANCIAL POSITION

	RS. MILLION					
Share Capital	27,210	27,210	27,210	27,210	27,210	<b>27,210</b>
Reserves	317,388	363,318	407,665	513,538	612,364	<b>678,625</b>
Shareholders' funds	344,598	390,528	434,875	540,747	639,573	<b>705,835</b>
Non - Current Liabilities	67,011	59,841	64,759	71,605	71,334	<b>76,443</b>
Current Assets <sup>7</sup>	330,790	382,035	446,840	594,749	705,349	<b>696,506</b>
Current Liabilities <sup>7</sup>	82,068	86,515	125,312	177,758	196,541	<b>144,868</b>
Property, Plant & Equipment	158,659	146,584	137,840	135,860	134,020	<b>140,623</b>
Long Term Investments	3,798	7,992	5,976	59,367	67,852	<b>89,669</b>
Stores and Spares	4,061	4,568	5,496	5,929	6,862	<b>8,810</b>
Trade Debts <sup>7</sup>	263,927	282,285	365,792	513,033	577,586	<b>592,404</b>
Short term investments	51,411	85,012	66,407	62,105	104,767	<b>74,165</b>
Cash and bank balances	5,160	4,243	3,723	6,106	7,074	<b>6,199</b>

## SUMMARY OF STATEMENT OF CASHFLOWS

Cash and Cash equivalents at the beginning of the year	25,719	19,726	69,910	32,930	47,757	<b>92,806</b>
Net Cash generated from operating activities	30,322	53,546	41,242	13,096	80,879	<b>22,016</b>
Net Cash generated from / (used in) investing activities	(31,729)	3,238	(69,124)	5,946	(21,475)	<b>(32,012)</b>
Net Cash used in financing activities	(4,586)	(6,600)	(9,098)	(4,215)	(14,355)	<b>(20,022)</b>
Net change in cash and cash equivalents	(5,993)	50,184	(36,980)	14,827	45,049	<b>(30,018)</b>
Cash and Cash equivalents at the end of the year	19,726	69,910	32,930	47,757	92,806	<b>62,787</b>
Free Cash Flows	5,927	43,418	(14,647)	677	60,888	<b>(12,688)</b>
Cash flow to capital expenditures	1.08	3.96	1.87	0.73	3.30	<b>0.68</b>

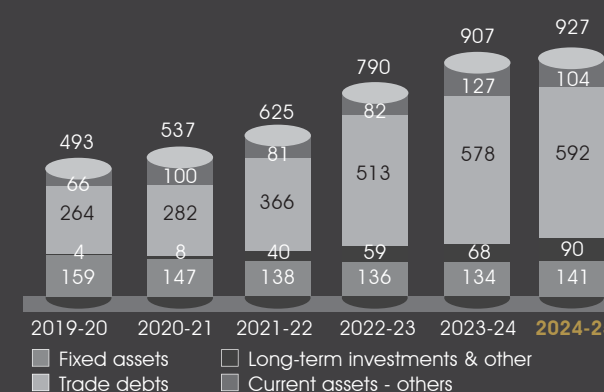
## OTHERS

Payments to Government Exchequer	Rs million	60,297	72,975	94,569	129,392	155,062	<b>209,072</b>
Market Capitalisation	Rs million	236,126	236,262	183,693	160,918	318,653	<b>463,028</b>
Spares Inventory as a % of NBV of PPE	%	2.56	3.12	3.99	4.36	5.12	<b>6.27</b>
Realized price	\$/boe	20.1	19.4	25.4	25.6	25.9	<b>24.8</b>
% of Plant availability	%	99.4	99.1	99.4	99.7	98.8	<b>99.5</b>
Maintenance cost as % of operating expenses	%	6.2	6.5	6.5	5.9	6.3	<b>8.1</b>

### NOTE:

1. EBITDA stands for Earnings before interest, taxes, depreciation, impairment and amortisation.
2. Not applicable in view of the nature of the Company's business.
3. Not applicable as the Company does not have debt besides long-term financing for employees vehicles, which forms a negligible part of its capital structure.
4. Includes declaration of final cash dividend subsequent to year end.
5. Convertible Preference Shares are of insignificant value in the Company's total share capital therefore it has negligible dilution effect on EPS.
6. Price earnings ratio and cash dividend payout ratio have been calculated on basic EPS.
7. In accordance with the guidance issued by ICAP, effect of GIDC / GDS has been excluded from these line items.

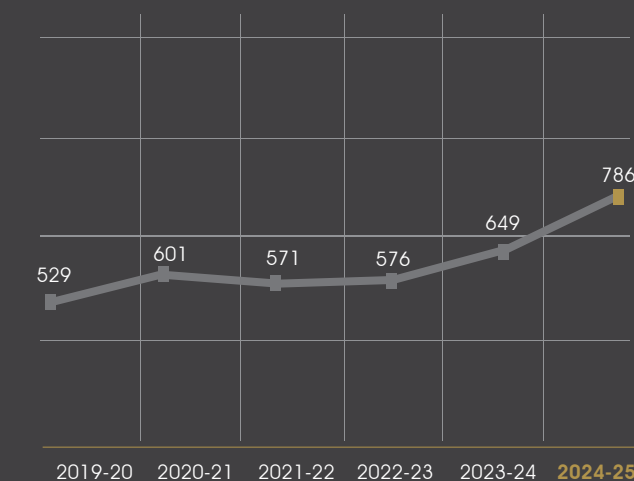
## ASSETS (Rs. BILLION)



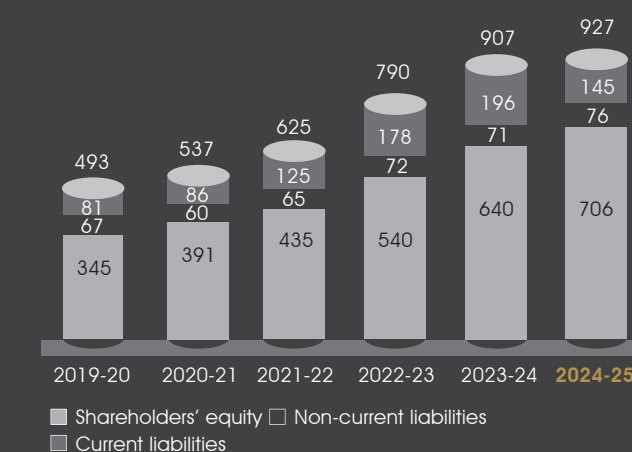
Trade debts increased by PKR 15 billion, translating to an increase of 3% as compared to last year. However, the increase is significantly lower compared to previous years, owing to an improved collection ratio. Despite this improvement, debtor days have increased to 786 days from 649 in the previous year, due to lower sales revenue.

Long-term investments increased due to additional equity contributions in associates, namely Pakistan Minerals (Private) Limited and Pakistan International Oil Limited. Fixed assets recorded a marginal increase over last year. Current assets declined, primarily reflecting a reduction in cash and cash equivalents following the one-off statutory payment of the Sui lease extension bonus.

## DEBTOR DAYS



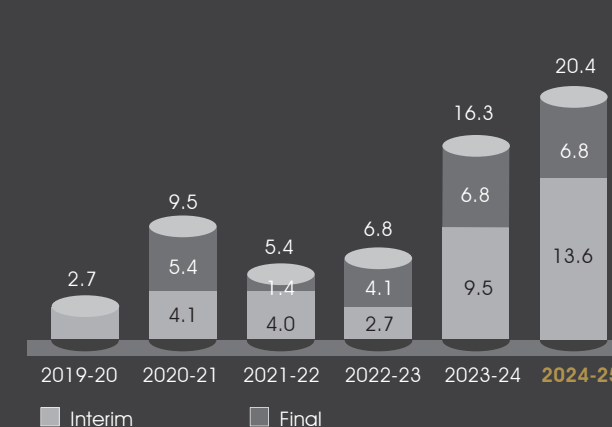
## EQUITY & LIABILITIES (Rs. BILLION)



Shareholders' equity rose by around 10% over last year, reflecting healthy profitability. Current liabilities declined significantly due to the payment of the Sui lease extension bonus, while non-current liabilities increased slightly on account of higher deferred taxation and unwinding of decommissioning obligations.

No defaults occurred on debt payments.

## DIVIDENDS DECLARED (Rs. BILLION)



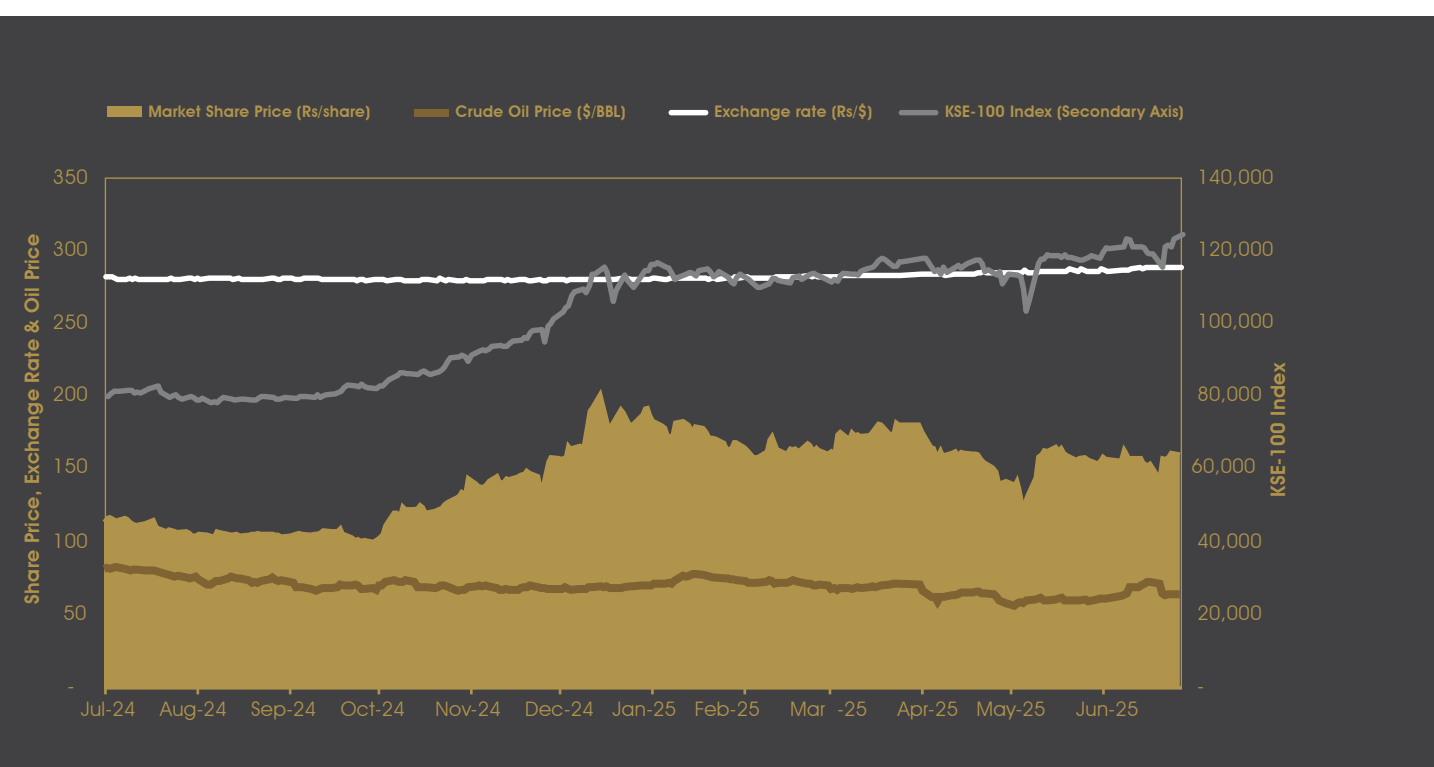
Improved customer collections strengthened operating cash flows, enabling the Company to declare higher dividends during the year. A final dividend of 25% was announced in addition to three interim dividends, taking the total payout to 75% compared to 60% in the previous year. Stronger collections thus translated into enhanced shareholder returns.

# DUPONT ANALYSIS

	2023-24	2024-25
Equity Multiplier	1.3	1.3
Total Assets Turnover	34%	26%
Net Profit Margin	40%	38%
Return on Equity	18%	13%

The primary reason for the decrease in return on equity is the decline in asset turnover. The decrease in asset turnover is attributable to decline in sales revenue on account of negative volume variance amid gas curtailment by SNGPL owing to RLNG back pressure on SNGPL's network and increased asset base. The equity multiplier and net profit margin are similar as compared to last year.

# SENSITIVITY ANALYSIS



The Company's share price continues to exhibit sensitivity to multiple factors, including global crude oil prices and overall stock market performance represented by the KSE-100 index. While the Company's revenues are linked to international oil prices, the impact remains relatively moderate as a major portion of revenue is derived from gas sale. Gas pricing varies on sliding scale and do not move in direct proportion to oil price fluctuations.

During the year, the Company's share price recorded notable gains, largely driven by improved investor confidence stemming from enhanced customer collections and a relative reduction in circular debt build-up. A strong rally in the KSE-100 index also supported momentum, reflecting improvement in macroeconomic indicators and exchange rate stability.

# QUARTERLY ANALYSIS

	First Quarter ended September 30, 2024	Second Quarter ended December 31, 2024	Third Quarter ended March 31, 2025	Fourth Quarter ended June 30, 2025	Total year ended June 30, 2025
<b>Rs Million</b>					
Revenue - net	66,177	60,721	63,825	51,793	242,516
Profit after Tax	23,577	27,337	21,795	19,318	92,027
Sales volume					
- Gas (MMscf)	46,245	43,050	45,565	36,358	171,218
- Crude Oil/NGL /Condensate (thousand bbls)	987	938	937	820	3,682
- LPG (Tonnes)	24,918	26,070	26,059	20,149	97,196

## ANALYSIS

The Company's revenue and profitability showed a mixed trend during the year. Revenue remained relatively stable in the first and third quarters but declined in the second and fourth quarters, with the drop more pronounced in the fourth quarter. The overall decline is due to lower sales volumes and a decrease in crude oil prices. Profit after tax generally mirrored the revenue pattern, except in the second quarter, where it was higher on account of a reversal of prior years' tax provisions following a favourable court decision.

## SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

For management purposes, the Company's activities are organized into a single operating segment—exploration, development, and production of oil, gas, and barytes. Operations are reported under this segment considering the nature of products, associated risks and returns, organizational structure, and internal financial reporting systems. The mining business is undertaken through Bolan Mining Enterprises (BME), a 50% partnership with the Government of Balochistan, and Pakistan Minerals (Private) Limited, a joint venture with OGDCL and GHPL, each holding a 33.33% stake. During the year, the contribution of the non-E&P business to the Company's revenue improved to 1.1% from 0.7% in the previous year.

## METHODS AND ASSUMPTIONS IN COMPILING INDICATORS

Data for calculating performance indicators, including ratios, has been gathered from internal records such as financial statements, production reports, and other management reports. Where applicable, external data has been obtained from market sources, including PSX and analyst reports.

## OUTSTANDING FISCAL PAYMENTS

The following major taxes and duties are outstanding, with further details provided in the financial statements:

- Windfall levy on Tal's oil/condensate – currently under litigation.
- Royalty, lease extension bonus, and windfall levy – calculated based on varying number of days for each development and production lease.
- Federal Excise Duty – pertaining to June 2025.
- Gas Development Surcharge (GDS)– payable upon collection from GENCO-II.
- Other miscellaneous obligations – under the Petroleum Concession Agreements (PCA).

## EXPLANATION OF NEGATIVE CHANGE IN PERFORMANCE AGAINST PRIOR YEAR

The negative change in performance during the year is primarily attributable to declining sales volumes, mainly due to RLNG back pressure on SNGPL's network and lower offtakes by GENCO-II from Kandhkot field, as well as the impact of lower crude oil prices.

## ANY SIGNIFICANT CHANGE IN ACCOUNTING POLICIES

There is no material change in accounting policies, judgement or assumptions

# VERTICAL ANALYSIS

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	(%age)					
<b>STATEMENT OF FINANCIAL POSITION</b>						
Property, plant and equipment	32.1	27.3	22.1	17.2	14.8	<b>15.2</b>
Intangible assets	0.1	-	-	-	-	-
Long-term investments	0.8	1.5	1.0	7.5	7.5	<b>9.7</b>
Deposit with GoP for equity stake in Reko Diq	-	-	5.5	-	-	-
Long-term loans	-	-	-	-	-	-
Long-term deposits	-	-	-	-	-	-
Stores and spares	0.8	0.9	0.9	0.8	0.8	<b>1.0</b>
Trade debts	53.5	52.6	58.6	64.8	63.7	<b>63.7</b>
Loans and advances	0.1	0.1	0.1	0.1	-	<b>0.1</b>
Trade deposits and short-term prepayments	0.1	0.1	-	0.1	0.1	<b>0.1</b>
Interest accrued	0.1	0.1	-	0.2	0.1	<b>0.1</b>
Current maturity of long-term loans	-	-	-	-	-	-
Current maturity of long-term deposits	0.2	0.2	0.2	0.2	0.2	<b>0.2</b>
Current maturity of long-term receivables	-	-	-	-	-	-
Other receivables	0.7	0.6	0.4	0.4	0.5	<b>1.2</b>
Short-term investments	10.4	15.8	10.6	7.9	11.5	<b>8.0</b>
Cash and bank balances	1.1	0.8	0.6	0.8	0.8	<b>0.7</b>
<b>Total Assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Share capital	5.5	5.1	4.4	3.4	3.0	<b>2.9</b>
Reserves	64.3	67.7	65.2	65.0	67.5	<b>73.3</b>
Provision for decommissioning obligations	5.6	5.0	5.2	5.3	5.0	<b>5.1</b>
Long term financing	-	-	-	-	0.1	<b>0.1</b>
Deferred liabilities	0.6	0.6	0.5	0.5	0.5	<b>0.6</b>
Deferred taxation - net	7.4	5.6	4.6	3.3	2.3	<b>2.5</b>
Trade and other payables	13.5	12.2	14.0	13.9	13.9	<b>8.6</b>
Unclaimed dividends	0.1	0.1	0.2	0.2	-	-
Current maturity of long term financing	-	-	-	-	-	-
Current maturity of lease liabilities	-	-	0.2	0.1	-	-
Taxation - net	3.0	3.7	5.7	8.3	7.7	<b>6.9</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>STATEMENT OF PROFIT OR LOSS</b>						
Sales - Net (excluding Govt. levies)	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
Expenditures & other income - net	55.3	53.8	51.4	42.2	44.7	<b>42.6</b>
Taxation	12.8	10.9	22.1	23.6	15.7	<b>19.4</b>
Profit after Tax	31.9	35.3	26.5	34.2	39.6	<b>38.0</b>

## STATEMENT OF FINANCIAL POSITION

Trade debts continue to dominate the balance sheet, accounting for 63% of total assets, broadly consistent with last year, reflecting the persistent circular debt situation in the gas sector. The share of Property, Plant and Equipment (PPE) remained stable at around 15%, while short-term investments declined to 8% from 12% last year, despite improved collections, primarily due to the payment of lease extension bonus on signing of the Sui development and production lease relating to prior years. Conversely, long-term investments increased to nearly 10% of total assets from 8% in the previous year, mainly owing to continued equity contributions in the associated companies, PMPL and PIOL.

On the liabilities side, share capital and reserves strengthened further to 76% of total assets, up from 70% last year, driven by higher retained earnings.

Trade and other payables declined to 9% from 14% in the previous year, primarily reflecting the payment of Sui's lease extension bonus, while provision for taxation declined slightly to 7% compared to 8% last year.

## STATEMENT OF PROFIT OR LOSS

Profit after tax as a percentage of net sales decreased slightly to 38% in FY 2024-25 from 40% in the previous year, primarily due to lower sales volumes resulting from curtailed offtakes by SNGPL and GENCO-II, coupled with the impact of lower crude oil prices. While expenditures and other income improved as a percentage of sales—driven by lower exploration expenses, higher interest income, and the settlement of PPL Asia's claim—the benefit was offset by reduced sales. Taxation as a percentage of sales rose to 19% from 16% last year, as the prior year had benefited from a one-off tax reversal following a favorable court decision for the Company.

# HORIZONTAL ANALYSIS

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	(%age)					
<b>STATEMENT OF FINANCIAL POSITION</b>						
Property, plant and equipment	100	92	87	86	84	<b>89</b>
Intangible assets	100	62	33	17	37	<b>68</b>
Long-term investments	100	210	157	1,563	1,786	<b>2,361</b>
Long-term loans	100	127	148	172	229	<b>263</b>
Long-term deposits	100	100	100	100	100	<b>100</b>
Long-term receivables	100	-	-	-	-	-
Stores and spares	100	113	135	146	169	<b>217</b>
Trade debts	100	107	139	194	219	<b>224</b>
Loans and advances	100	104	83	89	64	<b>74</b>
Trade deposits and short-term prepayments	100	48	53	88	133	<b>133</b>
Interest accrued	100	113	58	367	270	<b>249</b>
Current maturity of long-term loans	100	114	140	162	201	<b>247</b>
Current maturity of long-term deposits	100	103	128	143	143	<b>143</b>
Current maturity of long-term receivables	100	91	80	34	-	-
Other receivables	100	96	82	95	154	<b>337</b>
Short-term investments	100	165	129	121	204	<b>144</b>
Cash and bank balances	100	82	72	118	137	<b>120</b>
<b>Total Assets</b>	<b>100</b>	<b>109</b>	<b>127</b>	<b>160</b>	<b>184</b>	<b>188</b>
Share capital	100	100	100	100	100	<b>100</b>
Reserves	100	114	128	162	193	<b>214</b>
Provision for decommissioning obligations	100	97	118	152	165	<b>170</b>
Long term financing	-	-	-	-	100	<b>100</b>
Lease liabilities	100	-	-	-	-	-
Deferred liabilities	100	109	117	127	145	<b>188</b>
Deferred taxation - net	100	82	79	71	56	<b>62</b>
Trade and other payables	100	98	130	164	188	<b>119</b>
Unclaimed dividends	100	174	334	400	104	<b>115</b>
Current maturity of long term financing	-	-	-	-	100	<b>100</b>
Current maturity of lease liabilities	100	2	7,408	5,826	-	-
Taxation - net	100	137	245	448	476	<b>438</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>100</b>	<b>109</b>	<b>127</b>	<b>160</b>	<b>184</b>	<b>188</b>
<b>STATEMENT OF PROFIT OR LOSS</b>						
Sales - net (excluding Govt. levies)	100	94	128	182	183	<b>154</b>
Expenditures & other income - net	100	92	119	139	148	<b>119</b>
Taxation	100	80	220	334	225	<b>233</b>
Profit after Tax	100	104	107	195	227	<b>183</b>

## STATEMENT OF FINANCIAL POSITION

Trade debts continued to rise, closing at over 2.2 times the base year, though the pace of increase has slowed considerably in recent years, reflecting improved collections. Short-term investments, after strong buildup in prior years, declined to 1.4 times the base year, largely due to the payment of Sui's lease extension bonus. Long-term investments, on the other hand, expanded sharply to more than 23 times the base year, driven by the Company's equity contributions in associated companies, PMPL and PIOL.

On the liabilities side, trade and other payables decreased to 1.2 times the base year as compared to 1.9 times last year, primarily owing to the Sui lease extension bonus payment during the year, while provision for tax, though slightly lower than last year, remain significantly higher than the base year at 4.4

times, mainly due to provisioning for super tax.

Share capital and reserves strengthened to 2.1 times the base year, reflecting higher profitability and lower payouts, as a larger portion of funds remained tied up in trade debts.

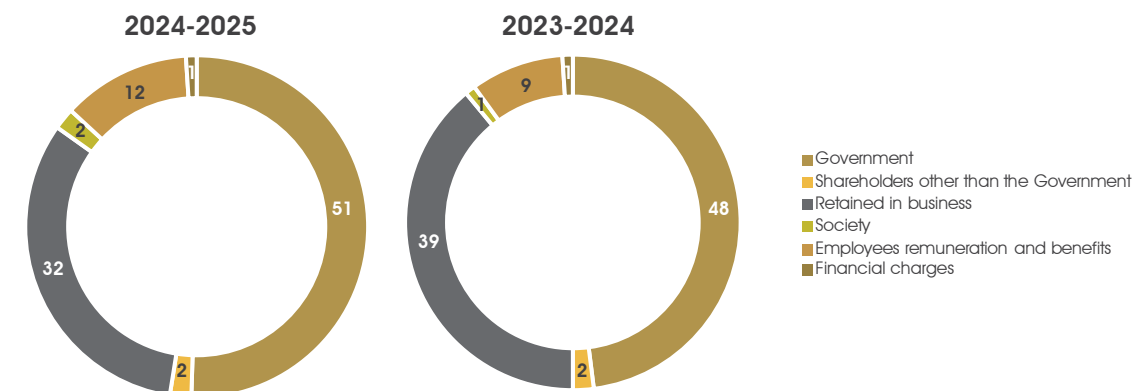
## STATEMENT OF PROFIT OR LOSS

The Company continues to report healthy profitability, with Profit after Tax (PAT) rising to around 1.8 times the base year. Sales revenue improved to 1.5 times the base year, while expenditures (net of other income) increased by 1.2 times, supporting the stronger bottom line. This was partly offset by taxation, which rose to more than 2.3 times the base year. Overall profitability, though marginally lower than the past two years, remains robust relative to the base year.

# STATEMENT OF VALUE ADDITION

	2024-25		2023-24	
	Rs million	%	Rs million	%
Gross Revenue (Excise Duty, Sales Tax and Petroleum Levy)	277,395	101	328,278	106
Less: Operating, Exploration and Admin Expenses	(24,214)	(9)	(27,593)	(9)
	253,181	92	300,685	97
Add: Other Income	24,169	9	16,977	6
Less: Other Expenses	(3,065)	(1)	(10,608)	(3)
Total Value Added	274,285	100	307,054	100
<b>DISTRIBUTED AS FOLLOWS:</b>				
<b>Employees Remuneration and Benefits</b>	32,403	12	27,511	9
<b>Federal / Provincial Government as:</b>				
Company Taxation	47,611	17	46,265	14
Levies (including Excise Duty, Sales Tax & Petroleum Levy)	34,879	13	39,481	13
Royalties and Other Levies (including Lease Extension Bonus, Windfall Levy)	36,935	14	44,689	14
Workers' Profit Participation Fund	6,276	2	7,828	3
Dividend *	13,777	5	11,022	4
	139,478	51	149,285	48
<b>To Shareholders other than the Government as:</b>				
Dividend *	6,630	2	5,304	2
<b>To Society</b>	4,650	2	3,703	1
<b>Retained in Business:</b>				
Depreciation and Amortisation	17,088	6	21,688	7
Net Earnings	71,620	26	97,983	32
	88,708	32	119,671	39
Financial Charges	2,416	1	1,580	1
	274,285	100	307,054	100

\* Includes final cash dividend recommended by the Board of Directors subsequent to the year end. Furthermore, the GoP's share is taken as 67.51% for this calculation. The share will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer note 2.6 of the unconsolidated financial statements).



# SWOT ANALYSIS

## STRENGTHS

- One of the largest E&P companies with an extensive exploration foot-print and robust financial performance
- Diversified presence in mining and international E&P operations
- Capable technical and support teams
- Comprehensive geological and technical database across Pakistan's most prospective basins
- Joint ventures with reputable local and international partners
- Natural hedge against foreign currency risk
- Committed corporate citizen, with a focus on sustainability, community development and ethical practices

## WEAKNESSES

- Limited exploration success, especially in frontier areas, coupled with fast depleting mature fields
- Constrained financial flexibility due to receivables stuck in circular debt
- Low oil & gas prices in major fields alongside high fixed operating costs
- Project delays driven by external factors including regulatory challenges, geopolitical risks and supply-chain disruptions
- Limited international exposure to diversify local E&P risk

## OPPORTUNITIES

- Development & optimization of existing discoveries & fields
- Growth through domestic & international new acreages, including offshore & unconventional plays
- Leverage mining business opportunities
- Third party sales as per the revised petroleum policy
- Diversification through energy value chain opportunities

## THREATS

- Macroeconomic, geopolitical, and environmental uncertainties
- Gas curtailment due to LNG imports
- High security risks and escalating costs for exploration in frontier basins
- Diminishing local exploration potential
- Declining interest from international oil companies and service providers
- Malicious attacks on IT infrastructure
- Flight of human capital

# MOVEMENT OF ESTIMATED HYDROCARBON RESERVES

	Natural Gas (MMSCF)	Oil / NGL (Thousand bbls)	LPG (Tonnes)
<b>ORIGINAL 2P RECOVERABLE RESERVES</b>			
At July 1, 2024	17,850,988	100,481	2,025,700
Change during the year (2024-25)			
- Addition	39,865 <sup>2</sup>	11,474 <sup>2</sup>	286 <sup>2</sup>
- Revision	164,952 <sup>3</sup>	4,206 <sup>4</sup>	79,207 <sup>5</sup>
At June 30, 2025	18,055,805	116,160	2,105,193
<b>PRODUCTION</b>			
Accumulated on July 1, 2024	15,652,371 <sup>1</sup>	79,786 <sup>1</sup>	1,290,712 <sup>1</sup>
Production during the year	205,577	3,812	97,067
Accumulated upto June 30, 2025	15,857,948	83,597	1,387,779
<b>Net 2P Reserves June 30, 2025</b>	<b>2,197,857</b>	<b>32,563</b>	<b>717,414</b>
<b>AREA WISE 2P RESERVES SHARE AT JUNE 30, 2025<sup>6</sup></b>			
Balochistan	767,263	669	-
Sindh	1,142,684	7,614	65,935
KPK	199,027	8,493	400,492
Punjab	88,883	4,787	250,987
Abu Dhabi Offshore	-	11,000	-
	<b>2,197,857</b>	<b>32,563</b>	<b>717,414</b>
Net Reserves June 30, 2024	2,198,617 <sup>1</sup>	20,695 <sup>1</sup>	734,987 <sup>1</sup>
Daily Average Production	563.2	10.4	265.9

## Notes:

- Accumulated Production and Net Reserves numbers, as at 30 June 2024, have been updated to account for actual production for the month of June 2024 and share in PPL Europe.
- Additional hydrocarbon reserves are mainly due to discoveries in Pateji (Shah Bandar block), Razgir (Tal block), and three pre-existing discoveries in Offshore Block 5, Abu Dhabi (PIOL).
- Revision in field recoverable gas reserves estimates of Shahdadpur (Gambat South block), Makori East (Tal block), Tolanj West (Tal block) and Sawan field.
- Revision in field recoverable oil reserves estimates of Shahdadpur (Gambat South block) and Makori East (Tal block).
- Revision in field recoverable LPG reserves estimates of Makori East (Tal) & Shahdadpur (Gambat South block).
- Net reserves at 30 June 2025 in gas equivalent units exist ~49% in Sindh, ~32% in Balochistan, 11% in KPK, 5% in Punjab & 3% in Abu Dhabi.

## DEFINITION OF 2P RESERVES

The Company has adopted the definition of 2P reserves as set by the Society of Petroleum Engineers (SPE) in the Petroleum Resources Management System (PRMS) Guidelines 2018. 2P reserves, as reported by the Company are those quantities of hydrocarbons that, by analysis of geoscientific and engineering data, can be estimated with equally likely certainty to be commercially recoverable from known reservoirs under defined technical and commercial conditions. 2P reserves are equivalent to best estimate and for probabilistic method, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the estimate.

### A) 2P DEVELOPED RESERVES

As per the SPE PRMS Guidelines 2018, the Company defines 2P developed reserves as those that are expected to be recovered from completion intervals that are open and producing at the time of the estimates.

### B) 2P UNDEVELOPED RESERVES

As per the SPE PRMS Guidelines 2018, the Company defines 2P undeveloped reserves as those quantities that are expected to be recovered through future significant investments. A significant investment is defined as a relatively large expenditure when compared to the cost of drilling and completing a new well.

## PROVED RESERVES

Proved reserves are those quantities of hydrocarbons that, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be commercially recoverable from known reservoirs and under defined technical and commercial conditions. Proved reserves are also termed as 1P reserves and for probabilistic method, there should be at least a 90% probability that the actual quantities recovered will equal or exceed the estimates.

## PROBABLE RESERVES

The incremental quantity i.e., difference between 2P and proved reserves (1P) are termed as probable reserves.

### MOVEMENT OF NET 2P UNDEVELOPED RESERVES

Currently, no substantial 2P undeveloped reserves exist. PPL's booked 2P reserves estimates are based on currently producing wells/facilities only.

### NET 2P DEVELOPED RESERVES

Same as disclosed in movement of net 2P reserves as no undeveloped reserves exist.

### COMPANY'S PROGRESS IN CONVERTING 2P UNDEVELOPED RESERVES INTO 2P DEVELOPED RESERVES

Currently, there are no substantial undeveloped reserves with the Company. In line with best industry practices, PPL's 2P reserves are estimated quantities to be recoverable at a given point in time pertaining to wells/facilities, shut-in/behind-pipe volumes with minor costs to access and planned wells/ projects which will require less than five years to complete. A minor cost would be a lower expenditure when compared to the cost of drilling and completing a new well. The concept of Developed and Undeveloped Reserves status is based on the funding and operational status of wells and producing facilities within the development project. Generally, undeveloped reserves estimates are those quantities which require beyond a reasonable timeframe to develop. As per SPE-PRMS guidelines, a reasonable timeframe to commence the project is generally considered to be less than five years from the initial classification date.

# MINERAL RESERVES

Commodity	Working Interest	Location	Reserves (PPL Net)		
			Proven + Probable		
			Tonnes (Mt)	Grade (%)	Contained (Mt)
Copper	8.33%	Reko Diq	251	0.48	1.25
Barite	50%	Khuzdar	33.86	22.58	7.44
Lead	50%	Khuzdar		1.07	0.36
Zinc	50%	Khuzdar		3.27	1.12

Commodity	Working Interest	Location	Reserves (PPL Net)		
			Proven + Probable		
			Tonnes (Mt)	Grade (g/t)	Contained (Moz)
Gold	8.33%	Reko Diq	238	0.28	2.17

Note: Majority of the above reserves fall in the category of Probable Reserves.

## RESERVE

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

## PROBABLE RESERVE

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It is of sufficient quality to serve as the basis for a decision on the development of the deposit. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

## PROVEN RESERVE

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve represents the highest confidence category of reserve estimate and implies a high degree of confidence in geological and grade continuity, and the consideration of the Modifying Factors.

## MODIFYING FACTORS

Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.





# STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**NAME OF COMPANY: PAKISTAN PETROLEUM LIMITED**  
**YEAR ENDED: JUNE 30, 2025**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is ten as per the following:
  - a. Male: Ten (10)
  - b. Female: None - The nomination of a new female director by the majority shareholder is pending since the sad demise of Ms. Khurshid Bhaimia in October 2024.
2. The Composition of the Board is as follows:
  - i. Independent directors: Five (05)
  - ii. Non-executive directors: Four (04)
  - iii. Executive director: One (01)
  - iv. Female director: None - The nomination of a new female director by the majority shareholder is pending since the sad demise of Ms. Khurshid Bhaimia in October 2024.
3. The directors have confirmed that none of them is serving as director of more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. During the year, the Board has developed and approved new vision / mission statements as well as Core Values of the Company. The Board has also developed overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval and / or revision is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters taken by the Board / shareholders as per the relevant provisions of the Companies Act, 2017 (the Act) and relevant subordinate legislation;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulation of minutes of meetings of the Board;
8. The Board has a formal policy on Directors' fee for attending Board / Committee / General Meetings. No remuneration is paid to the directors of the Company, only the directors' fee is paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board and Board Committees. The Annual Report of the Company contains details of the directors' fee paid to individual directors.
9. The directors are aware of their duties and strive to discharge them according to the highest standards. At year end, the Company is compliant with the optional requirement of Directors' Training Program stipulated in the Regulations.
10. No new appointment of CFO, Company Secretary or the Head of Internal Audit was done during the year.
11. The Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before approval of the Board;

12. The Board has formed, among others, the following committees, comprising members given below:

**A) AUDIT COMMITTEE**

Mr. Aftab Ahmad	Chairman
Mr. Imtiaz A.H. Laliwala	Member
Mian Imtiazuddin	Member
Mr. Qumar Sarwar Abbasi	Member
Mr. Zafar Abbas	Member

**B) NOMINATIONS COMMITTEE**

Mr. Abid Sattar	Chairman
Mr. Imtiaz A.H. Laliwala	Member
Mr. Qumar Sarwar Abbasi	Member
Mr. Shakeel Qadir Khan	Member

**C) HUMAN RESOURCE COMMITTEE**

Mr. Shahab Rizvi	Chairman
Mr. Abid Sattar	Member
Mr. Aftab Ahmad	Member
Mr. Imran Abbasy	Member
Mr. Momin Agha	Member

**D) ENTERPRISE RISK COMMITTEE**

Mian Imtiazuddin	Chairman
Mr. Aftab Ahmad	Member
Mr. Imtiaz A.H. Laliwala	Member
Mr. Shahab Rizvi	Member
Mr. Shakeel Qadir Khan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as follows:

a) Audit Committee	Quarterly
b) Human Resource Committee	Quarterly
c) Nomination Committee	Twice during the year
d) Enterprise Risk Committee	Twice during the year

15. The Board has set up an effective internal audit function which is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan; that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and all their partners involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or any director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. Explanation for non-compliance with requirements, other than regulations 3, 6, 8, 27, 32, 33 and 36 are given below:

a) Regulation No. 7 (Female Director): Nomination of a new female director is pending from the majority shareholder, after the sad demise of Ms. Khurshid Bhaimia in October 2024.



SHAHAB RIZVI  
Chairman, Board of Directors

Date: 19th September 2025

# STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

**NAME OF COMPANY: PAKISTAN PETROLEUM LIMITED**  
**NAME OF LINE MINISTRY: MINISTRY OF ENERGY (PETROLEUM DIVISION)**  
**FOR THE YEAR ENDED: JUNE 30, 2025**

This statement has been drawn in compliance of the Public Sector Companies (Corporate Governance) Rules, 2013 (the "Rules"). The Rules were issued for the purpose of establishing a framework of good governance for public sector companies, in compliance with the best practices for public sector governance.

The Company has complied with the provisions of the Rules in the following manner:

1. The independent directors meet the criteria of independence, as defined under the Rules.
2. The Board has at least one-third of its total members as independent directors. As at 30th June 2025, the Board includes:

CATEGORY	NAMES	DATE OF APPOINTMENT
<b>INDEPENDENT DIRECTORS</b>	i. Mr. Shahab Rizvi ii. Mr. Abid Sattar iii. Mr. Aftab Ahmad iv. Mr. Imtiaz A. H. Laliwala v. Mian Imtiazuddin	23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020 23rd December 2020
<b>NON-EXECUTIVE DIRECTOR</b>	i. Mr. Momin Agha ii. Mr. Qumar Sarwar Abbasi iii. Mr. Shakeel Qadir Khan iv. Mr. Zafar Abbas	4th September 2023 20th December 2024 4th September 2023 13th May 2025
<b>EXECUTIVE DIRECTOR</b>	i. Mr. Imran Abbasy	21st September 2022

3. The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.
4. The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of persons for election as Board members under the provisions of the Companies Act.
5. The Chairman of the Board is performing functions separately from the Chief Executive Officer of the Company.
6. The Chairman was elected by the Board of directors.
7. The Board evaluated the candidates for the position of Chief Executive Officer on the basis of fit and proper criteria as well as the guidelines specified by the Commission.
8. (a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.

- (b) The Board has ensured that appropriate steps have been taken to disseminate the Code of Conduct throughout the Company along with its supporting policies and procedures, including posting the same on the company's website www.ppl.com.pk.
- (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.
9. The Board has established a system of sound internal controls, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with stakeholders in the manner prescribed in the Rules.
10. The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest.
11. The Board has developed and implemented a policy on anti-corruption, as part of the Code of Conduct, to minimize actual or perceived corruption in the Company.
12. The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.
13. The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.
14. The Board has developed a vision and mission statement and corporate strategy of the Company.
15. The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained by the Company.
16. The Company has not delivered any services or sold any goods as a public service obligation and no requests for compensation were submitted to the Federal Government for consideration.
17. The Board has ensured compliance with policy directions requirements received from the Government.
18. (a) The Board has met at least four times during the year.
- (b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings except for the three Board meetings conducted on 31st December 2024, 9th May 2025 and 26th June 2025 which were held at short notice due to operational exigencies evident from the agendas and minutes of the respective meetings. Formal waiver was given by the Board of Directors during the subject meetings.
- (c) The minutes of the meetings were appropriately recorded and circulated.
19. The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.
20. The Board has reviewed and approved related party transactions placed before it after recommendation of the Board Audit Committee. A party-wise record of the transactions entered into with the related parties during the year has been maintained by the Company.
21. (a) The Board has approved the statement of profit or loss and the statement of financial position as at the end of the first, second and third quarters of the year as well as the financial year end.
- (b) The Board has prepared half yearly accounts and undertaken limited scope review by the external auditors.
- (c) The Board has placed the annual financial statements on the Company's website.

22. During the year, a formal orientation course was scheduled by the Company for the Board members to apprise them of material developments and information as specified by the Rules, however the same was not carried out on the due dates. The details are mentioned in the section "Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013".
23. (a) The Board has formed the requisite committees, as specified in the Rules.
- (b) The committees were provided with written terms of reference defining their duties, authority and composition.
- (c) The minutes of meetings of the committees were circulated to all the Board members.
- (d) The committees were chaired by the following non-executive directors:

COMMITTEE	NUMBER OF MEMBERS	NAME OF CHAIR
Audit Committee	Five	Mr. Aftab Ahmad
Enterprise Risk Committee	Five	Mr. Mian Imtiazuddin
Human Resource Committee	Five	Mr. Shahab Rizvi
Procurement Committee	Five	Mr. Imtiaz A.H. Laliwala
Nomination Committee	Four	Mr. Abid Sattar

24. No new appointment of the CFO, the Company Secretary or the Head of Internal Audit was done during the year.
25. The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.
26. The Company has adopted the International Financial Reporting Standards notified by the Commission in terms of Sub-section (1) of Section 225 of the Act.
27. The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.
28. The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.
29. (a) A formal policy for fixing the remuneration of individual directors has been set in place. No direct remuneration is paid to the directors of the Company. Only the directors' fees are paid in accordance with the Articles of Association of the Company to the non-executive directors of the Company for attending meetings of the Board, Board Committees and general meetings.
- (b) The Annual Report of the Company contains the details of the directors' fee paid to individual directors.
30. The financial statements of the Company were duly endorsed by the Chief Executive Officer and the Chief Financial Officer before consideration and approval of the Board Audit Committee and the Board.
31. The Board has formed an audit committee, with defined and written terms of reference, and having the following members:

NAME OF MEMBER	CATEGORY	PROFESSIONAL BACKGROUND
<b>MR. AFTAB AHMAD</b>	Independent Director	He is a seasoned professional with around 40 years of experience in finance and accounts, strategic business planning, project management and budgeting and management reporting for Oil and Gas sector and Aviation industry. He is a Chartered Accountant and also holds a Master's degree in Management Sciences along-with bachelor's degree in Mathematics and Economics. He is currently associated with Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants, as partner at their Islamabad office.
<b>MR. GUMAR SARWAR ABBASI</b>	Non-Executive Director	He is in Civil Services since 1994 and currently serving as Additional Finance Secretary for Corporate Division, Ministry of Finance. He also served as Additional Secretary (HRM), Corporate Division, Ministry of Finance and Executive Director Operations at CPEC Authority and Senior Joint Secretary at Ministry of Planning, Development and Special Initiatives, Joint Secretary in the Ministry of Finance, Economic Affairs Division and the National Assembly and as Joint Secretary to the Cabinet, World Bank- China Debt Management and Public Accounts Committee. He did MA (Economics) in Development Administration and Management from the Institute for Development Policy and Management, University of Manchester, UK. He also holds MA degree in International Relations from University of Peshawar.
<b>MR. IMTIAZ A.H. LALIWALA</b>	Independent Director	A fellow member of ICAP as well as a member of Chartered Professional Accountants, Ontario, Canada, and has nearly four decades of rich experience with leading chartered accountancy firms at home and abroad. He remained associated with A.F. Ferguson & Co. Chartered Accountants for almost 28 years. Currently, he is serving as an independent director on the Board of Hoechst Pakistan Limited (formerly, Sanofi-Aventis Pakistan Limited) and as a member on the Board of Governors of The Kidney Centre Post Graduate Training Institute. He also served as a member of the Audit Oversight Board during 2019-2022.
<b>MIAN IMTIAZUDDIN</b>	Independent Director	He has over 50 years of experience in the Oil and Gas industry and is currently working as Managing Director, at Redhill Associates providing consultancy and advisory services in Pakistan. He holds a B.E degree from Peshawar University.
<b>MR. ZAFAR ABBAS</b>	Non-Executive Director	Zafar is a career civil servant since 1998 and has experience of economic and energy ministries dealing with policy formulation and implementation, internal cooperation for development, project management. He also served as Additional Secretary (Power Finance) and Finance Division, and Joint Secretary in Power Division and Interior Division. During the stay at Interior Division, he worked as one of the team leads on FATF which helped Pakistan to get out of grey list in 2022. He also served as MD, NTDC, MD, PPMC and as Secretary to Government of Gilgit-Baltistan. He is a Civil Engineer from UET, Lahore and MBA (Oil & Gas Management) from University of Dundee, Scotland (UK).


The Chief Executive and the Chairman of the Board are not members of the Audit Committee.

32. (a) The Chief Financial Officer, the Chief Internal Auditor and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.
- (b) The audit committee met the external auditors, during the year, in the absence of the chief financial officer, the chief internal auditor and other executives.
- (c) The audit committee met the chief internal auditor and other members of the internal audit function, during the year, in the absence of the chief financial officer and the external auditors.
33. (a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.
- (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.
- (c) The internal audit reports have been provided to the external auditors for their review.
34. The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.
35. The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.
36. Explanation for the Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that material requirements of the Rules have been fully complied with except the following matter:

S.NO	RULE / SUB RULE NO.	REASON FOR NON-COMPLIANCE	FUTURE COURSE OF ACTION
01	3(A)	Two casual vacancies occurred on the Board on 31st August 2024 and 5th May 2025 due to resignations by Mr. Awais Manzur Sumra and Mr. Hassan Mehmood Yousufzai were filled on 20th December 2024 and 13th May 2025 respectively. One casual vacancy that occurred on the Board on 13th October 2024 due to the demise of Ms. Khurshid Bhaimia still exists on the Board due to non-receipt of nomination from the majority shareholder.	The casual vacancies could not be filled in within the prescribed period of 90 days due to non-receipt of nominations from the Majority Shareholder. The Company vigorously follows up with the GoP for timely receipt of nominations and shall continue to do so in future.
02	11(3)	A formal comprehensive orientation programme for the directors was planned four times during the year in four consecutive Board meetings held on 28th February 2025, 25th March 2025, 29th April 2025 and 9th May 2025, however it could not materialize due to paucity of time. However, subsequent to the year-end, the Company successfully conducted the Board orientation program to ensure that directors are adequately familiarized with the Company's operations, governance framework, and regulatory environment.	Information required by the Rules came into the knowledge of the Board from time to time during the year. A formal orientation course will be conducted annually for the board to ensure compliance with the Rules.

  
**IMRAN ABBASY**  
 Managing Director &  
 Chief Executive Officer

  
**SHAHAB RIZVI**  
 Chairman, Board of Directors

Date: 19th September 2025



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Pakistan Petroleum Limited

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013**

We have reviewed the enclosed Statements of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein after referred to as 'Codes') prepared by the Board of Directors of Pakistan Petroleum Limited (the Company) for the year ended 30 June 2025 in accordance with the requirements of regulation 36 of Listed Companies (Code of Corporate Governance) Regulations, 2019 and provisions of Public Sector Companies (Corporate Governance) Rules, 2013.

The responsibility for compliance with the Codes is that of the Board of Directors of the Company. Our responsibility is to review whether the Statements of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Codes.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2025.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



KPMG Taseer Hadi & Co.

Further we highlight below instances of non-compliances with the requirements of the Regulations as reflected in the note/paragraph reference where these are stated in Statements of Compliances.

**Paragraph / Section**

Sr. No	Reference	Description
01	As reflected in paragraph 18(a) of the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations"), Regulation 7, read with Section 154(1) of the Companies Act, 2017, mandates that every Public Interest Company, including listed entities, shall ensure the appointment of at least one female director on its Board.	Nomination of a new female director is pending from the majority shareholder, after the sad demise of Ms. Khurshid Bhaimia in October 2024.
02	As reflected in paragraph 36(01) of the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013, and in accordance with the requirements of Rule 3A(2), every Public Sector Company is required to ensure the timely filling of any casual vacancy on the Board within ninety (90) days from the date such vacancy arises.	Two casual vacancies occurred on the Board on 31 <sup>st</sup> August 2024 and 5 <sup>th</sup> May 2025 due to resignations by Mr. Awais Manzur Sumra and Mr. Hassan Mehmood Yousufzai were filled on 20 <sup>th</sup> December 2024 and 13 <sup>th</sup> May 2025 respectively. One casual vacancy that occurred on the Board on 13 <sup>th</sup> October 2024 due to the demise of Ms. Khurshid Bhaimia still exists on the Board due to non-receipt of nomination from the majority shareholder.



KPMG Taseer Hadi & Co.

Sr. No	Reference	Description
03	As reflected in paragraph 36(02) of the Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013, and in accordance with the requirements of Rule 11(1) of the Public Sector Companies (Corporate Governance) Rules, 2013, which requires the Company to conduct a formal orientation program to enable its directors to gain a comprehensive understanding of the Company's operations, governance framework, and regulatory obligations.	A formal and comprehensive orientation program for the directors was planned during the year across four consecutive Board meetings held on 28th February 2025, 25th March 2025, 29th April 2025, and 9th May 2025. However, due to paucity of time, the program could not be executed during the financial year. Subsequent to the year-end, the Company successfully conducted the Board orientation program to ensure that directors are adequately familiarized with the Company's operations, governance framework, and regulatory environment.

*Waseem Taseer Hadi Jw.*  
KPMG Taseer Hadi & Co.  
Chartered Accountants

Islamabad

30 September 2025

UDIN: CR202510245P675iRxVf

# REPORT OF THE BOARD AUDIT COMMITTEE

Dear Shareholders,

It gives us immense pleasure to present the annual Audit Committee Report, which aims to provide insight into the key activities of the Board Audit Committee (BAC) conducted during the Financial Year (FY) ended in 2025.

## COMPOSITION AND MEETINGS

The BAC comprises of five (05) directors, out of which three (03) members, including the Chairman, are Independent Non-Executive directors, whereas the remaining two (02) are Non-Executive directors. The Chairman of the BAC has relevant financial / accounting background.

During the FY ended 30th June 2025, the BAC met nine [09] times. The composition and number of meetings attended are as follows:

SR. NO.	NAME OF DIRECTORS	STATUS	NO. OF MEETINGS ATTENDED
1.	Mr. Aftab Ahmad	Chairman	9
2.	Mr. Imtiaz A. H. Laliwala	Member	9
3.	Mian Imtiazuddin	Member	9
4.	Ms. Khurshid Bhaimia*	Member	3
5.	Mr. Awais Manzur Sumra**	Member	2
6.	Mr. Hassan Mehmood Yousafzai***	Member	7
7.	Mr. Zafar Abbas****	Member	1
8.	Mr. Qumar Sarwar Abbasi*****	Member	1

\* Ceased to be member due to her demise on 16th October 2024

\*\* Resigned w.e.f from 2nd September 2024

\*\*\* Resigned w.e.f from 05th May 2025

\*\*\*\* Appointed as member BAC w.e.f 13th May 2025 in place of Mr. Hassan Mehmood Yousafzai

\*\*\*\*\* Appointed as member BAC w.e.f 19th November 2024 in place of Mr. Awais Manzur Sumra

## KEY RESPONSIBILITIES AND ACTIVITIES

Key responsibilities of the BAC include providing assistance to the Board in fulfilling its oversight responsibilities over financial reporting, the effectiveness of risk management and control environment and related governance and compliance matters, overseeing the Whistle Blowing program, and monitoring the qualifications, expertise, resources, and independence of both the Internal and External Auditors. The performance of internal audit is assessed on a continuous basis, while that of External Auditors is assessed at least on an annual basis. The BAC is also responsible for making recommendation to the Board on the appointment of the External Auditors.

During FY ended 2025, BAC discharged its responsibilities and carried out its duties as set out in the Terms of Reference (ToRs) duly approved by the Board. Key activities undertaken by the BAC include the following:

- Reviewed the interim and annual financial statements prior to the approval by the Board.
- The BAC believes that the non-financial information contained in the Annual Report, which is disclosed in the form of ratios, trends, graphs, analyses, explanatory notes, statements, etc provides necessary information to shareholders to assess the Company's position, its performance and future prospects.
- Reviewed related party transactions entered into by the Company on a quarterly basis, including a comprehensive questionnaire completed by the Management in support thereof confirming that such transactions are compliant with the applicable laws.
- Reviewed and approved the annual internal audit plan for effective implementation.

- Reviewed the Management letter / Internal Control Report issued by the External Auditors in connection with the audit of financial statements and management responses thereto for ensuring that necessary steps have been taken to address the issues.
- PPL's Whistle Blowing Policy provides a platform for its stakeholders to raise legitimate concerns and ensures that the complaints are handled fairly and transparently, protecting the complainant against any victimization. No complaints were received under PPL's Whistle Blowing Policy during FY ended 2025. However, 18 complaints were received and investigated by Internal Audit department and its outcome was presented to BAC.
- Obtained Letters of Representation (LoR) from the Management. The objective of the exercise was to improve and strengthen the overall control environment, fill the gaps identified, and align with industry best practices.
- Reviewed the appropriateness of Delegation of Authority (DoA), an internal document that lists down financial authorities dealing with day-to-day operational matters of the company. In this regard, the BAC reviewed the changes suggested by management for improvements to make the document more operationally effective.
- The BAC continued to comprehensively review the status of suspended / shut-in exploratory wells classified under Capital Work in Progress (CWIP) and periodically advised the management to determine its future potential for necessary impairment decision, if any.
- The BAC reviewed the progress report of the Legal Department on significant pending litigation cases and inquiries by external agencies.
- The BAC also reviewed donation cases proposed by Management, exceeding the prescribed threshold, prior to its approval by the Board in line with Company's Corporate Donation Policy.
- Chairman of the Board Audit Committee also ensured his presence at the company's annual general meeting to respond to queries of the concerned stakeholders relating to the Audit Committee's activities undertaken during the year.
- The BAC continuously monitored the status of receivables from customers and advised management to adopt diligent follow-up measures, with the objective of ensuring timely recovery of overdue amounts and strengthening the Company's liquidity and working capital position.
- The BAC emphasised the need for a dedicated Compliance Function to enhance oversight of regulatory and governance matters and continued to monitor the progress of its establishment.
- The BAC also monitored the progress on establishment of centralised repository of company policies and procedure with the objective of enhancing accessibility, consistency, and governance across the organisation. This initiative is expected to facilitate uniform application of policies, strengthen internal controls, and provide management and employees with a reliable point of reference.
- The BAC also reviewed significant audit observations raised by Internal Audit and ensured that the corresponding recommendations were implemented in a timely manner, thereby strengthening internal controls, improving compliance, and reinforcing sound governance practices across the organisation.

## INTERNAL AUDIT

The Company has an Internal Audit Department, which is an independent and objective assurance function aimed at improving the Company's overall internal control framework. The Internal Audit function assists in the maintenance of a systematic and disciplined approach to evaluate and improve the design and effectiveness of the Company's risk management, control, and governance processes.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee and reports functionally to the BAC, with administrative reporting to the CEO. The Internal Audit Charter outlines the regulatory requirement relating to independence and all other rights, duties, and responsibilities of the Internal Audit function. The performance of the Head of Internal Audit is jointly assessed by the Chairman of the Board Audit Committee and the CEO.

The Head of Internal Audit serves as the secretary to the Committee and convenes all its meetings. The CFO attends the meeting by invitation, and the External Auditors attend the meetings on as required basis, usually where the Committee considers half-yearly and annual financial statements of the company.

The BAC has ensured that the Company's Internal Audit Function is equipped with staff having the necessary skill sets and professional qualification, enabling them to discharge their duties diligently. The staff include Chartered Accountants, Chartered Management Accountants, Certified Internal Auditors, Certified Information System Auditors and other similar professional qualification holders. The expertise within the Internal Audit Function at the end of FY 2025 comprises of Audit, Finance, and I.T. related professionals with extensive experience of the E&P industry. In addition to this, specialized independent technical resources from within the organization are also utilized on a need basis on technical assignments.

BAC took a keen interest in the scope and extent of the Internal Audit function and provided complete support to the function to enable it to achieve its objectives in an effective manner. The BAC monitored the work of the Internal Audit Department and also reviewed how effectively and timely the management implemented the recommendations made by Internal Audit.

In this regard, the following key steps were performed:

- a) Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system. Internal Audit Reports were also provided for the review of both Commercial and External Auditors.
- b) Monitored progress of the Annual Internal Audit plan and deliberated on key recommendations having operational and internal control implications. BAC also reviewed significant Audit Observations highlighted by Internal Audit and ensured that timely requisite actions were taken by the management. BAC involved the highest level of management in the implementation process and assigned firm deadlines for all pending actions.
- c) In compliance with the BAC's directives, Internal Audit also carried out certain special audits, including Complaints investigations received during the year and submitted its recommendations to the Management for implementation / necessary actions.

#### EXTERNAL AUDITORS

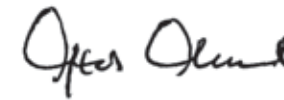
- a) BAC recognizes the importance of maintaining the independence of the Company's External Auditors, both in fact and appearance. Each year, BAC evaluates the performance and independence of the Company's External Auditor.
- b) External auditors have completed their audit of the Company's Financial Statements, the Consolidated Financial Statements, the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the Statement of Compliance with Public Sector Companies (Corporate Governance) Rules 2013 for the FY ended 30<sup>th</sup> June 2025.
- c) During the year, Board on the recommendation of BAC, approved revision in policy for rotation of External Auditors to bring it in line with applicable rules and regulation. Being eligible for reappointment, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, offered themselves for re-appointment as External Auditors of the Company for the FY ending 30<sup>th</sup> June 2026.
- d) The External Auditors have been allowed direct access to the BAC, and the effectiveness, independence, and objectivity of the Auditors have thereby been ensured. The Auditors have also attended the General Meetings of the Company held during the year.
- e) A separate Policy governing additional services, including permitted non-audit services obtained from External Auditors, is in place, which is approved by the Board, and is designed to safeguard External Auditors objectivity and independence and includes rules relating to the hiring of additional services and stipulates which services require prior approval of the BAC. The Committee reviewed the scope of work and fee of all services obtained by Management from the Company's External Auditors in addition to the audit of its financial statements.

- f) The BAC met two (02) times with the External Auditors during the year to discuss matters relating to the statutory audit of PPL and to obtain their views on the overall business environment, including going concern assumptions and overall effectiveness of internal controls over financial reporting. The BAC also received a detailed presentation from External Auditors on key audit and accounting matters, including future implications of the sustainability reporting framework.
- g) The BAC also ensured that External Auditors have access to all the Company's records and personnel, which they require to conduct their work in an independent and efficient manner.

Furthermore, in accordance with the requirements of the Public Sector Companies [Corporate Governance] Rules, 2013 and the Listed Companies [Code of Corporate Governance] Regulations, 2019, the evaluation of performance of the Board and its Committees is carried out through third party i.e. Pakistan Institute of Corporate Governance [PICG], an accredited institution by SECP. The evaluation exercise is undertaken on an annual basis to enhance effectiveness and better understanding of the roles and responsibilities of the Board.

Looking ahead to 2026, BAC's key priorities will include maintaining a strong culture of risk management across the Company, effectiveness of internal controls, assessing the effect of changes in legislative and regulatory requirements such as State-Owned Enterprises (Governance and Operating) Act, 2023 (the SOE Act) and operationalization of Pakistan Sovereign Wealth Fund Act, implications of sustainability reporting standards and key diversification initiatives from internal control and reporting perspective.

We trust you will find this report useful in understanding key activities of the BAC undertaken during the year and would welcome any comments from our shareholders in this regard.



**AFTAB AHMAD**  
CHAIRMAN - BOARD AUDIT COMMITTEE

KARACHI  
18TH SEPTEMBER 2025

UNCONSOLIDATED  
FINANCIAL  
STATEMENTS



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

**INDEPENDENT AUDITORS' REPORT**

To the members of Pakistan Petroleum Limited

**Report on the Audit of the Unconsolidated Financial Statements**

**Opinion**

We have audited the annexed unconsolidated financial statements of Pakistan Petroleum Limited (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



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Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>(i) Trade debts ultimately due from Government in respect of circular debt</b></p> <p>(Refer notes 3.9, 3.11 and 10 to the unconsolidated financial statements)</p> <p>As at 30 June 2025, trade debts include overdue amount ultimately due from the Government in respect of circular debt of Rs. 558,928 million, (net of GDS and GIDC). The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of trade debts ultimately due from Government in respect of circular debt. However, the progress is slower than expected resulting in accumulation of Company's debts.</p> <p>The Company considers these amounts to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.</p> <p>The Company has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Company recognizes interest, if any, on delayed payments from customers, when the interest on delayed payments is received by the Company.</p> <p>We considered the matter as key audit matter due to significance of the amounts and significant judgments made by management regarding the recoverability of the amounts.</p>	<p>Our audit procedures in respect of overdue trade debts ultimately due from the Government in respect of circular debt, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Testing, on a sample basis, accuracy of receivable aging report classification within the appropriate aging bracket with underlying invoices;</li> <li>• Obtaining direct confirmations from customers and testing of reconciliations where differences were identified;</li> <li>• Testing post year-end cash receipts from customers relating to year-end balances, with the underlying documentation;</li> <li>• Inspecting correspondence with the customers and relevant government authorities including steps taken by the Company for settlement of these trade debts and holding discussions with the management and the Board Audit Committee to assess recoverability of overdue trade debts;</li> <li>• Inspecting minutes of meetings of the Board of Directors and Board Audit Committee;</li> <li>• Assessing reasonableness of management's judgment relating to recoverability of interest on delayed payments from customers;</li> <li>• Evaluating reasonableness of management's assessment of recovery of overdue trade debts on account of trade debts ultimately due from Government in respect of circular debt; and</li> </ul>



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Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Assessing the adequacy of relevant disclosures including disclosure of significant judgement in the unconsolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> </ul>
<p><b>(ii) Recognition of Revenue</b></p> <p>(Refer notes 3.20 and 25 to the unconsolidated financial statements)</p> <p>The Company is engaged in the production and sale of oil and gas resources.</p> <p>The Company recognized gross revenue during the year from the sales of crude oil / condensate / Natural gas liquid, natural gas, liquefied petroleum gas (LPG), barytes amounting to Rs 277,395 million.</p> <p>Transaction prices of crude oil / condensate / Natural gas liquid and gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, relevant decision of Economic Coordination Committee (ECC) of the Cabinet or relevant Petroleum Concession Agreement. Prices of LPG are approved by the appropriate authority within the Company. Effect of adjustments, if any, arising from revision in sales prices is reflected as and when the prices are finalized with the customers and / or approved by GoP.</p> <p>We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material misstatement and revenue being a key economic indicator of the Company.</p>	<p>Our audit procedures to assess the recognition, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of the process relating to recognition of revenue and testing design, and implementation and operating effectiveness of the relevant controls over revenue recognition;</li> <li>Inspecting the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement, relevant applicable petroleum policy, relevant Petroleum Concession Agreement and the International Financial Reporting Standard 15 "Revenue from Contracts with Customers";</li> <li>Performing test of details, on a sample, on sales transactions by inspecting respective invoices, acknowledgements of refineries and / or joint meter readings as appropriate;</li> <li>Checked, on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas prices and approval of appropriate authority within the Company for prices of LPG. Performing, on a sample basis, recalculation of crude oil and gas prices in accordance with applicable petroleum policies / agreements / decision of ECC of the Cabinet/Petroleum Concession Agreements;</li> </ul>



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Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>Where pricing is provisional / sales agreement not finalized, (a) inspecting correspondence, on a sample basis, with the customers and relevant government authorities during the year; (b) inspecting, on a sample basis, term sheets signed with the customers; (c) testing, on a sample basis of price being charged is in line with the applicable petroleum policy / agreed with customers/ Petroleum Concession Agreements; and (d) obtaining, on a sample basis, acknowledgment for price charged and quantity received from customers;</li> <li>Testing sales transactions, on a sample basis, on either side of the unconsolidated statement of financial position date to assess whether they are recorded in the correct accounting period;</li> <li>Testing journal entries relating to revenue recognized during the year by drawing a sub-population meeting certain specific risk-based criteria and comparing the details of such journal entries with the underlying documentation and accounting records; and</li> <li>Assessing the adequacy of relevant disclosures made in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> </ul>

**Information Other than the Unconsolidated and Consolidated Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises of Chairman's Review, Directors' Report and key performance indicators included in the Company's Annual Report for 2025 but does not include the unconsolidated and consolidated financial statements and our auditors' reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and



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- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

*Muhammad Danish*  
KPMG Taseer Hadi & Co.  
Chartered Accountants

Islamabad

30 September 2025

UDIN: AR202510245pZuoC7rvJ

# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

Note	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	140,623,374	134,019,969
Intangible assets	230,736	123,731
Long - term investments	89,668,809	67,852,349
Long - term loans	109,875	95,620
Long - term deposits	7,676	7,676
	<b>230,640,470</b>	<b>202,099,345</b>
<b>CURRENT ASSETS</b>		
Stores and spares	8,810,449	6,861,961
Trade debts	592,404,145	577,586,098
Loans and advances	494,140	428,858
Trade deposits and short - term prepayments	714,130	715,775
Interest accrued	1,132,569	1,226,860
Current maturity of long - term loans	49,194	40,068
Current maturity of long - term deposits	1,683,750	1,683,750
Other receivables	10,853,548	4,964,377
Short - term investments	74,164,807	104,767,240
Cash and bank balances	6,199,269	7,073,544
	<b>696,506,001</b>	<b>705,348,531</b>
<b>TOTAL ASSETS</b>	<b>927,146,471</b>	<b>907,447,876</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	27,209,836	27,209,836
Reserves	678,625,474	612,363,548
	<b>705,835,310</b>	<b>639,573,384</b>
<b>NON-CURRENT LIABILITIES</b>		
Provision for decommissioning obligation	46,986,236	45,656,616
Long - term financing	1,369,419	1,136,412
Deferred liabilities	5,327,482	4,117,606
Deferred taxation - net	22,759,977	20,423,349
	<b>76,443,114</b>	<b>71,333,983</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	80,180,687	126,350,790
Unclaimed dividends	344,992	311,624
Current maturity of long - term financing	247,970	129,873
Taxation - net	64,094,398	69,748,222
	<b>144,868,047</b>	<b>196,540,509</b>
<b>TOTAL LIABILITIES</b>	<b>221,311,161</b>	<b>267,874,492</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>927,146,471</b>	<b>907,447,876</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	24	

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	----- (Rupees in thousand) -----	
<b>Revenue from contracts with customers</b>	<b>242,516,363</b>	288,797,413
Operating expenses	(53,783,482)	(54,727,376)
Royalties and other levies	(36,934,911)	(44,688,876)
	<b>(90,718,393)</b>	<b>(99,416,252)</b>
<b>Gross profit</b>	<b>151,797,970</b>	189,381,161
Exploration expenses	(15,682,554)	(19,133,059)
Administrative expenses	(6,679,739)	(5,196,397)
Finance costs	(2,415,754)	(1,579,947)
Share of loss of associates - net of taxation	(344,450)	(2,327,007)
Other charges	(11,761,503)	(18,339,891)
	<b>114,913,970</b>	<b>142,804,860</b>
Other income	24,168,549	16,977,290
<b>Profit before taxation</b>	<b>139,082,519</b>	159,782,150
Taxation	(47,055,069)	(45,473,073)
<b>Profit after taxation</b>	<b>92,027,450</b>	114,309,077
<b>Basic and diluted earnings per share (Rs.)</b>	<b>33.82</b>	42.01

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	------(Rupees in thousand)-----	
<b>Profit after taxation</b>	<b>92,027,450</b>	114,309,077
<b>Other comprehensive income:</b>		
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
Remeasurement loss on defined benefit plans - net		
<b>Items that may be reclassified to profit or loss (net of tax):</b>		
Exchange differences on translation of foreign associate (Pakistan International Oil Limited)	30 (1,555,836)	(646,426)
Share of exchange differences on translation of foreign operation of the associate {Pakistan Minerals (Private) Limited}	245,001	(232,937)
<b>Other comprehensive income - loss</b>	<b>(5,358,195)</b>	(1,878,140)
<b>Total comprehensive income for the year</b>	<b>86,669,255</b>	112,430,937

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

# UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	------(Rupees in thousand)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	265,565,788	275,957,936
Receipts of other income	2,693,395	1,083,304
Payment to suppliers / service providers and employees	(47,214,797)	(46,094,948)
Payment of indirect taxes and Government levies including royalties	(144,660,480)	(102,212,680)
Income tax paid	(54,001,008)	(47,680,058)
Payment of decommissioning obligation	(139,180)	(37,991)
Finance costs paid	(203,894)	(104,991)
Long-term loans - net	(23,381)	(31,756)
<b>Net cash generated from operating activities</b>	<b>22,016,443</b>	80,878,816
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(32,340,518)	(24,525,647)
Proceeds from disposal of property, plant and equipment	842,055	245,212
Acquisition of short - term investments	(88,184,822)	(93,810,007)
Proceeds from sale of short - term investments	90,034,892	92,080,725
Equity investment in PIOL	(7,001,250)	(7,108,749)
Equity investment in PMPL	(12,677,999)	(5,012,874)
Finance income received	17,315,852	16,656,461
<b>Net cash used in investing activities</b>	<b>(32,011,790)</b>	(21,474,879)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long - term financing	556,433	1,272,703
Repayments of long - term financing	(205,329)	(6,418)
Payment of lease liabilities	-	(1,127,957)
Dividends paid	(20,373,961)	(14,493,581)
<b>Net cash used in financing activities</b>	<b>(20,022,857)</b>	(14,355,253)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(30,018,204)</b>	45,048,684
Cash and cash equivalents at the beginning of the year	92,805,548	47,756,864
<b>Cash and cash equivalents at the end of the year</b>	<b>62,787,344</b>	92,805,548

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

Subscribed and paid-up share capital		Capital reserve	Revenue & other reserves	Total reserves	Total
Ordinary	Convertible preference	(Note -18)			

------(Rupees in thousand)-----

Balance as at June 30, 2023 27,209,732 104 1,428 513,536,096 513,537,524 540,747,360

## Total comprehensive income for the year

Profit after taxation	-	-	-	114,309,077	114,309,077	114,309,077
Other comprehensive loss for the year ended June 30, 2024, net of tax	-	-	-	(1,878,140)	(1,878,140)	(1,878,140)

Total comprehensive income for the year ended June 30, 2024 - - - 112,430,937 112,430,937 112,430,937

## Transactions with owners:

- Ordinary shareholders						
Final dividend for the year ended June 30, 2023 @ 15%	-	-	-	(4,081,460)	(4,081,460)	(4,081,460)
First interim dividend for the year ended June 30, 2024 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
Second interim dividend for the year ended June 30, 2024 @ 10%	-	-	-	(2,720,973)	(2,720,973)	(2,720,973)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2023 @ 15%	-	-	-	(16)	(16)	(16)
First interim dividend for the year ended June 30, 2024 @ 25%	-	-	-	(26)	(26)	(26)
Second interim dividend for the year ended June 30, 2024 @ 5%	-	-	-	(5)	(5)	(5)
Conversion of preference shares into ordinary shares	-	-	-	-	-	-
Total transactions with owners	-	-	-	(13,604,913)	(13,604,913)	(13,604,913)

Balance as at June 30, 2024 27,209,732 104 1,428 612,362,120 612,363,548 639,573,384

## Total comprehensive income for the year

Profit after taxation	-	-	-	92,027,450	92,027,450	92,027,450
Other comprehensive loss for the year ended June 30, 2025, net of tax	-	-	-	(5,358,195)	(5,358,195)	(5,358,195)

Total comprehensive income for the year ended June 30, 2025 - - - 86,669,255 86,669,255 86,669,255

## Transactions with owners:

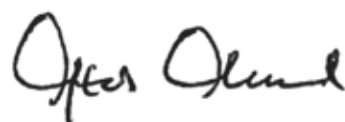
- Ordinary shareholders						
Final dividend for the year ended June 30, 2024 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Second interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Third interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(2,720,973)	(2,720,973)	(2,720,973)
- Convertible preference shareholders						
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(21)	(21)	(21)
Second interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(10)	(10)	(10)
Total transactions with owners	-	-	-	(20,407,329)	(20,407,329)	(20,407,329)

Balance as at June 30, 2025 27,209,732 104 1,428 678,624,046 678,625,474 705,835,310

The annexed notes 1 to 45 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Director



Chief Executive Officer

# NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 1. LEGAL STATUS AND OPERATIONS

**1.1** Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950. The Company's main objectives are conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

**1.2** These unconsolidated financial statements are the separate financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. As of the date of statement of financial position, the Company has the following wholly owned subsidiaries:

- PPL Europe E&P Limited (PPLE)
- PPL Asia E&P B.V. (PPLA)
- The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC)

**1.3** The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications allowed the Company to continue production from the Sui gas field till the formal grant of Development & Production Lease (D&PL).

Pursuant to the letter dated October 29, 2024, issued by the competent authority, a D&PL has been granted for the Sui Gas Field, covering an area of 455.80 square kilometers, situated in the District Dera Bugti, Balochistan, Pakistan. The lease has been granted for an initial term of ten (10) years, effective from June 1, 2015 to May 31, 2025, in accordance with Rule 30A of the Pakistan Onshore Petroleum (Exploration and Production) Rules, 2013 (the Rules). Pursuant to the Rules, the D&PL is eligible for further extension provided commercial production continues. Accordingly, an application for extension of the said D&PL has been submitted to the competent authority on April 16, 2025, for another 15 years effective from June 01, 2025 till May 31, 2040.

Additionally, the Company, a sole working interest owner of the Sui Gas Field, has executed a Memorandum of Agreement (MoA) with the Government of Balochistan on February 14, 2025. Under this MoA, the Company has committed to implement specific initiatives, including various social welfare initiatives under its Corporate Social Responsibility (CSR) program in accordance with the terms of D&PL and Petroleum Concession Agreement (PCA).

In accordance with the terms of the executed agreements, the Company has paid lease extension bonus amounting to Rs 50,490 million and has fulfilled other financial commitments under the D&PL and PCA. The future arrangements beyond May 31, 2025, will be mutually agreed in accordance with the Rules.

**1.4** The Pakistan Sovereign Wealth Fund Act, 2023 became effective during the prior year ended June 30, 2024. Under the said Act, the GoP's shareholding in the Company has been transferred, by operation of law, to the Pakistan Sovereign Wealth Fund (PSWF). The Company is awaiting directives from the GoP regarding the necessary corporate actions to formally record this transfer. Further, in accordance with the Act, both the PSWF and the State - Owned Enterprises majority owned by the PSWF are exempt from the provisions of the State - Owned Enterprises (Governance and Operations) Act, 2023 (the "SOE Act").

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

**2.1.1** These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.1.2** The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019, has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the GoP. The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. This exemption has been extended through various S.R.Os by SECP, the latest being S.R.O 1784(I)/2024 dated November 4, 2024, extending the exemption granted from application of ECL method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt for the financial years ending on or before December 31, 2025, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these unconsolidated financial statements. Further, in relation to financial assets due from parties other than GoP, the Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 10.5 to these unconsolidated financial statements).

### 2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

- a) Financial assets at fair value through profit or loss have been measured at fair value.
- b) Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

### 2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional currency.

### 2.4 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2024 but are considered not to be relevant or do not have any significant effect on these unconsolidated financial statements.

### 2.5 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2025 and have not been early adopted by the Company:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted however, the amendments are not likely to have an impact on the Company's financial statements.

- Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 01, 2025. Earlier application is permitted, however, the amendments are not likely to have an impact on the Company's financial statements.

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments:
  - Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented Solely Payments of Principal and Interest (SPPI). This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities. The amendments are not likely to have an impact on the Company's financial statements.

- Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted, however, the amendments are not likely to have an impact on the Company's financial statements.;

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted, however, the amendments are not likely to have an impact on these financial statements.

- Annual Improvements to IFRS Accounting Standards – Amendments to:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows
- The amendments to IFRS 9 address:
  - A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables;

Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- How a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted, however, the amendments are not likely to have an impact on these financial statements.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7) address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures .

The amendments include guidance on:

- The 'own-use' exemption for purchasers of electricity under such PPAs; and
- Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.

The amendments for the own-use exemption:

- Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).
- The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.
- The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.

The amendments for hedge accounting:

- Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges. A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimates. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.
- The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.

The new disclosure requirements:

- A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position. Where this is the case, a company is required to disclose further information such as:
  - contractual features exposing the company to variability in electricity volume and risk of oversupply;
  - estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
  - qualitative information about how the company assessed whether a contract might become onerous; and
  - qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the 'net-purchaser' assessment
- In addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted, however, the amendments are not likely to have an impact on these financial statements.

## 2.6 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2024: Rs 18,879 million).

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court (SHC), therefore, an amount of Rs 23,055 million has been repatriated back to the Federal Government on April 18, 2025. The winding-up activities, including the transfer of shares to the GoP, are in progress. During the year, the accumulated dividend amount of Rs 10,234 million along with interest earned thereon amounting to Rs 12,821 million have been repatriated back to the Federal Government on April 18, 2025.

## 2.7 Significant accounting judgments, estimates and assumptions

The preparation of these unconsolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Company's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these unconsolidated financial statements.

### a) Property, plant and equipment and intangibles

The Company reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

### b) Exploration and evaluation expenditure

The Company's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

### c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

### d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of proved reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Company is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geological, reservoir or production data, (2) new geological, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the unconsolidated financial statements for assets amortised on unit-of-production basis.

### e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their useful lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Company's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Company revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. The present value is calculated using real discount rate of 3.89% (2024: 4.45%) per annum. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	Rs (million)
Provision for decommissioning obligation would have been higher by	1,413
Property, plant and equipment would have been higher by	740
Amortisation / write-off charge would have been higher by	673
Profit after tax would have been lower by	445

#### f) Joint arrangements

The Company participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Company has rights to the net assets of the arrangement or a joint operation where the Company has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

#### g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these unconsolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

#### h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Company after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Company.

#### i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

#### j) Impairment of financial assets

##### - Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)

The Company uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

##### - Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly / ultimately from the Government of Pakistan (GoP) for the financial years ending on or before December 31, 2025. Accordingly, the Company reviews the recoverability of its trade debts and other receivables that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Company has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Company's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Company's receivables is slower than the contractual terms primarily because circular debt is a macro-economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Company's assessment of objective evidence of impairment with respect to overdue amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

## **k) Stores and spares**

The Company reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

## **3. MATERIAL ACCOUNTING POLICIES**

### **3.1 Property, plant and equipment**

#### **a) Owned assets**

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Company conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **(b) Lease liability and Right-of-use asset (ROUA)**

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value, are recognised as an expense in the statement of profit or loss when incurred.

### **3.2 Exploration and evaluation assets**

The Company applies the "Successful Efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful Efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Company has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

### 3.3 Development and production assets

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 3.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purposes is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

### 3.4 Depreciation and amortisation

#### a) Property, plant and equipment

Depreciation and amortisation on all field based immovable assets are charged on unit-of-production basis. Whereas, all movable assets i.e. furniture, fittings & equipment, computers & allied equipment and vehicles are depreciated on straight-line basis at the rates specified in note 4.1 to these unconsolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

#### b) Intangible assets

Amortisation on intangible assets is charged over their useful life on straight-line basis at the rates stated in note 5.1 to these unconsolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

### 3.5 Investment in subsidiaries

Subsidiaries are all entities over which the Company has control. The Company has control over any entity if all conditions below are satisfied:

- it has power over the investee entity;
- it has exposure, rights to variable returns from its involvement in investee entity; and
- it has ability to use its power over the investee entity to affect the amount of the Company's returns.

Investment in subsidiary is stated at cost less accumulated impairment losses, if any. A reversal of an impairment loss on subsidiary is recognised as it arises provided the increased carrying value does not exceed cost.

The profits and losses of the subsidiaries are carried forward in the financial statements of the subsidiaries and not dealt within or for the purpose of these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries.

Gain or loss on sale of investments in the subsidiaries is included in profit or loss for the period.

### 3.6 Investment in associated companies

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these unconsolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Company's interest in that associate are recognised only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 3.9 below.

### 3.7 Impairment of non-financial assets and investment in subsidiaries & associated companies

The Company assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

### 3.8 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

### 3.9 Financial assets and financial liabilities

#### a) Financial assets

##### Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

##### i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Interest accrued on financial assets measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purposes of IFRS 9.

##### ii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Company.

##### Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 2.1.2 to these unconsolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2025.

The Company assesses the recoverability of its financial assets if there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

#### - Financial assets covered under IFRS 9

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Company applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Company expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Company applies a simplified approach where applicable in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### - Financial assets covered under IAS 39

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP), the requirements contained in IFRS 9 with respect to application of Expected Credit Loss (ECL) method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Under the said S.R.O., the disclosure of the impacts of ECL was not required. Earlier to the aforesaid S.R.O, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon of circular debt needs to be given due consideration. Further, SECP through S.R.O 1177(I)/2021 dated September 13, 2021,

and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, this exemption was extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023, and through S.R.O 1784(I)/2024 dated November 04, 2024, for the financial years ending on or before December 31, 2024, and December 31, 2025, respectively. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. In accordance with the exemption granted by SECP, ECL has not been recognised on such financial assets due directly / ultimately from GoP (i.e. SNGPL, SSGCL and GENCO-II) in the unconsolidated financial statements.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial asset carried at amortised cost, the amount of impairment loss recognised is the difference between the carrying amount and present value of estimated cash flows, discounted at effective interest rate.

#### **b) Financial liabilities**

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Interest accrued on financial liabilities measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purposes of IFRS 9.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

#### **c) Offsetting of financial instruments**

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **3.10 Fair value**

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

### **3.11 Trade debts and other receivables**

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain a significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

### **3.12 Cash and cash equivalents**

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

### **3.13 Decommissioning obligation and its provision**

The activities of the Company normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Company has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty-two years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

### **3.14 Staff retirement benefits**

#### **a) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Company maintains / operates the following benefit plans:

#### **i. Approved pension and gratuity schemes**

The Company operates approved funded pension and gratuity schemes, separately, for its management and non-management permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

#### ii. Post retirement medical benefits

The Company provides post-retirement medical benefits to its management and non-management staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

#### iii. Leave preparatory to retirement

The Company accrues entitlement to leave preparatory to retirement of its management staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2025 based on the 'Projected Unit Credit Actuarial Cost Method'.

#### b) Defined contribution plan

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates recognised provident fund schemes, separately, for its management and non-management permanent staff as per rules of service. Equal monthly contributions are made by the Company and the employees to the respective funds at the rate of 4.35% (management staff) and 8% (non-management staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Company also operates defined contribution pension fund schemes (Conventional and Shariah) for its management staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of management staff to the relevant funds.

#### 3.15 Compensated absences

The Company provides for compensated absences in respect of management and non-management staff, in accordance with the rules of the Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2025.

#### 3.16 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

#### 3.17 Earnings per share

The Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### 3.18 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

The Institute of Chartered Accountants of Pakistan (ICAP) issued application guidance on the accounting treatment of minimum and final taxes through Circular No. 07/2024, dated May 15, 2024 ("the Guidance"). According to the Guidance, minimum taxes that are non-recoverable and exceed the normal tax liability, as well as taxes under the final tax regime, fall outside the scope of IAS 12 Income Taxes and as such should be accounted for under IFRIC 21 Levies / IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Accordingly, in line with the Guidance, the Company has recognised final tax / levy on income from mutual funds as Levy (note 32) instead of classifying as income tax.

##### a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

##### b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

### 3.19 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortised cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

### 3.20 Revenue recognition

Revenue from sale of hydrocarbons, barytes and iron ore (the Products) is recognised when the Company satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price, which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP. The normal credit terms with customers vary from 30 to 45 days.

Revenue from sale of the products in which the Company has an interest with other joint operations partners is recognised commensurate with the Company's working interest and the terms of the relevant agreements.

### 3.21 Other income and finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Income on financial assets at amortised cost is calculated using the effective interest method and is recognised in statement of profit or loss.

The Company recognises interest, if any, on delayed payments from customers on receipt basis. Similarly, no provision is being made for the interest payable to GoP on late payment of Gas Development Surcharge (GDS) in accordance with the directives of the Price Determining Authority, Ministry of Energy (Petroleum Division).

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

### 3.22 Joint arrangements

Joint arrangements are arrangements in which the Company has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Company classifies a joint arrangement as joint operations when the Company has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Company classifies a joint arrangement as a joint venture when the Company has rights to the net assets of the arrangement.

The Company has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. The Company has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

### 3.23 Foreign currency transactions, translation and operations

#### a) Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

#### b) Foreign operations

The transactions of foreign operation are translated at the rate of exchange prevailing on the date of transactions. All monetary and non-monetary assets and liabilities of foreign operation are translated into Pakistani Rupees at the exchange rate prevailing at the date of statement of financial position and the resulting currency translation differences are recognised in other comprehensive income and accumulated as a separate reserve in equity until the disposal of foreign operation, upon which these are reclassified from equity to statement of profit or loss when gain or loss on disposal is recognised.

### 3.24 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the unconsolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the unconsolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these unconsolidated financial statements.

### 3.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

## 4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 4.1

Capital work-in-progress - note 4.4

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
	<b>87,769,826</b>	89,374,831
	<b>52,853,548</b>	44,645,138
	<b>140,623,374</b>	134,019,969

#### 4.1 Operating assets

	Owned assets											ROUA		Total
	Freehold land	Leasehold land	Buildings, roads and civil constructions on freehold land	Buildings, roads and civil constructions on leasehold land	Plant & machinery (Note - 4.5)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Vehicles*	Development and production assets	Decommissioning cost	Sub total	Plant & Machinery	

(Rupees in thousand)

<b>As at July 01, 2023</b>	111,138	1,336,908	3,153,946	5,085	94,738,207	1,316,324	16,070,782	1,450,993	858,318	126,154,114	31,710,532	276,906,347	1,513,423	278,419,770
Accumulated depreciation / amortisation	-	-	(2,214,401)	(4,141)	(69,203,678)	(897,558)	(1,499,830)	(1,318,003)	(752,801)	(86,854,994)	(19,487,085)	(192,232,491)	(603,828)	(192,836,319)
<b>Net Book Value (NBV)</b>	<b>111,138</b>	<b>1,336,908</b>	<b>939,545</b>	<b>944</b>	<b>25,534,529</b>	<b>418,766</b>	<b>4,570,952</b>	<b>132,990</b>	<b>105,517</b>	<b>39,299,120</b>	<b>12,223,447</b>	<b>84,673,856</b>	<b>909,595</b>	<b>85,583,451</b>
<b>Year ended June 30, 2024</b>														
Additions (at cost)	-	-	60,625	-	7,968,619	292,462	1,051,515	180,799	1,365,599	12,071,571	2,448,614	25,439,804	-	25,439,804
Reclassifications	-	-	-	-	733,536	-	-	-	-	-	-	733,536	(733,536)	-
Disposals (at NBV)	-	-	(455)	-	(84)	(78)	-	(886)	-	-	-	(1,503)	-	(1,503)
Depreciation / amortisation charge	-	-	(120,497)	(133)	(5,773,664)	(79,307)	(1,145,602)	(98,226)	(79,345)	(10,597,052)	(3,577,036)	(21,470,862)	(176,059)	(21,646,921)
<b>NBV</b>	<b>111,138</b>	<b>1,336,908</b>	<b>879,218</b>	<b>811</b>	<b>28,462,936</b>	<b>631,843</b>	<b>4,476,865</b>	<b>214,677</b>	<b>1,391,771</b>	<b>40,773,639</b>	<b>11,095,025</b>	<b>89,374,831</b>	<b>-</b>	<b>89,374,831</b>

<b>As at July 01, 2024</b>	111,138	1,336,908	3,206,753	5,085	104,212,130	1,596,204	17,122,296	1,622,867	2,210,671	138,225,686	34,159,147	303,808,885	-	303,808,885
Accumulated depreciation / amortisation	-	-	(2,327,535)	(4,274)	(75,749,194)	(964,361)	(12,645,431)	(1,408,190)	(818,900)	(97,452,047)	(23,064,122)	(214,434,054)	-	(214,434,054)
<b>NBV</b>	<b>111,138</b>	<b>1,336,908</b>	<b>879,218</b>	<b>811</b>	<b>28,462,936</b>	<b>631,843</b>	<b>4,476,865</b>	<b>214,677</b>	<b>1,391,771</b>	<b>40,773,639</b>	<b>11,095,025</b>	<b>89,374,831</b>	<b>-</b>	<b>89,374,831</b>

<b>Year ended June 30, 2025</b>														
Additions (at cost) / adjustments	77,995	(9,052)	278,147	1,500	4,298,858	137,061	778,614	369,669	636,724	9,975,182	(1,092,536)	15,452,162	-	15,452,162
Disposals (at NBV)	-	-	-	-	(2,754)	(402)	-	(215)	(13,834)	-	-	(17,205)	-	(17,205)
Depreciation / amortisation charge	-	-	(115,009)	(171)	(5,198,653)	(101,798)	(893,697)	(106,249)	(315,461)	(9,425,787)	(883,137)	(17,039,962)	-	(17,039,962)
<b>NBV</b>	<b>189,133</b>	<b>1,327,856</b>	<b>1,042,356</b>	<b>2,140</b>	<b>27,560,387</b>	<b>666,704</b>	<b>4,361,782</b>	<b>477,882</b>	<b>1,699,200</b>	<b>41,323,034</b>	<b>9,119,352</b>	<b>87,769,826</b>	<b>-</b>	<b>87,769,826</b>

<b>As at June 30, 2025</b>	189,133	1,327,856	3,476,278	6,585	108,253,840	1,714,263	17,867,694	1,964,510	2,826,685	148,226,273	33,066,610	318,919,727	-	318,919,727
Accumulated depreciation / amortisation	-	-	(2,433,922)	(4,445)	(80,693,453)	(1,047,559)	(13,505,912)	(1,486,628)	(1,127,485)	(106,903,239)	(23,947,258)	(231,149,901)	-	(231,149,901)
<b>NBV</b>	<b>189,133</b>	<b>1,327,856</b>	<b>1,042,356</b>	<b>2,140</b>	<b>27,560,387</b>	<b>666,704</b>	<b>4,361,782</b>	<b>477,882</b>	<b>1,699,200</b>	<b>41,323,034</b>	<b>9,119,352</b>	<b>87,769,826</b>	<b>-</b>	<b>87,769,826</b>

#### Rate of depreciation / amortisation (%)

\* Represents light and heavy vehicles

\*\* Amortisation on unit of production basis except for assets located at Head Office (HO) & Bolan Mining Enterprises (BME) which are amortised at 10%.

#### 4.2 Summary of significant assets

The following assets have significant operational value to the Company:

Particulars	June 30, 2025		June 30, 2024	
	Cost	NBV	Cost	NBV
------(Rupees in thousand)-----				
<b>Head Office</b>				
Land for Head Office Building	1,315,076	1,315,076	1,315,076	1,315,076
<b>Sui Field</b>				
SML / SUL Compression and High Pressure Casings	5,638,919	-	5,638,919	-
Booster Compression Project - SML	2,891,124	776,171	2,891,124	913,418
Revamping of SML Compressors	5,570,448	3,993,336	5,504,035	4,633,047
<b>Adhi Field</b>				
LPG / NGL Plant III	4,653,217	1,278,048	4,649,726	1,515,774
<b>Kandhkot Field</b>				
Gas Compression Station	10,327,881	1,608,758	10,339,569	1,790,259
<b>Hala Field</b>				
Gas Processing Facility (GPF)	1,257,051	6,483	1,257,051	12,988
<b>Gambat South Field</b>				
Gas Processing Facility (GPF) II	10,842,068	4,577,894	10,844,529	5,041,825
GPF IV (Phase I & II)	4,340,257	2,603,466	4,340,257	2,869,188
GPF IV Compression	1,200,339	972,717	1,196,551	1,067,025
<b>Dhok Sultan Field</b>				
Oil Handling Facility	1,706,200	428,569	733,536	643,923
<b>Sawan Field</b>				
Front End Compression	3,302,969	21,240	3,304,042	29,289
Other Plant and Machinery	1,811,767	-	1,811,767	-
<b>Tal Field</b>				
Makori Central Processing Facility (CPF)	6,991,613	443,268	6,991,613	674,489
CPF Manzalai	3,157,148	30,322	3,157,148	46,139
<b>Nashpa Field</b>				
Nashpa LPG Plant	5,828,370	1,730,769	4,731,035	1,292,054
Wellhead Compression Project	1,188,301	326,087	1,188,301	450,174
<b>Latif Field</b>				
Reception / Tie-in Facility	1,165,465	9,409	1,165,465	15,448
<b>Kirthar Field</b>				
Kirthar Compression Project	1,330,210	856,078	1,353,360	1,135,431

#### 4.3 Cost and accumulated depreciation include:

	June 30 2025	June 30 2024	June 30 2025	June 30 2024
	Cost		Accumulated depreciation	
	------(Rupees in thousand)-----			
Share in Company operated joint operations	36,542,673	35,259,707	22,062,574	20,169,349
Share in partner operated joint operations - note 4.3.1	49,425,030	47,209,408	41,934,457	39,546,058
	<b>85,967,703</b>	<b>82,469,115</b>	<b>63,997,031</b>	<b>59,715,407</b>

**4.3.1** The assets pertaining to partner operated joint operations belong to various fields and are not in possession of the Company.

**4.3.2** The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Company.

**4.3.3** Vehicles amounting to Rs 1,564 million (2024: Rs 1,279 million) are kept as collateral with non-banking financial institutions, as disclosed in note 20 to these unconsolidated financial statements.

**4.4.2** Amounts under capital stores for drilling and development and advances to suppliers are net of consumption during the year.

**4.5** Plant and machinery includes major spare parts and standby equipment having cost of Rs 101.618 million (2024: Rs 94.067 million).

**4.6** None of the assets disposed off during the year have a book value of more than Rs 0.5 million except following:

#### 4.4 Capital work-in-progress

Plant, machinery, fittings and pipelines  
Exploration and evaluation (E&E) assets  
Development and production (D&P) assets  
Lands, buildings and civil constructions  
Advances to suppliers  
Capital stores for drilling and development  
- Net (charge) / reversal of impairment

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
	<b>12,722,370</b>	10,911,395
	<b>20,908,084</b>	13,613,161
	<b>5,544,969</b>	7,359,929
	<b>191,670</b>	74,650
	<b>611,849</b>	709,064
	<b>13,065,592</b>	11,860,295
	<b>(190,986)</b>	116,644
	<b>12,874,606</b>	11,976,939
	<b>52,853,548</b>	44,645,138

#### 4.4.1 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E assets	D&P assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Advances to suppliers	Total
	------(Rupees in thousand)-----						
<b>Balance as at June 30, 2023</b>	<b>14,633,997</b>	<b>15,762,271</b>	<b>8,852,163</b>	<b>91,084</b>	<b>10,936,926</b>	<b>-</b>	<b>50,276,441</b>
Capital expenditure incurred during the year (net) - note 4.4.2	7,100,368	7,237,931	8,568,661	44,191	923,369	709,064	24,583,584
Reversal of impairment of capital stores	-	-	-	-	116,644	-	116,644
Cost of dry wells during the year	-	(7,023,942)	-	-	-	-	(7,023,942)
Transferred to operating assets	(10,822,970)	(2,363,099)	(10,060,895)	(60,625)	-	-	(23,307,589)
<b>Balance as at June 30, 2024</b>	<b>10,911,395</b>	<b>13,613,161</b>	<b>7,359,929</b>	<b>74,650</b>	<b>11,976,939</b>	<b>709,064</b>	<b>44,645,138</b>
Capital expenditure incurred during the year (net) - note 4.4.2	8,031,743	18,827,182	4,598,674	395,822	1,088,653	(97,215)	32,844,859
Impairment of capital stores	-	-	-	-	(190,986)	-	(190,986)
Cost of dry wells during the year	-	(7,508,897)	-	-	-	-	(7,508,897)
Transferred to operating assets	(6,220,768)	(4,023,362)	(6,413,634)	(278,802)	-	-	(16,936,566)
<b>Balance as at June 30, 2025</b>	<b>12,722,370</b>	<b>20,908,084</b>	<b>5,544,969</b>	<b>191,670</b>	<b>12,874,606</b>	<b>611,849</b>	<b>52,853,548</b>

Asset description	Mode of disposal	Relationship	Particulars of Buyer	Cost	Net Book Value	Sale Proceeds	Gain / (Loss)
------(Rupees in thousand)-----							
Plant and Machinery	Tender	Joint Operation Partners	OGDCL	54,014	578	124,847	124,269
			UEP-BETA	186,553	2,058	270,207	268,149
Vehicles	Company policy	Ex-Employees	Tariq Hussain	8,184	6,831	7,372	541
			Mutawassam Ali	4,298	3,452	3,735	283
			Muhammad Sohail	4,316	3,550	3,836	286

#### 4.7 Particulars of immovable property in the name of the Company (net share) are as follows

Location	Total Area (Acreage)
<b>Freehold Land</b>	
Sui Field	2,488.71
Kandhkot Field	168.78
Mazarani Field	172.32
Khewali Pump Station (KPS)	14.84
<b>Leasehold Land</b>	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	777.02
Adhi Field	114.78
KPS	209.61

**4.8 Particulars of the Company's business units, including plants, are as follows:**

S.No	Business Unit	Address	Geographical location (Province / Emirate)	Plants
1	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road P.O. Box 3942, Karachi-75530	Sindh	Not applicable
2	Regional Office	Gerry's Centre Justice Abdul Rasheed Road 7th Avenue, Sector G-6/1 Islamabad	Islamabad	Not applicable
3	PIOL Office	34th Floor, Al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
4	PMPL Office	Petroleum House, 5th Floor, Ataturk House, G-5/2, Islamabad	Islamabad	Not applicable
5	Sui Gas Field	Sui, Dera Bugti	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
6	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
7	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
8	Gambat South Fields	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility -II 3) Gas Processing Facility -IV
9	Mazarani Gas Field	District, Qambar Shahdadkot	Sindh	Gas Processing Facility
10	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
11	Hala Fields	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
12	Dhok Sultan	District, Attock	Punjab	Oil Handling Facility
13	Shah Bandar	District, Sujawal	Sindh	Third Party Processing Facility
14	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

**4.9** The depreciation / amortisation charge has been allocated to

	Year ended June 30, 2025	Year ended June 30, 2024
Operating expenses	16,618,741	21,475,706
Administrative expenses	421,221	171,215
	<b>17,039,962</b>	<b>21,646,921</b>

June 30, 2025 June 30, 2024

------(Rupees in thousand)-----

**5. INTANGIBLE ASSETS**

Computer software including ERP system - note 5.1  
Intangible assets under development

230,736	100,283
-	23,448
<b>230,736</b>	<b>123,731</b>

**5.1 Computer software including ERP system**

	ERP System	Computer software	Total
------(Rupees in thousand)-----			
<b>As at July 01, 2023</b>			
Cost	450,870	1,646,374	2,097,244
Accumulated amortisation	(432,199)	(1,612,454)	(2,044,653)
<b>NBV</b>	<b>18,671</b>	<b>33,920</b>	<b>52,591</b>
<b>Year ended June 30, 2024</b>			
Additions (at cost)	-	88,519	88,519
Amortisation charge - note 29	(12,810)	(28,017)	(40,827)
<b>NBV</b>	<b>5,861</b>	<b>94,422</b>	<b>100,283</b>
<b>As at July 01, 2024</b>			
Cost	450,870	1,697,133	2,148,003
Accumulated amortisation	(445,009)	(1,602,711)	(2,047,720)
<b>NBV</b>	<b>5,861</b>	<b>94,422</b>	<b>100,283</b>
<b>Year ended June 30, 2025</b>			
Additions (at cost)	-	178,920	178,920
Amortisation charge - note 29	(2,344)	(46,123)	(48,467)
<b>NBV</b>	<b>3,517</b>	<b>227,219</b>	<b>230,736</b>
<b>As at June 30, 2025</b>			
Cost	378,866	1,791,863	2,170,729
Accumulated amortisation	(375,349)	(1,564,644)	(1,939,993)
<b>NBV</b>	<b>3,517</b>	<b>227,219</b>	<b>230,736</b>
Rate of amortisation (%)	20	33	

## 6. LONG-TERM INVESTMENTS

### Investments in related parties

#### - Wholly owned subsidiaries

PPFTC - note 6.1	1	1
PPL (net of impairment) - note 6.2	3,798,094	3,798,094
PPLA (net of impairment) - note 6.3	3,211,033	-
	<b>7,009,128</b>	3,798,095

#### - Associates

##### Unquoted companies

- Pakistan International Oil Limited (PIOL) - note 6.4		
Equity held: 25%		
No. of shares: 8,500,000 (2024: 6,000,000) of USD 10/- each	<b>19,893,941</b>	12,265,444
- Pakistan Minerals (Private) Limited (PMPL) - note 6.5		
Equity held: 33.33%		
No. of shares: 516,420,680 (2024: 4,000) of Rs 10/- each	<b>62,765,740</b>	51,788,810
	<b>89,668,809</b>	<u>67,852,349</u>

June 30, 2025 June 30, 2024

----- (Rupees in thousand) -----

### 6.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPFTC, a wholly owned subsidiary of the Company, was incorporated in Pakistan as a private limited company on November 07, 1955. PPFTC is engaged in administering the trusts formed for the benefits of the employees of the Company. PPFTC has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2025. The paid-up capital of PPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

### 6.2 PPL Europe E&P Limited

6.2.1 The Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited (MND), a company incorporated in England and Wales. Subsequent to the acquisition, the name of MND was changed to PPL Europe E&P Limited (PPL). The Company holds 38,793,216 ordinary shares of £1 each, representing 100% of the share capital as of the date of statement of financial position. The investment amounts to USD 13.392 million as at June 30, 2025.

PPL's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. Brief details are as follows:

Blocks / Fields	Working Interest
Barkhan	50%
Ziarat	40%
Harnai	40%
Yemen - Block 3	21.28%
Sawan	7.89%

6.2.2 This investment is stated net of accumulated impairment losses of Rs 11,866 million (2024: Rs 11,866 million). PPL may consider additional investment opportunities in overseas blocks.

### 6.3 PPL Asia E&P B.V.

6.3.1 On July 22, 2013, the Company established a subsidiary, PPL Asia E&P B.V. (PPLA), a company incorporated in Amsterdam, Kingdom of Netherlands, with issued share capital of 1,000,000 ordinary shares of USD 100 each which are allotted, called up and paid by USD 85.3 per ordinary share. The Company holds 100% of the share capital as of the date of statement of financial position.

PPLA's main objective is exploration and production of oil and natural gas resources, and it owned 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). MdOC, vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. Accordingly, close-out proceedings have been concluded and a mutually favourable settlement agreement between PPLA and MdOC was signed on October 06, 2024. During the year, MdOC, through a third party, made a net payment of USD 6 million to PPLA, which resulted in the reversal of previously recognised impairment loss amounting to Rs 3,211.033 million in these unconsolidated financial statements. Following this close-out, PPLA is pursuing new business opportunities in line with its strategic objectives.

6.3.2 The accumulated impairment loss on the investment amounts to Rs 6,590 million (2024: Rs 9,801 million).

### 6.4 Pakistan International Oil Limited (PIOL)

Offshore Block 5 was awarded to the Company-led consortium in the Emirate of Abu Dhabi with each consortium company having 25% equity, through a separate entity, namely PIOL, incorporated in the Emirate of Abu Dhabi on July 15, 2021. Besides the Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Energies Limited (MEL) and Government Holdings (Private) Limited (GHPL). The registered address of PIOL is 34th Floor, Al Maqam Tower, ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. During the year, field development plan for three pre-existing discoveries of PIOL has been approved and Production Concession Agreement has been signed with ADNOC.

Financial information of PIOL is summarised below, which is based on the audited financial statements of the associate for the year ended December 31, 2024, adjusted for the transactions and events up to June 30, 2025 based on unaudited financial statements.

#### Investment in Associate

	2025	2024
Opening carrying value as at July 01	12,265,444	5,560,044
Cost of investment	7,001,250	7,108,749
Company's share of total comprehensive income / (loss) for the year	300,579	(92,766)
Foreign exchange differences on translation of foreign associate	326,668	(310,583)
Closing carrying value of investment as at June 30	<b>19,893,941</b>	12,265,444

#### Summarised statement of financial position

Non-current assets	34,602,744	20,718,975
Current assets	54,841,662	35,630,718
Non-current liabilities	(734,361)	-
Current liabilities	(9,134,281)	(7,287,919)
Net assets	<b>79,575,764</b>	49,061,774

Company's percentage shareholding in the associate  
Company's share in carrying value of net assets as at June 30

25%	25%
<b>19,893,941</b>	12,265,444

#### Summarised statement of comprehensive income

Total comprehensive income / (loss) for the year	1,202,316	(371,062)
Company's share of total comprehensive income / (loss) for the year (25%)	<b>300,579</b>	(92,766)

## 6.5 Pakistan Minerals (Private) Limited (PMPL)

The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with collective representation of the Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

PMPL through resolution dated May 14, 2025 has increased its paid-up capital by the issue of a further 1,549,250,040 ordinary shares of face value of Rs 10 each at a subscription price of Rs 100 each, through rights issue by offering the shares to existing members of PMPL, in proportion to their existing shareholding. Accordingly, the Company has subscribed 516,416,680 ordinary shares of face value Rs 10 along with the premium. The total shares subscribed by the Company in PMPL now stand at 516,420,680.

Financial information of PMPL is summarised below, which is based on the audited financial statements of the associate for the year ended June 30, 2025.

	2025	2024
----- (Rupees in thousand) -----		
<b>Investment in Associate</b>		
Opening Carrying Value as at July 01	51,788,810	50,008,954
Cost of investment	12,677,999	5,012,874
Company's share of loss for the year	(645,029)	(2,234,241)
Company's share of other comprehensive loss for the year	(1,056,040)	(998,777)
Closing carrying value of investment as at June 30	62,765,740	51,788,810
<b>Summarised statement of financial position</b>		
Non-current assets	205,792,601	168,601,657
Current assets	195,430	247,187
Non-current liabilities	(16,970,053)	(12,826,621)
Current liabilities	(184,999)	(15,137)
Net assets	188,832,979	156,007,086
Company's percentage shareholding in the associate	33.33%	33.33%
Company's share in carrying value of net assets	62,944,326	52,002,362
Others - exchange rate differences in equity contribution	(178,586)	(213,552)
Company's share in carrying value of net assets as at June 30	62,765,740	51,788,810
<b>Summarised statement of comprehensive income</b>		
Loss for the year	(1,935,281)	(6,702,723)
Company's share of loss for the year (33.33%)	(645,029)	(2,234,241)
Other comprehensive income - loss for the year	(3,168,437)	(2,996,332)
Company's share of other comprehensive income - loss for the year (33.33%)	(1,056,040)	(998,777)
Total comprehensive income - loss for the year	(5,103,717)	(9,699,055)
Company's share of total comprehensive income - loss for the year (33.33%)	(1,701,069)	(3,233,018)

Subsequent to the year end, the Company has made further equity contribution amounting to Rs 6,032.775 million in PMPL.

## 7. LONG-TERM LOANS

### Unsecured and considered good

#### Long-term loans - staff - note 7.1

	June 30, 2025	June 30, 2024
----- (Rupees in thousand) -----		
- Management staff - note 7.2	16,628	18,213
- Other employees	142,441	117,475
	159,069	135,688
Less: Current maturities		
- Management staff	(6,196)	(6,555)
- Other employees	(42,998)	(33,513)
	(49,194)	(40,068)
	109,875	95,620

7.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Company in accordance with the Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2024: 1% to 10%) per annum.

#### 7.2 Reconciliation of the carrying amount of long-term loans to management staff

	June 30, 2025	June 30, 2024
----- (Rupees in thousand) -----		
Balance as at July 01	18,213	20,423
Disbursements	6,880	6,255
Repayments / adjustments	(8,465)	(8,465)
Balance as at June 30	16,628	18,213

The maximum aggregate amount of loans due from the management staff at the end of any month during the year was Rs 19.295 million (2024: Rs 20.116 million).

## 8. LONG-TERM DEPOSITS

### Cash margin:

	June 30, 2025	June 30, 2024
----- (Rupees in thousand) -----		
- For guarantee to International Bank of Yemen - note 8.1	1,683,750	1,683,750
- Others	7,676	7,676
	1,691,426	1,691,426
Less: Current maturity of long-term deposits	(1,683,750)	(1,683,750)
	7,676	7,676

8.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (the Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Company placed a Standby Letter of Credit (the SBL) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited (the Bank) against cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there has been extensive correspondence among the Operator, the Ministry of Yemen and the Company. In the latest correspondence, the Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

During the year, the Company has initiated legal proceedings by filing a suit in the Honourable SHC against the Bank under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001, seeking release of the SBLC.

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	

## 9. STORES AND SPARES

Stores and spares	9,226,454	7,230,575
Less: Provision for obsolete / slow moving stores and spares - note 9.1	(416,005)	(368,614)
	<u>8,810,449</u>	<u>6,861,961</u>

### 9.1 Reconciliation of provision for obsolete / slow moving stores and spares:

Balance as at July 01	368,614	316,655
Provision for the year - note 32	47,391	51,959
Balance as at June 30	<u>416,005</u>	<u>368,614</u>

## 10. TRADE DEBTS

### Unsecured and considered good

#### Related parties (note 10.1)

Central Power Generation Company Limited (GENCO-II) - note 10.4	2,992,574	4,180,235
Sui Northern Gas Pipelines Limited (SNGPL)	267,617,084	265,417,802
Sui Southern Gas Company Limited (SSGCL)	309,748,195	291,452,772
Pakistan Refinery Limited (PRL)	54,417	169,627
Pak-Arab Refinery Limited (PARCO)	532,367	1,427,549
ENAR Petroleum Refining Facility (EPRF)	224,471	184,824
Oil & Gas Development Company Limited (OGDCL)	115,556	44,762
	<u>581,284,664</u>	<u>562,877,571</u>

#### Non-related parties

Attock Refinery Limited (ARL)	10,302,589	13,506,971
National Refinery Limited (NRL)	565,549	522,362
Others	251,343	679,194
	<u>11,119,481</u>	<u>14,708,527</u>
	<u>592,404,145</u>	<u>577,586,098</u>

### Unsecured and considered doubtful

#### Non-related party

Cnergyico Pk Limited (CENERGY) - note 10.5	253,002	253,002
Less: Provision for doubtful debts	(253,002)	(253,002)
	<u>592,404,145</u>	<u>577,586,098</u>

### 10.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance due from related parties, is as follows:

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
GENCO-II	6,397,362	6,253,638
SNGPL	268,153,280	272,858,119
SSGCL	309,748,195	291,452,772
PARCO	1,485,354	3,179,960
PRL	190,028	764,817
EPRF	350,053	288,617
OGDCL	228,617	44,762
	<u>586,552,889</u>	<u>574,842,685</u>

### 10.2 The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired	31,694,602	40,143,987
Past due but not impaired:		
<b>Related parties</b>		
- within 90 days	30,934,149	35,318,222
- 91 to 180 days	38,448,119	42,534,667
- over 180 days	489,775,894	457,536,030
	<u>559,158,162</u>	<u>535,388,919</u>
<b>Non-related parties</b>		
- within 90 days	644,139	1,052,540
- 91 to 180 days	1,700	9,041
- over 180 days	905,542	991,611
	<u>1,551,381</u>	<u>2,053,192</u>
	<u>592,404,145</u>	<u>577,586,098</u>

### 10.3 Trade debts include overdue amount of Rs 559,043 million (2024: Rs 535,060 million) receivable from the State controlled companies and Rs 1,666 million (2024: Rs 2,382 million) overdue receivable from refineries and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector. The Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.1.2 to these unconsolidated financial statements, SECP has deferred the applicability of ECL model for the financial years ending on or before December 31, 2025 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivable from CENERGY as a result of disputes disclosed in note 10.5.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Company considers the overdue amounts to be fully recoverable and therefore, no provision for doubtful debts has been made in these unconsolidated financial statements, except for provision against receivable from CENERGY.

**10.4** As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS amounting to Rs 81,594 million (2024: Rs 77,266 million) as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has been billed to GENCO-II but has not been received by the Company as at the date of statement of financial position.

**10.5** The Company had filed a suit in the Honourable Sindh High Court (SHC) against CENERGY for recovery of overdue amount. In addition, the Company filed a complaint against the officials of CENERGY on account of the willful default before the National Accountability Bureau (NAB). On the Company's complaint, NAB filed a reference against the officials of CENERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CENERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Company, which was allowed by the Accountability Court on October 24, 2020. The Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CENERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Company has filed a constitutional petition against the NAB for recovery of the withheld amount, which is pending before the Honourable SHC. For late payment surcharge amount, the Company's civil suit against CENERGY is pending before the district courts of Karachi after transfer of the case from the Honourable SHC.

## 11. LOANS AND ADVANCES

June 30, 2025      June 30, 2024

------(Rupees in thousand)-----

### Unsecured and considered good

Loans and advances to staff	128,012	120,345
Advances to suppliers and others	150,923	111,659
Advance payment of cash calls to joint operations - note 35	215,205	196,854
	<u>494,140</u>	<u>428,858</u>

## 12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits	399,290	138,927
Prepayments	314,840	576,848
	<u>714,130</u>	<u>715,775</u>

## 13. INTEREST ACCRUED

Interest receivable on:		
- Short-term investments	889,448	950,786
- Bank deposits	243,121	276,074
	<u>1,132,569</u>	<u>1,226,860</u>

## 14. OTHER RECEIVABLES

Receivable from related parties:		
SNGPL for Sui field services	37,632	36,131
SSGCL for Sui field services	11,503	10,220
PIOL	189,044	281,323
Staff retirement benefit plans	17,265	11,602
Current accounts with joint operations - note 35	1,273,655	1,739,650
Workers' Profit Participation Fund (WPPF) - note 14.1	224,011	872,390
Sales tax - net	8,677,060	1,781,268
Others - note 14.2	423,378	231,793
	<u>10,853,548</u>	<u>4,964,377</u>

### 14.1 WPPF

Balance as at July 01	872,390	172,659
Allocation for the year - note 32	(6,275,989)	(7,827,610)
Net amount paid during the year	5,627,610	8,527,341
Balance as at June 30	<u>224,011</u>	<u>872,390</u>

**14.2** It includes receivable from related parties i.e. (i) Rs 10.92 million (2024: 'Nil') from MEL with respect to the payments made by the Company on its behalf for expenses related to Future Minerals Forum 2025 (ii) Rs 206.14 million (2024: 'Nil') from OGDCL against sale of inventory.

June 30, 2025      June 30, 2024

------(Rupees in thousand)-----

## 15. SHORT-TERM INVESTMENTS

### At amortised cost

- Local currency term deposits with banks - note 15.1	3,127,500	29,127,500
- Foreign currency term deposits with banks - note 15.2	39,434,580	31,731,488
- Local currency treasury bills - note 15.3	31,602,727	25,097,833
	<u>74,164,807</u>	<u>85,956,821</u>

### At fair value through profit or loss

- Mutual funds	-	18,810,419
	<u>74,164,807</u>	<u>104,767,240</u>

**15.1** These carry profit ranging from 9.00% to 16.00% (2024: 19.90% to 21.50%) per annum and are due to mature latest by March 2026. Further, it includes 'Nil' (2024: Rs 4,000.00 million) placed under a Shariah compliant arrangement.

**15.2** These represent foreign currency term deposits with banks amounting to USD 139.050 million (2024: USD 114.019 million) having effective interest rate ranging from 5.30% to 6.80% (2024: 7.51% to 10.80%) per annum and are due to mature latest by December 2025.

**15.3** These carry profit ranging from 11.02% to 11.83% (2024: 20.00% to 22.89%) per annum and are due to mature latest by December 2025. These bills were issued by the GoP and sold through State Bank of Pakistan. Further, as disclosed in note 20.1.2, T-Bills with carrying value of Rs 819.494 million (face value Rs 843.490 million) are pledged as collateral with Pak Oman Investment Company Limited.

## 16. CASH AND BANK BALANCES

### At banks

- Saving accounts		
Local currency - note 16.1	5,406,983	6,075,232
Foreign currency - note 16.2	445,662	685,148
	<u>5,852,645</u>	<u>6,760,380</u>

- Current accounts (local currency)

	1,282	1,220
<b>Cash in hand</b>	<u>6,199,269</u>	<u>7,073,544</u>

**16.1** These carry profit at the rate ranging from 2.78% to 19.15% (2024: 6.50% to 20.85%) per annum. Further, it includes Rs 988.860 million (2024: Rs 51.769 million) placed under an arrangement permissible under Shariah.

**16.2** These carry profit at the rate ranging from 0.01% to 2.00% (2024: 0.01% to 4.00%) per annum. Further, it includes Rs 1.694 million (2024: Rs 1.662 million) placed under an arrangement permissible under Shariah.

## 17. SHARE CAPITAL

### Authorised

3,500,000,000 (2024: 3,500,000,000)  
ordinary shares of Rs 10 each

26,510 (2024: 26,510) convertible  
preference shares of Rs 10 each

### Issued

2,721,162,657 (2024: 2,721,162,657)  
ordinary shares of Rs 10 each - note 17.2

10,418 (2024: 10,418) convertible  
preference shares of Rs 10 each - note 17.3

### Subscribed and paid-up

683,078,299 (2024: 683,078,299) ordinary  
shares of Rs 10 each for cash - note 17.2

2,035,144,811 (2024: 2,035,144,811)  
ordinary shares of Rs 10 each issued  
as bonus shares

2,750,000 (2024: 2,750,000) ordinary shares of  
Rs 10 each for consideration other than cash  
under an Agreement for Sale of Assets dated  
March 27, 1952 with Burmah Oil Company Limited

9,344 (2024: 9,344) convertible preference  
shares of Rs 10 each for cash - note 17.3

1,074 (2024: 1,074) convertible preference  
shares of Rs 10 each issued as bonus shares

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
	<b>35,000,000</b>	35,000,000
	<b>265</b>	265
	<b>35,000,265</b>	<b>35,000,265</b>
	<b>27,211,626</b>	27,211,626
	<b>104</b>	104
	<b>27,211,730</b>	<b>27,211,730</b>
	<b>6,830,783</b>	6,830,783
	<b>20,351,449</b>	20,351,449
	<b>27,500</b>	27,500
	<b>27,209,732</b>	27,209,732
	<b>93</b>	93
	<b>11</b>	11
	<b>27,209,836</b>	<b>27,209,836</b>

### 17.1 Movement in subscribed and paid-up share capital is as follows:

	June 30, 2025	June 30, 2024		June 30, 2025	June 30, 2024
	------(Number of Shares)-----			------(Rupees in thousand)-----	
			Ordinary shares of Rs. 10/- each		
	<b>2,720,973,110</b>	2,720,973,088	At the beginning of the year	<b>27,209,732</b>	27,209,732
	<b>-</b>	22	Conversion of preference shares	<b>-</b>	-
	<b>2,720,973,110</b>	<b>2,720,973,110</b>		<b>27,209,732</b>	<b>27,209,732</b>

These fully paid ordinary shares carry one vote per share and right to dividend.

### 17.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2024: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e. 102,875,500 ordinary shares) of the Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Consequently, the shareholding of the GoP in the Company reduced to 67.51% of the paid-up ordinary share capital.

### 17.3 Convertible preference shares

In accordance with article 3(iv) of the Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Company Secretary by the holders of such convertible preference shares to that effect. During the year, 'Nil' (2024: 22) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Company do not carry any fixed return.

## 18. RESERVES

### Capital reserve - note 18.1

#### Revenue and other reserves

- General and contingency reserve - note 18.2
- Insurance reserve - note 18.3
- Assets acquisition reserve - note 18.4
- Dividend equalisation reserve - note 18.5
- Foreign currency translation reserve - note 18.6
- Share of foreign currency translation reserve of the associated company - note 18.7
- Unappropriated profit

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
	<b>1,428</b>	1,428
	<b>69,761</b>	69,761
	<b>34,021,894</b>	34,021,894
	<b>23,751,980</b>	23,751,980
	<b>2,535,354</b>	2,535,354
	<b>1,603,613</b>	1,358,612
	<b>8,973,960</b>	13,021,320
	<b>607,667,484</b>	537,603,199
	<b>678,624,046</b>	612,362,120
	<b>678,625,474</b>	<b>612,363,548</b>

### 18.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

### 18.2 General and contingency reserve

The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Company only for the purpose specified in the 1982 GPA.

### 18.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Company has built-up an insurance reserve for self-insurance cover against these risks.

The Company has arranged terrorism cover from the international market up to the limit of liability of USD 100 million (Rs 28,360 million) for single occurrence, as well as, annual aggregate.

### 18.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

### 18.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Company established a dividend equalisation reserve to maintain dividend declarations.

## 18.6 Foreign currency translation reserve

This represents accumulated balance of effect of translation of a foreign operation into Pakistani Rupees as disclosed in note 3.23 (b).

## 18.7 Share of foreign currency translation reserve of the associated company

This represents accumulated balance of effect of share of translation of a foreign operation into Pakistani Rupees of the associated company.

## 19. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2025	June 30, 2024
Balance at beginning of the year	45,656,616	41,921,125
- Provision during the year	709,093	686,760
- Revision due to change in estimates	(1,412,628)	1,631,271
- Adjustment / payment during the year	(185,363)	(57,496)
- Unwinding of discount - note 31	2,218,518	1,474,956
Balance at end of the year	<u>46,986,236</u>	<u>45,656,616</u>

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2025	June 30, 2024
<b>Wells</b>		
Share in operated assets	24,927,679	23,181,525
Share in partner operated assets	10,343,773	9,555,949
<b>Production facilities</b>		
Share in operated assets	9,907,176	9,125,993
Share in partner operated assets	1,807,608	3,793,149
	<u>46,986,236</u>	<u>45,656,616</u>

## 20. LONG - TERM FINANCING

	June 30, 2025	June 30, 2024
From Non-Banking Financial Institutions - Secured - note 20.1	1,617,389	1,266,285
Current maturity of long - term financing	(247,970)	(129,873)
	<u>1,369,419</u>	<u>1,136,412</u>

### 20.1 Non-Banking Financial Institutions - Secured

		Number of installments	Maximum Maturity Date	Markup profit rate per annum	Monthly installment amount	Balance as at	
						June 30, 2025	June 30, 2024
First Habib Modaraba	20.1.1	47-53 monthly	30 November 2029	3 Months Kibor +	20,397	868,945	978,366
Pak Oman Investment Company Limited	20.1.2	47-58 monthly	30 April 2030	(from 0.84 to 0.94%)	16,591	748,444	287,919
						<u>1,617,389</u>	<u>1,266,285</u>

20.1.1 This loan is obtained under a Shariah compliant arrangement and secured against the Company's vehicles.

20.1.2 This loan is secured against the Company's vehicles. Additionally, a collateral in the form of government securities is held in an Investment Portfolio Services account with Pak Oman Investment Company Limited.

20.1.3 These loans have been obtained to provide car facility to employees of the Company as per the rules of service.

## 20.2 Reconciliation of long term financing

	June 30, 2025	June 30, 2024
Opening	1,266,285	-
Loans obtained during the year	556,433	1,272,703
Loans repaid during the year	(205,329)	(6,418)
	351,104	1,266,285
Balance as on June 30	<u>1,617,389</u>	<u>1,266,285</u>

## 21. DEFERRED LIABILITIES

	June 30, 2025	June 30, 2024
Post - retirement medical benefits - note 30.2.1	4,093,530	2,864,822
Leave preparatory to retirement - note 30.3	1,233,952	1,252,784
	<u>5,327,482</u>	<u>4,117,606</u>

## 22. DEFERRED TAXATION - NET

(Deductible) / taxable temporary differences on:

	June 30, 2025	June 30, 2024
Exploration expenditure	(1,785,175)	(1,836,663)
Deferred liabilities	(2,077,718)	(1,605,866)
Provision for windfall levy on oil / condensate	(22,690,452)	(19,888,086)
Provision for doubtful debts	(126,501)	(126,501)
Provision for obsolete / slow moving stores	(162,242)	(143,759)
Decommissioning cost	8,064,807	7,883,265
Accelerated tax depreciation allowances	2,866,305	3,201,156
Exploratory wells cost	10,719,775	8,945,101
Development and production expenditure	26,042,653	24,305,286
Others	1,908,525	(310,584)
	<u>22,759,977</u>	<u>20,423,349</u>

22.1 During the year, the change in deferred taxation has been recognised in profit or loss, except for the deferred tax impact of Rs 81.67 million on account of exchange differences on translation of foreign associate and Rs 2,991.32 million on account of exchange differences on translation of foreign operation of the associate, which have been recognised in other comprehensive income.

## 23. TRADE AND OTHER PAYABLES

	June 30, 2025	June 30, 2024
Creditors	1,290,452	1,444,782
Accrued liabilities	13,621,482	12,615,464
Accrued mark-up / profit on long - term financing - note 23.2	5,353	12,011
Security deposits / advances from LPG distributors - note 23.3	1,052,480	1,457,356
Retention money	192,942	151,016
Royalties	4,082,879	13,889,247
Lease extension bonus - Sui gas field	374,226	45,072,924
Current accounts with joint operations - note 35	17,368,824	14,975,662
Staff retirement benefit funds - note 30.1.2	5,636,492	4,509,563
Provision for windfall levy on oil / condensate - note 24.1.7	36,304,674	31,820,937
Federal excise duty	9,612	39,510
Others	241,271	362,318
	<u>80,180,687</u>	<u>126,350,790</u>

**23.1** As disclosed in note 2.6.2 to the unconsolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS amounting to Rs 81,594 million (2024: Rs 77,266 million) as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

**23.2** This represents profit of Rs 5.353 million (2024: Rs 10.178 million) accrued in long term financing under Shariah compliant arrangements.

**23.3** This includes advances received from customers against supply of LPG which will be recognised as revenue when the performance obligation is satisfied.

## 24. CONTINGENCIES AND COMMITMENTS

### 24.1 Contingencies

#### 24.1.1 Corporate guarantees

Corporate guarantees (including share of joint operations areas) issued to custom authorities, redeemable on receipt of necessary certification from regulatory authority or clarification from custom authorities.

June 30, 2025	June 30, 2024
-----[Rupees in thousand]-----	
-	896

#### 24.1.2 Sales tax

The Company has received various orders from the tax authorities, raising a demand of Rs 485 million on account of sales tax for different tax periods under the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Company is contesting the matter before various appellate forums.

The Appellate Tribunal Inland Revenue (ATIR), through recent orders, has disposed of the Company's appeal for the tax periods from July 2020 to June 2021 (involving a tax demand of Rs 260 million), directing the Company to approach the Federal Board of Revenue (FBR) for the constitution of an Alternate Dispute Resolution Committee (ADRC). Subsequent to the year end, the Company filed a writ petition with the Islamabad High Court (IHC), challenging the ATIR's decision and has obtained a stay against the recovery of the tax demand.

The tax authorities passed an order dated January 10, 2025, raising a tax demand of Rs 39 million, along with default surcharge and penalty, on the alleged non-payment of sales tax on the disposal of fixed assets. The Company had already discharged the applicable sales tax liability through the respective sales tax returns. Being aggrieved, the Company paid 10% of the tax demand under protest and filed an appeal before the ATIR, which was disposed of by the ATIR with directions to approach the FBR for the constitution of an ADRC. Subsequent to the year end, the Company filed a writ petition in the IHC, challenging ATIR's decision, and obtained a stay against the recovery of the tax demand.

#### 24.1.3 Income tax

The tax authorities have amended the assessments of the Company for tax years 2003 to 2024, raising an aggregate demand of Rs 83,018 million (net of refund orders amounting to Rs 4,998 million). This demand primarily relates to super tax, windfall levy, tax credits under sections 65A, 65B, and 65E of the Income Tax Ordinance, 2001 (the Ordinance), rate issues and Company's share of profit of Bolan Mining Enterprises. The Company has paid or adjusted an amount of Rs 51,699 million out of the said aggregate demand.

The outstanding demand pertains to tax years 2003 to 2009, which has been stayed by the Honourable Sindh High Court (SHC), and super tax on agreement areas for tax years 2022 to 2024. The appeals in respect of the assessments made by the tax authorities are currently pending before the following appellate fora:

Tax Year	Appellate Forum
2013, 2014, 2021, 2023 & 2024	Islamabad High Court (IHC)
2003 to 2018	Sindh High Court (SHC)
2019 to 2023	Appellate Tribunal Inland Revenue (ATIR)

The Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, as a matter of abundant caution, the Company has continued to provide for tax liabilities primarily in respect of tax rates, decommissioning costs, super tax, and tax credits under sections 65A, 65B, and 65E relating to agreement areas, as well as other issues in its books of account. In the event that the appeals on these matters are decided in favour of the Company, an amount of Rs 80,064 million will be credited to the profit or loss for that year.

As disclosed in note 25.1.3 in unconsolidated financial statements for the year ended June 30, 2024, additional refund orders aggregating to Rs 3,664 million for tax years 2014 to 2018 were also issued by the tax authorities during the year. With respect to the depletion allowance, the Company is in the process of obtaining the effect of the Honourable SCP's order for appeals pending before the Honourable SHC for tax years 2003 to 2012.

During the year, the tax authorities, through an order dated January 30, 2025, levied super tax of Rs 11,998 million for tax year 2024. The super tax demand of Rs 430 million relating to non-agreement areas has been paid (under protest) by the Company. The Company filed an appeal before the ATIR, which was disposed of by the ATIR with directions to approach the ADRC. The Company has filed a writ petition before the IHC, challenging ATIR's order. The Company has also obtained a stay against the recovery of the remaining super tax demand of Rs 11,568 million, relating to income taxable under the Fifth Schedule to the Ordinance for tax year 2024.

During the year, appeals against assessment orders for tax years 2013, 2014, and 2021 were also disposed of by the ATIR with similar directions to approach the ADRC. The Company has filed writ petitions before the IHC, challenging the ATIR's orders and has obtained stay against recovery.

During the year, the ATIR also disposed of the Company's appeal under Section 4C of the Income Tax Ordinance, 2001, for tax year 2023, by directing the Company to approach the ADRC. Subsequent to the year, the Company filed a constitutional petition before the IHC and obtained a stay order against the recovery of the remaining super tax demand of Rs 9,569 million, relating to income taxable under the Fifth Schedule to the Ordinance.

During the year ended June 30, 2020, the Company's tax return for tax year 2018 was selected for income tax audit. Based on the advice of its legal counsel, the Company challenged the proceedings before the Honourable SHC. The Honourable SHC, vide order dated November 5, 2019, granted an interim stay.

Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B, and super tax relating to both non-agreement and agreement areas. Based on the advice of legal counsel, the Company filed a constitutional petition challenging the impugned show-cause notice before the Honourable SHC. During the year, the Honourable SHC disposed of the Company's petition and directed to peruse the case through departmental proceedings. Accordingly, the tax authorities passed an order dated April 29, 2025, raising a tax demand of Rs 340 million on account of depletion allowance on gathering and processing charges, which was paid under protest. The Company has filed an appeal before the ATIR, which is currently pending. The tax authorities also passed an order dated April 26, 2025 on account of super tax, raising a tax demand of Rs 1,070 million. The Company has paid under protest super tax of Rs 299 million relating to non-agreement areas and has filed an appeal before the ATIR, which is pending.

The Company, based on the advice of its legal counsel, filed a constitutional petition before the Honourable SHC for tax years 2020 and 2021, challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide the Finance Act, 2019. The petition was primarily filed on the ground that an enactment which prejudicially affects vested rights, the legality of past transactions, or impairs contracts cannot be given retrospective application.

The petition was decided by the Honourable SHC through a combined judgment dated February 7, 2023, in the Company's favour. This judgment was challenged before the Honourable SCP by the tax authorities. The Honourable SCP, vide order dated September 18, 2024, modified the earlier order of the Honourable SHC, holding that:

a) Tax credit remains available at 10% in respect of the purchase and installation of machinery on or before June 30, 2019; and

b) Tax credit is not available where machinery was purchased on or before June 30, 2019, and installation was done after June 30, 2019.

In pursuance of the above SCP order, the tax authorities have issued assessment orders in respect of tax credit for tax years 2020 and 2021 amounting to Rs 490 million and Rs 320 million, respectively. The Company has paid the said tax demands during the year.

Tax liabilities pertaining to the above order are already provided for by the Company.

The Company has challenged the vires of amendment made through Tax Laws Amendment Act 2024 in the Ordinance and the Sales Tax Act, 1990 before the IHC, whereby it is now mandatory for State Owned Enterprises (SOEs) to apply for ADRC for resolution of tax disputes. IHC has granted interim stay against any recovery.

#### 24.1.4 Sindh Workers' Welfare Fund

The Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Company.

SRB passed order dated November 24, 2023, requiring the Company to deposit Rs 2,061 million in SWWF account for the year ended June 30, 2022. The Company filed an appeal against the aforesaid SRB order before Commissioner Appeals, SRB and filed a constitutional petition challenging the recovery notice before the Honourable SHC. The Honourable SHC was pleased to pass restraining order against SRB from taking any coercive action against the Company.

Further, SRB has issued notice dated January 02, 2024 for initiating proceedings on show-cause notice dated November 05, 2018 for the year ended June 30, 2017. The Company, through its external legal counsel has submitted written reply and the matter is pending adjudication.

Furthermore, SRB has issued a show cause notice dated March 12, 2024 for the payment of SWWF for the year ended June 30, 2023 demanding SWWF contribution along with penalties and surcharges. On June 12, 2024, SRB issued an order demanding the Company to pay Rs 3,478 million. The Company filed an appeal before Commissioner Appeals, SRB and filed a constitutional petition against the recovery notice. Accordingly, stay was granted by the Honourable SHC.

The Company has challenged the applicability of the SWWF Act, 2014 asserting that the Company is governed by federal law. Further, the Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Company, therefore, no provision has been made in these unconsolidated financial statements.

During the year, the Honourable SHC has disposed of Suit No.1030 of 2016, in which the Company had challenged the demand for Sindh Workers' Welfare Fund (SWWF) by the Sindh Revenue Board (SRB) on the grounds of being a trans-provincial entity. The Honourable SHC relied on the Council of Common Interests (CCI) decision (CCI.14/1/2019), which affirmed that Workers' Welfare Fund (WWF) and the Employees' Old-Age Benefits Institution (EOBI) shall remain under federal jurisdiction until a mutually agreed mechanism is established.

#### 24.1.5 Sindh Workers' Profit Participation Fund

The Company received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained an interim stay. Further, in view of the potential exposure involved, the Company, on the advice of the legal counsel, has also obtained an interim stay from the Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

SRB issued a notice to the Company on February 21, 2024, demanding payment of leftover amount of Workers' Profit Participation Fund (WPPF) for the year ended June 30, 2023. The Company argued that being a trans-provincial entity, it falls under the ambit of the Companies Profit (Worker's Participation)

Act, 1968, and is not obligated to make WPPF payments to SRB but rather to the Federal Government. The Company also received notices from the Federal Board of Revenue (FBR) and the Ministry of Overseas Pakistanis and Human Resources Development claiming the payment of the said amount. The Company sought clarification from FBR on the appropriate authority for payment, and FBR affirmed its authority through order dated March 22, 2024. Consequently, the Company filed a lawsuit seeking declaration and permanent injunction against notice issued by SRB and the Ministry of Overseas Pakistanis and Human Resources Development, aiming to clarify the authority responsible to collect the WPPF amount. The Honourable SHC granted interim relief to the Company on April 16, 2024, restraining any adverse actions against the Company by the defendants.

#### 24.1.6 Others

The Honourable SHC, vide its order dated August 3, 2017, in which the Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the Honourable SHC. This decision by a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Company under the original civil jurisdiction of the Honourable SHC, which are pending adjudication and where in interim restraining orders have also been obtained against the tax authorities. In view of the considerable potential impact, the Company, on the advice of its legal counsel, challenged the said judgment before the Honourable SCP. The Honourable SCP, vide its order dated June 27, 2018, has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, the SCP has made it conditional to the payment of at least 50 percent of the tax calculated into the Government treasury. Subsequently, being aggrieved by the said condition of payment of 50 percent, the Company, based on the advice of its legal counsel, filed a petition for review before the Honourable SCP. The said review petition is pending for adjudication.

#### 24.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

- i) Windfall Levy is applicable on exploration and production of natural gas only;
- ii) Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and
- iii) There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate (WLO) retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Company is presently entitled and receiving under

the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Most of the petitioners have already advanced final arguments before the Court. The stay order already granted remains in effect. The case was last fixed for hearing on February 13, 2025, however, the case was cancelled from the cause list on the said date and at present next date of hearing awaited.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2025, on the completion of the process laid down in the law and in line with the Company's accounting policy following the revised prices notified from time to time.

The WLO if also applicable on oil / condensate will amount to approximately Rs 54,371 million for the period up to June 30, 2025. As mentioned above, the Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Company's legal contention and as a matter of abundant caution, the Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2025 amounts to Rs 36,305 million (2024: Rs 31,821 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 53,608 million and Rs 24,249 million respectively.

#### 24.1.8 Contingencies of Investee Companies

In the context of PPLE, the tax authorities have amended the assessments for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the IHC or deleted / remanded back by the Commissioner Inland revenue, Appeals CIR-(A), the appeal effect of which is pending before the tax authorities.

Further, the tax authorities have amended the assessment of PPLE for the tax years 2015 to 2020 and 2023, raising an aggregate demand of Rs 792 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed). PPLE has obtained stay orders in respect of remaining demand from CIR (A) / ATIR.

During the year, the appeal effect order was passed by the tax authorities giving effect to the direction of CIR(A) for the tax year 2015. Through the order, depletion allowance was decided in favour of PPLE while remaining disallowances have been decided against PPLE. An appeal has been filed before ATIR, which was disposed of by the ATIR with directions to approach ADRC in terms of section 134A of the Ordinance. The Company has challenged the ATIR's order before the IHC through filing writ petition and has obtained stay against recovery of tax demand. Like-wise, an appeal filed by PPLE for tax year 2013 was also disposed of by the ATIR with directions to approach ADRC in terms of section 134A of the Ordinance. PPLE is in process to challenge ATIR's order before the IHC."

For tax year 2023, an appeal was filed with ATIR wherein, the ATIR maintained the disallowance with respect to windfall levy whereas remaining issues were remanded back. PPLE has filed an appeal in IHC and has obtained stay against recovery.

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue and decommissioning cost which amounts to Rs 743 million for the tax years 2004 to 2020 and 2023.

#### 24.1.9 Other contingencies

**a** The Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPF-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Company's share of encashment has been credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Company in which it has filed a number of claims against the Company. The Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

**b** The Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,957.110 million (2024: Rs 2,978.511 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Company and, accordingly, no provision has been made in these unconsolidated financial statements.

**c** The Company has provided parent company guarantee to the GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

**d** The Company has provided parent company guarantees (corporate guarantees) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents. In addition, due to the several liability of each consortium member of PIOL under the parent company guarantees, each consortium member has given Shareholders' Protection Guarantees (corporate guarantees) to PIOL and other consortium members to guarantee each other's share of obligations under the concession documents.

#### 24.2 Commitments

**24.2.1** Total commitments for capital expenditure (net share) as at June 30, 2025 are Rs 1,117 million (2024: Rs 1,520 million). Further, total amount outstanding under letters of credit (net share) as at June 30, 2025 is Rs 2,058 million (2024: Rs 1,044 million).

**24.2.2** With respect to PIOL (note 6.4), the Company has entered into a Shareholders' Agreement with the consortium partners, under which the Company has committed to invest up to USD 100 million in PIOL during five years' period from the date of initial investment, out of which USD 85 million have been invested till June 30, 2025.

**24.2.3** With respect to PMPL (note 6.5), the Company had earlier entered into a Joint Venture Agreement with the stakeholders, under which the Company had committed to invest a total amount of up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. Subsequent to the year-end, the shareholders of the Company has approved to increase the investment amount to USD 715 million to be adjusted for actual inflation and financing costs. However, after accounting for the expected project financing to be obtained by RDMC, the proportionate contribution by the Company in the form of equity and shareholder loan will be reduced from USD 715 million to USD 391 million to be adjusted for actual inflation and financing costs. In addition, the Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Company has provided a several corporate guarantee to fund the obligations of the Company under the Definitive Agreements.

RDMC is in the final stages of concluding project financing arrangements for Phase-I of the Reko Diq project, with financial close expected in 2025. Subsequent to the year-end, as part of the financing terms, the SOEs have agreed to provide joint and several Completion Guarantees for their pro rata contributory share (which is equal to 27.7778%) of RDMC's secured debt obligations. This guarantee will remain effective until the project achieves financial completion, i.e., the date when specific criteria are met to demonstrate the required level of commercial operations.

Furthermore, the Company has also committed to enter into a Transfers Restriction Agreement required by the project lenders. This agreement mainly requires the SOEs, in aggregate, to maintain their existing shareholding percentage of 25% in RDMC until the project achieves financial completion. Post financial completion, the requirements are relaxed to maintain 10% shareholding in RDMC, until the project debt has been fully repaid.

The above-mentioned commitments are subject to regulatory approvals.

## 25. REVENUE FROM CONTRACTS WITH CUSTOMERS

Year ended  
June 30, 2025

Year ended  
June 30, 2024

----- (Rupees in thousand) -----

Local sales	<b>275,005,889</b>	326,548,133
Federal excise duty	<b>(1,239,734)</b>	(1,371,542)
Sales tax	<b>(33,155,732)</b>	(37,557,249)
Petroleum Levy	<b>(453,413)</b>	(529,951)
Discounts (barytes)	<b>(29,732)</b>	(22,087)
	<b>(34,878,611)</b>	(39,480,829)
Local sales - net	<b>240,127,278</b>	287,067,304
Export sales - note 25.1	<b>2,389,085</b>	1,730,109
	<b>242,516,363</b>	288,797,413
Product wise break-up of sales is as follows:		
Natural gas	<b>181,086,681</b>	209,857,040
Federal excise duty	<b>(1,209,751)</b>	(1,340,832)
Sales tax	<b>(29,705,739)</b>	(33,766,534)
	<b>(30,915,490)</b>	(35,107,366)
	<b>150,171,191</b>	174,749,674
Gas supplied to Sui villages - note 26	<b>1,602,148</b>	1,545,848
Federal excise duty	<b>(14,978)</b>	(14,041)
Sales tax	<b>(244,395)</b>	(235,807)
	<b>(259,373)</b>	(249,848)
	<b>1,342,775</b>	1,296,000
Internal consumption of gas	<b>722,361</b>	774,925
Federal excise duty	<b>(6,750)</b>	(7,021)
Sales tax	<b>(110,165)</b>	(118,180)
	<b>(116,915)</b>	(125,201)
	<b>605,446</b>	649,724
Crude oil / Natural gas liquids / Condensate	<b>71,341,103</b>	91,924,582
LPG	<b>19,974,023</b>	22,282,258
Federal excise duty	<b>(8,255)</b>	(9,648)
Sales tax	<b>(3,051,766)</b>	(3,406,082)
Petroleum Levy	<b>(453,413)</b>	(529,951)
	<b>(3,513,434)</b>	(3,945,681)
	<b>16,460,589</b>	18,336,577
Barytes	<b>2,668,658</b>	1,893,589
Sales tax	<b>(43,667)</b>	(30,646)
Discounts	<b>(29,732)</b>	(22,087)
	<b>(73,399)</b>	(52,733)
	<b>2,595,259</b>	1,840,856
	<b>242,516,363</b>	288,797,413

### 25.1 Break up of export sales is as follows:

Barytes	<b>2,352,664</b>	1,635,818
Crude oil / condensate	<b>36,421</b>	94,291
	<b>2,389,085</b>	1,730,109

## 26. OPERATING EXPENSES

Salaries, wages, welfare and other benefits - note 29.1	<b>16,528,689</b>	13,978,708
Operators' personnel	<b>3,937,097</b>	3,822,651
Depreciation	<b>6,309,817</b>	7,301,619
Amortisation of decommissioning assets - note 4.1	<b>883,137</b>	3,577,036
Amortisation of D&P assets - note 4.1	<b>9,425,787</b>	10,597,052
Plant operations	<b>6,003,098</b>	4,981,343
Well interventions	<b>1,603,670</b>	1,738,149
Field services	<b>3,280,989</b>	3,135,952
Crude oil and barytes transportation	<b>1,265,442</b>	1,449,166
Travelling and conveyance	<b>729,547</b>	693,263
Training and development	<b>120,636</b>	107,573
PCA overheads	<b>441,552</b>	313,022
Insurance expenses	<b>1,064,990</b>	933,280
Free supply of gas to Sui villages - note 25	<b>1,602,148</b>	1,545,848
Social welfare / community development	<b>586,883</b>	552,714
	<b>53,783,482</b>	54,727,376

## 27. ROYALTIES AND OTHER LEVIES

Royalties and others	<b>27,817,584</b>	33,280,751
Lease extension bonus	<b>5,791,450</b>	7,389,008
Windfall levy	<b>3,325,877</b>	4,019,117
	<b>36,934,911</b>	44,688,876

## 28. EXPLORATION EXPENSES

Dry and abandoned wells	<b>7,508,897</b>	7,023,942
Other exploration expenditures	<b>8,173,657</b>	12,109,117
	<b>15,682,554</b>	19,133,059

## 29. ADMINISTRATIVE EXPENSES

Salaries, wages, welfare and other benefits - note 29.1	<b>10,750,005</b>	8,672,422
Amortisation of intangible assets - note 5.1	<b>48,467</b>	40,827
Depreciation of leased and HO assets	<b>421,221</b>	171,215
Rent, rates and taxes	<b>382,681</b>	352,198
Utilities and communication	<b>159,384</b>	157,424
Travelling and conveyance	<b>215,384</b>	160,562
Training and development	<b>122,122</b>	75,760
Insurance expenses	<b>66,153</b>	55,485
Repairs, maintenance and supplies	<b>1,279,880</b>	1,243,222
Professional services	<b>295,343</b>	127,653
Auditors' remuneration - note 29.2	<b>17,518</b>	21,856
Donations and sponsorships - note 29.3 & 29.4	<b>250,677</b>	166,558
Contract services	<b>209,154</b>	162,094
Compliance and regulatory expenses	<b>78,599</b>	65,612
Advertisement, publicity and public relations	<b>134,721</b>	64,966
Other expenses	<b>88,411</b>	65,376
	<b>14,519,720</b>	11,603,230
Allocation to capital and operating expenditure	<b>(7,839,981)</b>	(6,406,833)
	<b>6,679,739</b>	5,196,397

Year ended  
June 30, 2025

Year ended  
June 30, 2024

----- (Rupees in thousand) -----

**29.1** This includes expenditure in respect of provident fund, pension fund, gratuity fund and post-retirement medical benefits amounting to Rs 428.861 million, Rs 1,015.322 million, Rs 398.354 million and Rs 481.831 million, respectively (2024: Rs 427.584 million, Rs 814.885 million, Rs 369.367 million and Rs 482.730 million, respectively).

**29.2 Auditors' remuneration**

Annual audit fee  
- unconsolidated  
- consolidated  
Limited review and special certifications  
Out of pocket expenses and others

	Year ended June 30, 2025	Year ended June 30, 2024
	----- (Rupees in thousand) -----	
	7,120	5,934
	1,306	1,088
	6,320	11,745
	2,772	3,089
	<u>17,518</u>	<u>21,856</u>

**29.3** Party wise details of donations in excess of 10 percent of the Company's total amount of donations are given below:

**Name of Donees / Party**

University of Engineering, Lahore  
Tehzibul Akhlaq Trust  
Al-Shifa Trust Eye Hospital Sukkur  
Behbud Association of Pakistan

	Year ended June 30, 2025	Year ended June 30, 2024
	----- (Rupees in thousand) -----	
	12,600	17,500
	10,500	10,500
	10,000	-
	10,000	10,000

**29.4** There are no donations in which the directors of the Company are interested.

**30. STAFF RETIREMENT BENEFITS**

**30.1 Funded post retirement pension and gratuity schemes**

As mentioned in note 3.14 to these unconsolidated financial statements, the Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Company appoints the trustees. All trustees are employees of the Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

**30.1.1 Fair value of plan assets and the present value of obligations**

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2025					June 30, 2024
	----- (Rupees in thousand) -----					
Present value of defined benefit obligations - note 30.1.6	16,062,420	1,962,064	9,135,766	3,545,750	30,706,000	25,848,754
Fair value of plan assets - note 30.1.5	(17,103,463)	(1,276,548)	(5,137,080)	(1,552,417)	(25,069,508)	(21,339,191)
<b>Liability / (asset) recognised in the statement of financial position</b>	<u>(1,041,043)</u>	<u>685,516</u>	<u>3,998,686</u>	<u>1,993,333</u>	<u>5,636,492</u>	4,509,563

**30.1.2 Movement in amounts payable to / (receivable from) defined benefit plans**

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2025					June 30, 2024
	----- (Rupees in thousand) -----					
Balances as on July 01	1,138,912	574,174	1,764,917	1,030,495	4,508,498	3,575,947
Charge for the year - note 30.1.3	616,774	159,368	398,548	238,986	1,413,676	1,184,252
Payments during the year	(500,830)	(147,324)	(176,968)	(72,053)	(897,175)	(962,537)
Amount recognised in Other Comprehensive Income (OCI) for the year - note 30.1.4	(2,295,899)	99,298	2,012,189	795,905	611,493	711,901
<b>Balances as on June 30</b>	<u>(1,041,043)</u>	<u>685,516</u>	<u>3,998,686</u>	<u>1,993,333</u>	<u>5,636,492</u>	4,509,563

**30.1.3 Amounts recognised in profit or loss**

Current service cost	459,953	80,308	141,494	86,767	768,522	616,828
Interest cost on defined benefit obligation	2,251,342	235,639	894,296	356,231	3,737,508	3,335,038
Interest income on plan assets	(2,094,521)	(156,579)	(637,242)	(204,012)	(3,092,354)	(2,767,614)
Charge for the year recognised in profit or loss	<u>616,774</u>	<u>159,368</u>	<u>398,548</u>	<u>238,986</u>	<u>1,413,676</u>	1,184,252
<b>Actual return on plan assets</b>	<u>3,151,067</u>	<u>240,581</u>	<u>982,199</u>	<u>227,640</u>	<u>4,601,487</u>	5,050,010

**30.1.4 Remeasurement recognised in other comprehensive income**

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2025					June 30, 2024
	----- (Rupees in thousand) -----					
Actuarial (gain) / loss on obligation	(1,239,353)	183,300	2,357,146	819,532	2,120,625	2,994,297
Actuarial (gain) / loss on asset	(1,056,546)	(84,002)	(344,957)	(23,627)	(1,509,132)	(2,282,396)
<b>Total remeasurements</b>	<u>(2,295,899)</u>	<u>99,298</u>	<u>2,012,189</u>	<u>795,905</u>	<u>611,493</u>	711,901

**30.1.5 Changes in fair value of plan assets**

Fair value of plan assets at beginning of the year *	14,283,371	1,083,425	4,491,705	1,481,755	21,340,256	17,459,963
Interest income on plan assets	2,094,521	156,579	637,242	204,012	3,092,354	2,767,614
Transferred to defined contribution pension fund	-	-	(21,818)	-	(21,818)	-
Contributions / adjustments by the Company	500,830	147,324	176,968	72,053	897,175	962,537
Benefits paid	(831,805)	(194,782)	(491,974)	(229,030)	(1,747,591)	(2,133,319)
Amount recognised in OCI for the year	1,056,546	84,002	344,957	23,627	1,509,132	2,282,396
<b>Fair value of plan assets at the end of the year</b>	<u>17,103,463</u>	<u>1,276,548</u>	<u>5,137,080</u>	<u>1,552,417</u>	<u>25,069,508</u>	21,339,191

\* This represents unaudited fair value of plan assets.

### 30.1.6 Changes in present value of pension and gratuity obligations

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2025				June 30, 2024	
------(Rupees in thousand)-----						
Present value of obligations at beginning of the year	15,422,283	1,657,599	6,256,622	2,512,250	25,848,754	21,035,910
Current service cost	459,953	80,308	141,494	86,767	768,522	616,828
Interest cost	2,251,342	235,639	894,296	356,231	3,737,508	3,335,038
Transferred to defined contribution pension fund	-	-	(21,818)	-	(21,818)	-
Benefits paid	(831,805)	(194,782)	(491,974)	(229,030)	(1,747,591)	(2,133,319)
Amount recognised in OCI	(1,239,353)	183,300	2,357,146	819,532	2,120,625	2,994,297
<b>Present value of obligations at the end of the year</b>	<b>16,062,420</b>	<b>1,962,064</b>	<b>9,135,766</b>	<b>3,545,750</b>	<b>30,706,000</b>	25,848,754

### 30.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return %	Executive		Non-Executive		Executive		Non-Executive	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
		June 30, 2025				June 30, 2024			
<b>Pension Fund</b>									
Government securities	8.00 - 18.49	9,646,658	56	3,444,530	67	6,310,823	44	2,304,696	51
Shares / mutual funds	-	1,986,872	12	709,101	14	2,080,463	14	826,919	18
Term finance certificates	13.09	59,691	-	-	-	85,911	1	10,090	1
National savings certificates	13.01	2,006,533	12	669,774	13	1,856,919	13	619,881	14
Cash and bank deposits	8.00 - 11.50	3,403,709	20	313,675	6	3,949,255	28	729,054	16
<b>Total</b>		<b>17,103,463</b>	<b>100</b>	<b>5,137,080</b>	<b>100</b>	<b>14,283,371</b>	<b>100</b>	<b>4,490,640</b>	<b>100</b>
<b>Gratuity Fund</b>									
Government securities	8.00 - 14.00	645,088	50	872,471	56	349,180	32	752,645	51
Shares	-	168,517	13	233,528	15	244,183	23	329,295	22
Term finance certificates	13.09	19,972	2	24,965	2	23,051	2	29,329	2
National savings certificates	13.01	262,386	21	211,846	14	242,871	22	196,104	13
Cash and bank deposits	8.00 - 11.50	180,585	14	209,607	13	224,140	21	174,382	12
<b>Total</b>		<b>1,276,548</b>	<b>100</b>	<b>1,552,417</b>	<b>100</b>	<b>1,083,425</b>	<b>100</b>	<b>1,481,755</b>	<b>100</b>

### 30.1.8 Sensitivity analysis

	Executive		Non-Executive		Executive		Non-Executive	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	June 30, 2025				June 30, 2024			
------(Rupees in thousand)-----								
<b>Pension</b>								
Salary rate sensitivity	755,251	(678,335)	342,045	(312,227)	733,691	(658,218)	156,492	(143,766)
Pension rate sensitivity	1,310,558	(1,125,436)	484,490	(413,187)	1,242,408	(1,069,293)	304,194	(261,732)
Discount rate sensitivity	(1,750,766)	2,136,578	(782,245)	931,960	(1,677,654)	2,044,221	(497,483)	585,857
<b>Gratuity</b>								
Salary rate sensitivity	132,840	(119,056)	151,502	(138,831)	37,250	(31,913)	67,772	(62,287)
Discount rate sensitivity	(126,061)	143,358	(181,598)	202,324	(97,582)	110,564	(111,782)	124,564

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

### 30.1.9 Maturity profile of the defined benefit obligations

	June 30, 2025			
	Executive		Non-Executive	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.9	6.99	8.56	5.8
------(Rupees in thousand)-----				
Distribution of timing of benefit payments (time in years)				
1	749,428	188,316	692,300	441,810
2	906,394	250,182	850,077	586,637
3	1,246,953	218,437	827,152	537,762
4	1,159,429	241,496	1,318,830	868,667
5	1,256,154	273,301	1,076,166	627,573
6-10	8,467,780	1,368,166	5,065,446	2,240,585

**30.1.10** The Company expects to contribute Rs 1,074.626 million (2024: Rs 1,413.676 million) to the pension and gratuity funds in the next financial year.

### 30.2 Unfunded post-retirement medical benefits

**30.2.1** The Company provides free medical facilities to its management and non-management retired employees, as mentioned in note 3.14 to these unconsolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2024, results of which are as follows:

	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----		
Present value of defined benefit obligations - notes 21 and 30.2.4	<b>4,093,530</b>	<b>2,864,822</b>

### 30.2.2 Movement in the liability recognised in the statement of financial position is as follows:

Balance as at July 01	<b>2,864,822</b>	2,617,730
Charge for the year - notes 29.1 & 30.2.3	<b>481,830</b>	482,730
Payments during the year	<b>(197,465)</b>	(170,163)
Amounts credited to OCI	<b>944,343</b>	(65,475)
<b>Balance as at June 30</b>	<b>4,093,530</b>	<b>2,864,822</b>

### 30.2.3 Amounts recognised in profit or loss

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
Current service cost	<b>63,511</b>	61,079
Interest cost	<b>418,319</b>	421,651
	<b>481,830</b>	<b>482,730</b>

### 30.2.4 Changes in present value of post-retirement medical obligations

Balance as at July 01	<b>2,864,822</b>	2,617,730
Current service cost	<b>63,511</b>	61,079
Interest cost	<b>418,319</b>	421,651
Benefits paid	<b>(197,465)</b>	(170,163)
Amounts credited to OCI	<b>944,343</b>	(65,475)
<b>Balance as at June 30</b>	<b>4,093,530</b>	<b>2,864,822</b>

### 30.2.5 Sensitivity analysis

	1% increase	1% decrease
	----- (Rupees in thousand) -----	

Medical cost trend rate sensitivity	484,165	311,192
Discount rate sensitivity	(497,801)	(322,905)

**30.2.6** The Company expects to contribute Rs 568.764 million (2024: Rs 481.830 million) to the unfunded post-retirement medical benefits in the next financial year.

**30.2.7** The weighted average duration of the defined benefit obligation works out to 11.98 years (2024: 11.14 years) in respect of management and 12.42 years (2024: 11.51 years) in respect of non-management retired employees.

### 30.3 Leave preparatory to retirement

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	

Balance as at July 01	1,252,784	987,531
Charge for the year - note 30.1	(10,648)	285,227
	1,242,136	1,272,758
Payments / adjustments during the year	(8,184)	(19,974)
Balance as at June 30 - note 21	1,233,952	1,252,784

### 30.4 Principal actuarial assumptions

	Per annum	
	June 30, 2025	June 30, 2024

- discount rate	11.75%	14.75%
- expected rate of increase in salaries	11.75%	14.75%
- expected rate of increase in pension	7.75%	10.75%
- expected rate of escalation in medical cost	8.75%	10.75%
- death rate / mortality rate		SLIC (2001-05)

### 30.5 Description of the risks to the Company

The defined benefit plans expose the Company to the following risks:

**Withdrawal risks** - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

**Mortality risks** - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

**Investment risks** - The risk of the investment underperformance and being not sufficient to meet the liabilities.

**Final salary risks** - The risk that the final salary at the time of cessation of service is greater than what was assumed.

**Medical escalation risk** - The risk that the cost of post-retirement medical benefits will increase.

**Discount rate risk** - The risk that the decrease in discount rate will increase the plan liabilities.

### 31. FINANCE COSTS

Financial charges for lease liabilities  
Unwinding of discount on decommissioning obligation - note 19  
Mark-up / profit on long-term financing - note 31.1

	Year ended June 30, 2025	Year ended June 30, 2024
	----- (Rupees in thousand) -----	
	-	77,736
	2,218,518	1,474,956
	197,236	27,255
	2,415,754	1,579,947

**31.1** This includes an amount of Rs 131.188 million (2024: Rs 25.681 million) under Shariah compliant arrangement.

### 32. OTHER CHARGES

WPPF charge - note 14.1  
Provision for windfall levy on oil / condensate - note 24.1.7  
Exchange loss on foreign currency (net)  
Charge of provision for obsolete / slow moving stores and spares - note 9.1  
Write off / (reversal) / impairment of property, plant and equipment - note 4.4  
Levy - notes 3.18 & 34.2

	Year ended June 30, 2025	Year ended June 30, 2024
	----- (Rupees in thousand) -----	
	6,275,989	7,827,610
	4,483,737	7,473,000
	207,644	2,311,953
	47,391	51,959
	190,986	(116,644)
	555,756	792,013
	11,761,503	18,339,891

### 33. OTHER INCOME

#### Income from financial assets

Income on loans and bank deposits - note 33.1  
Income on local currency term deposits - note 33.2  
Income on foreign currency term deposits  
Income from investment in treasury bills  
Reversal of provision for doubtful debts  
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)

	1,687,967	1,744,914
	721,504	2,475,036
	2,754,422	2,836,503
	9,834,643	6,058,559
	-	169,454
	2,223,024	3,098,846
	17,221,560	16,383,312

#### Income from assets other than financial assets

Rental income on assets  
Gain on disposal of property, plant and equipment (net)  
Insurance claim - note 33.3  
Reversal of impairment loss on investment in PPLA - note 6.3  
Others

	3,869	5,137
	749,976	180,934
	2,863,701	285,277
	3,211,033	-
	118,410	122,630
	6,946,989	593,978
	24,168,549	16,977,290

**33.1** This includes profit amounting to Rs 9.127 million (2024: Rs 13.381 million) under a Shariah compliant arrangement.

**33.2** This includes profit amounting to Rs 65.493 million (2024: Rs 9.005 million) under a Shariah compliant arrangement.

**33.3** As disclosed in note 4.4.3 to the unconsolidated financial statements for the year ended June 30, 2023, a fire incident occurred at a warehouse located in the Company's partner operated field - Tal Block. Initially, an insurance claim of USD 27 million (the Company's share: USD 7.5 million) was filed by the Operator of the block. Subsequently, the loss adjuster has issued the final total assessment of the claim based on market value at USD 40.1 million (the Company's share: USD 11.1 million). During the year, the Company has received USD 10.178 million (Rs 2,846.027 million) against its aforementioned insurance claim and recognised the income accordingly.

### 34. TAXATION

Provision for taxation for the year ended June 30, 2025 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas. The corporate and BME income is taxed at 29%, being non-agreement areas. In addition, super tax at 10% has been provided on all income streams of the Company for the tax year 2025.

	Year ended June 30, 2025	Year ended June 30, 2024
	------(Rupees in thousand)-----	
Current		
- for the year - note 34.1	<b>48,001,649</b>	64,791,471
- for prior years (net)	<b>(210,221)</b>	(13,740,431)
	<b>47,791,428</b>	51,051,040
Deferred - note 34.1	<b>(736,359)</b>	(5,577,967)
	<b>47,055,069</b>	45,473,073

**34.1** Current tax includes provision for super tax imposed by the GoP at the rate of 10% (2024: 10%) amounting to Rs 10,219.211 million (2024: Rs 13,124.878 million) on the taxable income of the Company during the year, while the impact of said provision on deferred tax amounts to Rs 289.117 million (2024: Rs 915.355 million) at the rate of 10% (2024: 10%).

**34.2** Reconciliation of current tax expense charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Year ended June 30, 2025	Year ended June 30, 2024
	------(Rupees in thousand)-----	
Current tax liability for the year as per applicable tax laws	<b>48,557,405</b>	65,583,484
Portion of current tax liability as per tax laws, representing income tax under IAS 12	<b>(48,001,649)</b>	(64,791,471)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 - note 32	<b>(555,756)</b>	(792,013)
Difference	<b>-</b>	-

**34.3** The aggregate of final tax and income tax amounting to Rs 48,557.405 million (2024: Rs 65,583.484 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

#### 34.4 Relationship between accounting profit and taxation

	Year ended June 30, 2025	Year ended June 30, 2024
	------(Rupees in thousand)-----	
Accounting profit for the year before taxation	<b>139,082,519</b>	159,782,150
Tax on accounting profit at applicable rate of 41.28% (2024: 42.82%)	<b>57,410,128</b>	68,414,433
Tax effect of:		
- Depletion allowance	<b>(15,801,353)</b>	(19,076,715)
- Royalty allowed for tax purposes	<b>(4,421,340)</b>	(5,566,972)
- Impairment loss	<b>(931,200)</b>	-
- Unwinding of discount on decommissioning obligation	<b>1,036,384</b>	681,796
- Tax income relating to prior years	<b>(210,221)</b>	(13,740,431)
- Decommissioning cost	<b>643,353</b>	1,490,155
- Super Tax	<b>9,930,094</b>	12,209,523
- Others	<b>(600,776)</b>	1,061,284
	<b>47,055,069</b>	45,473,073
Effective tax rate	<b>33.83%</b>	28.46%

### 35. DETAILS OF EXPLORATION, PRODUCTION AND MINING AREAS / FIELDS

The areas in which the Company has working interest are as follows:

Name of Field	Operator	Percentage of the Company's working interest as at	Net Balance (Payable) / Receivable	Net Balance (Payable) / Receivable
		June 30, 2025	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----				
<b>Producing Fields</b>				
1 Adhi	PPL	39.00	(1,535,906)	(1,403,078)
2 Dhok Sultan (EWT Phase)	PPL	75.00	(438,563)	(236,602)
3 Gambat South	PPL	65.00	(1,472,317)	(1,664,704)
4 Hala	PPL	65.00	(63,480)	(132,328)
5 Kandhkot	PPL	100.00	-	-
6 Kandhkot East (Chachar)	PPL	75.00	11,730	17,440
7 Mazarani	PPL	87.50	86,307	110,064
8 Shah Bandar	PPL	63.00	(441,359)	(66,586)
9 Sui	PPL	100.00	-	-
10 Block 22	PEL	35.53	(191,580)	(113,506)
11 Digri	UEPL	25.00	(76,180)	(41,684)
12 Ghauri (Dharian EWT Phase)	MEL	35.00	(46,947)	(43,880)
13 Kirthar	POGC	30.00	(1,083,292)	(1,345,228)
14 Kotri North (Takri EWT Phase)	UEPL	40.00	(762,473)	(29,034)
15 Latif	UEP-BETA	33.30	(251,652)	(1,075,929)
16 Miano	UEP-BETA	15.16	(303,616)	(169,653)
17 Nashpa	OGDCL	28.55	(2,113,670)	(1,048,691)
18 Qadirpur	OGDCL	7.00	(269,376)	(99,301)
19 Sawan	UEP-BETA	26.18	(573,153)	(226,415)
20 Tal	MOL	27.76	(2,256,989)	(2,035,144)

Name of Field	Operator	Percentage of the Company's working interest as at	Net Balance (Payable) / Receivable	Net Balance (Payable) / Receivable	
		June 30, 2025	June 30, 2025	June 30, 2024	
------(Rupees in thousand)-----					
<b>Exploration Blocks</b>					
1	Block 2566-6 (Bela West)	PPL	58.50	54,387	152,254
2	Block 3371-15 (Dhok Sultan) - note 35.1	PPL	75.00	-	-
3	Block 2568-18 (Gambat South) - note 35.1	PPL	65.00	-	-
4	Block 2568-13 (Hala) - note 35.1	PPL	65.00	-	-
5	Block 2969-8 (Barkhan) - note 35.2	PPL	50.00	53	1,972
6	Block 3372-23 (Hisai)	PPL	62.50	(221,295)	(15,178)
7	Block 2866-2 (Kalat)	PPL	100.00	4,979	(999,700)
8	Block 2763-3 (Kharan)	PPL	100.00	4,481	(4,850)
9	Block 2764-4 (Kharan-East)	PPL	100.00	(24,219)	(22,978)
10	Block 2766-1 (Khuzdar)	PPL	100.00	(720,481)	(29,881)
11	Block 2866-4 (Margand)	PPL	100.00	(19,705)	37,993
12	Block 3069-10 (Musakhel)	PPL	37.20	(66,084)	(67,788)
13	Block 2668-9 (Naushahro Firoz)	PPL	100.00	(57,925)	(42,519)
14	Block 2864-2 (Nausherwani)	PPL	97.50	12,459	(3,759)
15	Block 3073-5 (Punjab)	PPL	47.50	(12,647)	18,697
16	Block 2467-16 (Shah Bandar) - note 35.1	PPL	63.00	-	-
17	Block 2468-10 (Sirani)	PPL	75.00	(529,996)	(23,227)
18	Block 2768-13 (Sorah)	PPL	100.00	(38,351)	(46,050)
19	Block 3070-13 (Baska)	PPL	82.50	(18,672)	(610,397)
20	Block 2869-15 (Sui North) - note 35.3	PPL	47.50	98,078	31,995
21	Block 2866-15 (Kalat West) - note 35.4	PPL	47.50	13,097	(99,084)
22	Block 3273-3 (Ghauri) - note 35.1	MEL	35.00	-	-
23	Block 2866-3 (Khuzdar North)	OGDCL	25.00	(20,333)	(26,107)
24	Block 2667-7 (Kirthar) - note 35.1	POGC	30.00	-	-
25	Block 2568-21 (Kotri North) - note 35.1	UEPL	40.00	-	-
26	Block 2867-5 (Kuhan) - note 35.5	UEP-BETA	35.00	(2,084,509)	(1,270,354)
27	Block 2669-3 (Latif) - note 35.1	UEP-BETA	33.30	-	-
28	Block 3370-10 (Nashpa) - note 35.1	OGDCL	30.00	-	-
29	Block 3070-16 (Pezu)	OGDCL	30.00	(15,226)	(38,846)
30	Block 3072-8 (Shakarganj West)	OGDCL	50.00	(48,453)	(76,161)
31	Block 3069-9 (Suleiman) - note 35.6	OGDCL	47.50	(85,770)	(143,554)
32	Block 3370-3 (Tal) - note 35.1	MOL	30.00	-	-
33	Block 2967-5 (Mach)	MEL	28.50	(5,193)	(4,534)
34	Block 2867-6 (Dadhar)	MEL	28.50	(7,252)	(5,800)
35	Block 3168-2 (Shaigalu) - note 35.7	PPL	38.00	25,694	32,616
36	Block 3068-8 (South Pishin)	MEL	35.00	(16,288)	(16,878)
37	Block 3067-8 (Lugai)	OGDCL	30.00	(17,987)	(2,300)
38	Block 3167-3 (Tanishpa) - note 35.8	OGDCL	34.13	(17,667)	(1,979)
39	Block 2568-20 (Sukhpur) - note 35.9	PIOGCL	30.00	-	9,213
40	Block 2667-12 (Baran)	POGC	31.00	(161,326)	(24,282)
41	Block 2668-25 (Gambat-II)	PPL	70.00	23,518	(21,788)
42	Block 2666-1 (Saruna West)	POL	30.00	(2,087)	(3,246)
43	EL 207 (Chagai)	DEW	49.00	(143,792)	-
<b>Offshore Blocks</b>					
44	Block 2366-7 (Indus-C)	PPL	100.00	(10,627)	(123,998)
	Other areas - note 35.12			11,691	5,599

**35.1** The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing field", since the balances are settled on a net basis.

**35.2** In Barkhan block, a Deed of Assignment was signed on September 09, 2024, to transfer 15.00% working interests to the Company which was surrendered by UEP-BETA with effect from October 01, 2019.

**35.3** On September 16, 2024, Deed of Assignment was signed to transfer the Company's 1.25%, 1.02% and 0.23% working interests to GHPL, Balochistan Energy Company Limited (BECL) and Punjab Energy Holding Company (Pvt) Limited respectively, with effect from November 22, 2022.

**35.4** On September 9, 2024, Deed of Assignment was signed to transfer the Company's cumulative 2.5% working interests to GHPL and BECL with effect from November 22, 2022.

**35.5** On July 10, 2025, Deed of Assignment was signed to transfer the Company's 12.50% working interest to GHPL with effect from November 1, 2024.

**35.6** On September 19, 2024, Deed of Assignment was signed to transfer the Company's cumulative 2.5% working interests to GHPL and BECL with effect from April 23, 2021.

**35.7** On September 18, 2024, Deed of Assignment was signed to transfer the Company's 1.00% working interest each to GHPL and BECL respectively, with effect from July 26, 2023.

**35.8** On November 6, 2024, Deed of Assignment was signed to transfer the Company's 0.875% working interest to BECL with effect from July 26, 2023.

**35.9** In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations of exploratory well Lundali-1, the Operator approached the GoP (in June 2021) for approval of further well testing. The matter is still under consideration of the GoP.

**35.10** On May 13, 2025, the Company has been provisionally awarded two blocks in bidding round of April 2025; one operated block Kalat South with 40% working interest and one partner operated block Ziarat North with 24.87% working interest, respectively.

**35.11** On February 26, 2025, the Company has signed farm-out Agreement with The Khyber Pakhtunkhwa Oil & Gas Company Limited to acquire working interest of 10% in Miran block. Deed of Agreement is under progress.

**35.12** This mainly includes amounts receivable / (payable) under the various blocks against which the Company has applied to the GoP for relinquishment or partial relinquishment with retention of discovery areas (Hab and Kotri ELs). Further, Jherruck block has been provisionally re-granted to another entity.

**35.13** The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Company and transactions with the Joint Operations.

June 30, 2025 June 30, 2024

----- (Rupees in thousand) -----

### 36. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### Financial assets as per statement of financial position

##### - At amortised cost

Long-term loans	109,875	95,620
Long-term deposits	7,676	7,676
Trade debts	592,404,145	577,586,098
Loans and advances	343,217	317,199
Trade deposits	399,290	138,927
Interest accrued	1,132,569	1,226,860
Current maturity of long-term deposits	1,683,750	1,683,750
Current maturity of long-term loans	49,194	40,068
Other receivables	1,952,477	2,310,719
Short-term investments	74,164,807	85,956,821
Cash and bank balances	6,199,269	7,073,544
	<b>678,446,269</b>	<b>676,437,282</b>

##### - At fair value through Profit or Loss - Mutual Funds

Total financial assets	-	18,810,419
Non-financial assets	678,446,269	695,247,701
Total assets	248,700,202	212,200,175
	<b>927,146,471</b>	<b>907,447,876</b>

#### Financial liabilities as per statement of financial position

##### - Financial liabilities measured at amortised cost

Long term financing	1,369,419	1,136,412
Trade and other payables	39,409,296	35,528,172
Current maturity of long term financing	247,970	129,873
Unclaimed dividends	344,992	311,624
Total financial liabilities	41,371,677	37,106,081
Non-financial liabilities	179,939,484	230,768,411
Total liabilities	221,311,161	267,874,492

### 36.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an orderly transaction at the measurement date under current market conditions. The carrying values of all financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.7(j).

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations are subject to various financial risks, including market risks arising from changes in interest rates, foreign currency exchange rates, and commodity prices, as well as credit and liquidity risks associated with its financial assets and liabilities. Except for investments measured at amortized cost, which are carried at amortized value, the carrying amounts of financial assets and liabilities approximate their respective fair values. There were no changes to the Company's financial risk management objectives, policies, or processes during the year ended June 30, 2025.

Financial risks arising from evolving market conditions and the Company's strategic and operational decisions are identified, assessed, and managed in line with established policies, procedures, and the risk management framework, within the parameters of the approved risk appetite.

### a) Market risk

Market risk represents the potential for adverse movements in the fair value or future cash flows of financial instruments arising from changes in interest rates, foreign currency exchange rates, and market prices. Such movements can directly affect the Company's earnings, cash flows, and the carrying value of its financial assets and liabilities.

The Company's market risk management framework aims to safeguard financial performance by identifying, assessing, and monitoring exposures on a continuous basis. Wherever applicable, appropriate hedging strategies, diversification of financial assets, and other mitigation techniques are employed to manage these risks within the approved parameters. The overarching objective is to maintain exposures at prudent levels while seeking to optimise risk-adjusted returns on financial instruments.

#### i) Interest rate risk

Interest rate risk is the potential for changes in the fair value or future cash flows of financial instruments due to movements in market interest rates. The Company mitigates this risk by actively monitoring and managing the duration profile of its fixed-rate investments, placements, and loans/borrowings.

#### ii) Currency risk

Currency risk is the risk that fluctuations in foreign exchange rates may impact the Company's revenues, foreign procurement costs, or the carrying value of its financial instruments. The Company's currency risk management objective is to identify, manage, and control such exposures within acceptable parameters, while seeking to optimise returns on financial instruments. The favourable impact of exchange rate movements on the Company's revenues and assets has outweighed the adverse effect on its liabilities, resulting in an overall positive net impact.

#### Exposure to foreign currency risk

The Company's exposure to currency risk mainly comprises:

June 30, 2025 June 30, 2024

----- (US Dollars) -----

Investments at amortised cost	139,050,000	114,019,001
Cash and bank balances	1,571,446	2,461,904
Trade and other payables	(1,941,478)	(2,135,771)
	<b>138,679,968</b>	<b>114,345,134</b>

The following significant exchange rates have been applied during the year:

Average Rate		Closing Rate	
2025	2024	2025	2024

----- (Rupees) -----

USD 1	279.57	283.45	283.60	278.30
-------	--------	--------	--------	--------

A one rupee change in the exchange rate of foreign currencies would have the following effect:

One Rupee Increase One Rupee Decrease

----- (Rupees in thousand) -----

Foreign currency financial assets	140,621	(140,621)
Foreign currency financial liabilities	1,941	(1,941)

### iii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in market prices, other than those arising from currency or interest rate movements.

The Company does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

### b) Credit risk

Credit risk is the potential for financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations.

The Company is exposed to credit risk through its operating activities and certain investing activities. For reporting purposes, these exposures are classified under the following categories:

#### i) Counterparties

The Company conducts transactions with the following major types of counterparties:

##### Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Company's customers are made on the basis of agreements approved by the GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Company subject to maximum price notified by Oil and Gas Regulatory Authority (OGRA).

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts that are due directly / ultimately from the GoP till June 30, 2025 as per policy disclosed in note 3.9 to these unconsolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Company is actively pursuing for recovery of trade debts and the Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 2.1.2 is not material and accordingly has not been included in these unconsolidated financial statements.

##### Bank and investments

The Company limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Company currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counter parties have reasonably high credit ratings.

#### ii) Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
Long-term loans	109,875	95,620
Long-term deposits	7,676	7,676
Trade debts	592,404,145	577,586,098
Loans	128,012	120,345
Trade deposits	399,290	138,927
Interest accrued	1,132,569	1,226,860
Current maturity of long-term loans	49,194	40,068
Current maturity of long-term deposits	1,683,750	1,683,750
Other receivables	1,952,477	2,310,719
Short-term investments	74,164,807	104,767,240
Bank balances	6,197,987	7,072,324
	<b>678,229,782</b>	<b>695,049,627</b>

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 3.9 to these unconsolidated financial statements. As at the reporting date, the Company envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

#### Trade debts

Customers with defaults in past one year which have not yet been recovered

#### Short-term investments

AAA  
AA

#### Cash at banks

AAA  
AA

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
Customers with defaults in past one year which have not yet been recovered	31,694,602	40,143,987
Short-term investments		
AAA	47,271,507	53,561,561
AA	26,893,300	51,205,679
	<b>74,164,807</b>	<b>104,767,240</b>
Cash at banks		
AAA	4,272,988	5,675,624
AA	1,924,999	1,396,700
	<b>6,197,987</b>	<b>7,072,324</b>

The Company's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 580,358 million of the trade debts as at June 30, 2025 (2024: Rs 561,051 million).

The ageing of trade debts at the reporting date is provided in note 10.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
Natural Gas	580,469,485	561,087,582
Crude oil / Natural gas liquids / Condensate	11,696,418	15,811,334
Other operating revenue	238,242	687,182
	<b>592,404,145</b>	<b>577,586,098</b>

### c) Capital risk management

Capital management aims to safeguard the Company's ability to operate as a going concern, preserve capital within the established risk appetite, and protect long-term value creation for shareholders while delivering benefits to other stakeholders. A strong and stable capital base is maintained to support the sustained growth and strategic development of the Company's businesses. Any potential capital losses exceeding the Company's risk appetite are deemed significant and are subject to rigorous assessment and mitigation measures.

The Company manages its capital structure—comprising shareholders' equity and reserves—by closely monitoring return on net assets and adjusting the structure in response to changing economic conditions. Such adjustments may include modifying dividend distributions to shareholders, issuing new equity, or other capital measures as deemed appropriate. During the year, there were no changes to the Company's approach to capital management, and the Company remained free from externally imposed capital requirements.

### d) Liquidity risk management

Liquidity risk is the risk that an enterprise will be unable to meet its financial obligations as they fall due, owing to insufficient cash resources or an inability to raise funds on acceptable terms. Such a situation may adversely impact the Company's operations, investment activities, or financial position.

The Company manages this risk through robust cash flow forecasting, effective working capital management, and access to diverse funding sources. Its cash management and planning policies are designed to ensure that sufficient liquidity is available to meet operational needs, service debt obligations (if any), and fund new business opportunities, while maintaining an adequate liquidity buffer in line with the approved guidelines.

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
------(Rupees in thousand)-----						
Long term financing	-	59,032	188,938	1,369,419	-	1,617,389
Trade and other payables	9,666,976	24,729,954	5,012,366	-	-	39,409,296
Unclaimed dividend	344,992	-	-	-	-	344,992
<b>Year ended June 30, 2025</b>	<b>10,011,968</b>	<b>24,788,986</b>	<b>5,201,304</b>	<b>1,369,419</b>	-	<b>41,371,677</b>
------(Rupees in thousand)-----						
Long term financing	-	29,966	99,907	1,136,412	-	1,266,285
Trade and other payables	8,971,330	21,113,656	5,443,186	-	-	35,528,172
Unclaimed dividend	311,624	-	-	-	-	311,624
<b>Year ended June 30, 2024</b>	<b>9,282,954</b>	<b>21,143,622</b>	<b>5,543,093</b>	<b>1,136,412</b>	-	<b>37,106,081</b>

### e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 2.7(j).

### 38. CASH AND CASH EQUIVALENTS

Short-term highly liquid investments - note 38.1  
Cash and bank balances - note 16

	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----		
	<b>56,588,075</b>	85,732,004
	<b>6,199,269</b>	7,073,544
	<b>62,787,344</b>	92,805,548

38.1 Short-term investments as disclosed in note 15 amount to Rs 74,165 million (2024: Rs 104,767 million). However, certain investments which were not considered highly liquid, comprising mutual funds amounting to 'Nil' (2024: Rs 18,810 million), foreign currency term deposits amounting to Rs 14,407 million (2024: 'Nil'), local currency term deposits amounting to Rs 93 million (2024: Rs 93 million) and T-bills amounting to Rs 3,077 million (2024: Rs 132 million), have not been classified as cash and cash equivalents.

### 39. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	Chief Executives		Executives	
	Year ended June 30, 2025	Year ended June 30, 2024	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----				
Managerial remuneration	<b>99,733</b>	67,000	<b>11,011,617</b>	11,954,811
Housing, conveyance and utilities	-	-	<b>646,994</b>	1,206,658
Retirement benefits	-	-	<b>1,677,189</b>	1,666,862
Bonus	<b>12,000</b>	5,220	<b>5,028,968</b>	1,564,281
Medical and leave passage	<b>781</b>	370	<b>1,339,962</b>	1,305,638
Leave encashment	-	-	<b>93,583</b>	191,470
	<b>112,514</b>	72,590	<b>19,798,313</b>	17,889,720
Number, including those who worked for part of the year	<b>1</b>	1	<b>1,447</b>	1,583

39.1 Aggregate amount charged in these unconsolidated financial statements in respect of fees paid to twelve non-executive directors, on account of attending board, board committee and general meetings, was Rs 47.700 million (2024: Rs 34.800 million to thirteen non-executive directors).

39.2 The employees of the Company have the option to avail car facility as per the rules of service of the Company.

### 40. EARNINGS PER SHARE

#### 40.1 Basic earnings per share

	Year ended June 30, 2025	Year ended June 30, 2024
Profit after taxation (Rs '000)	<b>92,027,450</b>	114,309,077
Dividend on convertible preference shares (Rs '000)	<b>(31)</b>	(31)
Profit attributable to ordinary shareholders (Rs '000)	<b>92,027,419</b>	114,309,046
Weighted average number of ordinary shares in issue	<b>2,720,973,109</b>	2,720,973,109
<b>Basic earnings per share (Rs)</b>	<b>33.82</b>	42.01

#### 40.2 Diluted earnings per share

	Year ended June 30, 2025	Year ended June 30, 2024
Profit after taxation (Rs '000)	<b>92,027,450</b>	114,309,077
Weighted average number of ordinary shares in issue	<b>2,720,973,109</b>	2,720,973,109
Adjustment for conversion of convertible preference shares	<b>10,418</b>	10,419
Weighted average number of ordinary shares for diluted earnings per share	<b>2,720,983,527</b>	2,720,983,528
<b>Diluted earnings per share (Rs)</b>	<b>33.82</b>	42.01

#### 41. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by the GoP which are not material, hence not disclosed in these unconsolidated financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

##### Sales of hydrocarbons / barytes to state controlled entities (including Government Levies)

	Year ended June 30, 2025	Year ended June 30, 2024
----- (Rupees in thousand) -----		
GENCO-II	18,373,295	23,769,120
SSGCL	102,029,263	98,502,603
SNGPL	56,890,907	84,654,995
EPRF	1,636,830	1,617,763
OGDCL	203,177	43,202
	<b>179,133,472</b>	<b>208,587,683</b>

Trade debts and other receivables from state controlled entities as at June 30

See notes 10, 14 & 41.2

##### Transactions and balances with subsidiaries

Investment and receivable balances from subsidiaries as at June 30

See note 6 & 14

Payment of employees cost on secondment to PPLA

- 1,873

Deposit of bank guarantee on behalf of PPLE - Block 29, Yemen as at June 30

1,683,750 1,683,750

##### Transactions and balances with Associated Companies - note 41.2

Sales of crude oil / condensate to PARCO

4,338,836 7,333,463

Sales of crude oil / condensate to PRL

196,199 752,279

Payment to PARCO Gunvor Limited (PGL) - formerly Total PARCO

59,414 45,948

Pakistan Limited

Membership / sponsorship fee paid to

Petroleum Institute of Pakistan (PIP)

29,328 16,305

Purchase of medicines from Hoechst Pakistan Limited (HPL)

5,454 4,400

Equity investment in PIOL

7,001,250 7,108,749

Equity investment in PMPL

12,677,999 5,012,874

Receivable from PIOL as at June 30

See note 14

Service fee (G&A overheads) charged to PIOL

491,264 320,113

Payment of employees cost on secondment to PIOL

350,721 285,939

Payment to MEL against gas processing & field services

received

340,616 823,817

Payment to The Kidney Center Post Graduate Training Institute (TKC)

9,979 10,857

Sale of capital stores and spares to OGDCL

291,510 181,718

Sale of capital stores and spares to MEL

1,948 -

##### Transactions and balances with Joint Operations (JOs)

Payments of cash calls to JOs

Year ended June 30, 2025	Year ended June 30, 2024
----- (Rupees in thousand) -----	
47,474,417	45,595,584
49,740,783	46,600,984
See notes 11, 14 & 23	
3,869	5,137
201,352	182,534
26,594	26,429

Expenditures incurred by JOs

Amounts receivable from / payable to JOs partners as at June 30

Income from rental of assets to JOs

Purchase of goods from BME (net)

Reimbursement of employee cost on secondment to BME

##### Other related parties - note 41.2

Dividends paid to the GoP

13,776,477 9,184,319

Dividends paid to trust under BESOS

1,500,430 1,610,461

Dividends paid to post-retirement benefits and contributory funds

7,517 7,573

Transactions with post-retirement benefits and contributory funds

See notes 29.1 & 30

Remuneration to key management personnel

See notes 39

Payment to PPL Welfare Trust for CSR activities

42,520 36,000

Payment of rental to Pakistan Industrial

Development Corporation (PIDC)

234,825 212,072

Payment of rental to Karachi Port Trust (KPT)

7,570 6,894

Payment of insurance premium to National Insurance

Company Limited (NICL)

1,206,830 1,222,175

Insurance claim received from NICL

2,863,701 257,353

Fuel purchased from Pakistan State Oil Company Limited (PSO)

807,989 295,584

Payment for chartered flights to Pakistan International Airlines

Corporation Limited (PIACL)

115,104 107,729

Deposits with National Bank of Pakistan (NBP) as at June 30

3,495,581 17,481,736

Interest income earned on deposits with NBP

1,669,686 1,116,418

Dividend income / gain on mutual funds investment with NBP Funds

523,608 268,450

Dividend income / gain on mutual funds investment with NIT

342,148 421,032

Payment to ENAR Petrotech Services (Private) Limited (EPSL)

for engineering services obtained

3,132 -

Payment to Hydrocarbon Development Institute

of Pakistan (HDIP)

- 86

**41.1** Gas sales are made to various state controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Company pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

**41.2** Following are the related parties with whom the Company has entered into transactions during the year excluding the GoP, wholly owned subsidiaries, associates, joint operations, staff retirement benefit funds / trusts and employees, details of which have already been disclosed in these unconsolidated financial statements.

S.No.	Company Name	Basis of Relationship as at June 30, 2025
1.	OGDCL	GOP is common shareholder / Common Directorship
2.	GHPL	GOP is common shareholder / Common Directorship
3.	PARCO	GOP is common shareholder / Common Directorship
4.	SSGCL	GOP is common shareholder / Common Directorship
5.	PSO	GOP is common shareholder / Common Directorship
6.	MEL	GOP is common shareholder / Common Directorship
7.	SNGPL	GOP is common shareholder / Common Directorship
8.	NICL	GOP is common shareholder / Common Directorship
9.	GENCO - II	GOP is common shareholder
10.	PIDC	GOP is common shareholder
11.	KPT	GOP is common shareholder
12.	PGL	GOP is common shareholder
13.	NBP	GOP is common shareholder
14.	NBP Funds	GOP is common shareholder
15.	NIT	GOP is common shareholder
16.	PIACL	GOP is common shareholder
17.	PRL	GOP is common shareholder
18.	HDIP	GOP is common shareholder
19.	EPRF	GOP is common shareholder
20.	EPSL	GOP is common shareholder
21.	PIP	Common Directorship
22.	HPL	Common Directorship
23.	TKC	Common Directorship

#### 42. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these unconsolidated financial statements are related to the Company's only reportable segment.

The operating interests of the Company are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these unconsolidated financial statements relate to the Company's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Company's overall gross revenue.

	June 30, 2025	June 30, 2024
	-----[Rupees in thousand]-----	
SSGCL	102,029,263	98,502,603
SNGPL	56,890,907	84,654,995
ARL	62,639,812	79,661,641
	<b>221,559,982</b>	<b>262,819,239</b>

June 30, 2025 June 30, 2024

#### 43. GENERAL

##### 43.1 Number of employees

Total number of employees at the end of the year were as follows:

- Regular	2,488	2,544
- Contractual	55	46
	<b>2,543</b>	<b>2,590</b>

Average number of employees during the year were as follows:

- Regular	2,519	2,517
- Contractual	51	56
	<b>2,570</b>	<b>2,573</b>

##### 43.2 Capacity and production

Product	Unit	Actual production for the year (The Company's share)	Actual production for the year (The Company's share)
		June 30, 2025	June 30, 2024
Natural gas	MMscf	204,853	231,574
Crude oil / NGL / Condensate	Thousand Barrels	3,692	4,188
LPG	M. Ton	97,067	113,104
Barytes & Iron Ore	M. Ton	83,149	127,111

Due to the nature of operations of the Company, installed capacity of the above products is not relevant.

43.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

#### 44. SUBSEQUENT / NON-ADJUSTING EVENT

44.1 The Board of Directors in its meeting held on September 19, 2025 has recommended final cash dividend @ 25% amounting to Rs 6,802.433 million (2024: @ 25% amounting to Rs 6,802.433 million) on paid-up value of ordinary share capital, which will be put forward for the shareholders' approval in the Annual General Meeting scheduled to be held on October 27, 2025.

#### 45. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 19, 2025 by the Board of Directors of the Company.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

CONSOLIDATED  
FINANCIAL  
STATEMENTS



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

**INDEPENDENT AUDITORS' REPORT**

To the members of Pakistan Petroleum Limited

Report on the Audit of Consolidated Financial Statements

**Opinion**

We have audited the annexed consolidated financial statements of Pakistan Petroleum Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance and its consolidated cashflows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>(i) Trade debts ultimately due from Government in respect of circular debt</b></p> <p>(Refer notes 4.10, and 11 to the consolidated financial statements)</p> <p>As at June 30, 2025, trade debts include overdue amount ultimately due from Government in respect of circular debt of Rs. 559,251 million, (net of GDS and GIDC). The Government of Pakistan (GoP) is committed, hence continuously pursuing for satisfactory settlement of trade debts ultimately due from Government in respect of circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's trade debts.</p> <p>The Group considers these amounts to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the inter-corporate circular debt in the energy sector.</p> <p>The Group has contractual right and is entitled to charge interest if payments from customers are delayed beyond credit terms, however, the Group recognizes interest, if any, on delayed payments from customers, when the interest on delayed payments is received by the Group.</p> <p>We considered the matter as key audit matter due to significance of the amounts and significant judgments made by management regarding the recoverability of the amounts.</p>	<p>Our audit procedures in respect of overdue trade debts, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Testing, on a sample basis, accuracy of receivable aging report classification within the appropriate aging bracket with underlying invoices;</li> <li>• Obtaining direct confirmations from customers and testing of reconciliations where differences were identified;</li> <li>• Testing post year-end cash receipts from customers relating to year-end balances, with the underlying documentation;</li> <li>• Inspecting correspondence with the customers and relevant government authorities including steps taken by the Group for settlement of these trade debts and holding discussions with the Group and the Board Audit Committee to assess recoverability of overdue trade debts;</li> <li>• Inspecting minutes of meetings of the Board of Directors and Board Audit Committee;</li> <li>• Assessing reasonableness of management's judgment relating to recoverability of interest on delayed payments from customers.</li> <li>• Evaluating reasonableness of management's assessment of recovery of overdue trade debts on account of trade debts ultimately due from</li> </ul>



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Key audit matter	How the matter was addressed in our audit
	<p>Government in respect of circular debt; and</p> <ul style="list-style-type: none"> <li>Assessing the adequacy of relevant disclosures including disclosure of significant judgement in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> </ul>
<b>(ii) Recognition of Revenue</b>	
<p>(Refer notes 4.19 and 26 to the consolidated financial statements)</p> <p>The Group is engaged in the production and sale of oil and gas resources.</p> <p>The Group recognized gross revenue during the year from the sales of crude oil / condensate / Natural gas liquid, natural gas, liquefied petroleum gas (LPG), barytes amounting to Rs 279,931 million.</p> <p>Transaction prices of crude oil / condensate / Natural gas liquid and gas are specified in relevant agreements and / or as notified by the government authorities based on agreements with customers, relevant applicable petroleum policy, relevant decision of Economic Coordination Committee (ECC) of the Cabinet or relevant Petroleum Concession Agreement. Prices of LPG are approved by the appropriate authority within the Group. Effect of adjustments, if any, arising from revision in sales prices is reflected as and when the prices are finalized with the customers and / or approved by GoP.</p> <p>We considered this as key audit matter due to the significance of the amounts requiring significant time and resource to audit due to magnitude, inherent risk of material</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of the process relating to recognition of revenue and testing design, and implementation and operating effectiveness of the relevant controls over revenue recognition.</li> <li>Inspecting the agreements with customers to evaluate that revenue is recognised in accordance with the terms of the agreement, relevant applicable petroleum policy, relevant Petroleum Concession Agreement and International Financial Reporting Standard (IFRS 15 - "Revenue from Contracts with Customers");</li> <li>Performing test of details, on a sample, of sales transactions by inspecting respective invoices, acknowledgements of refineries and / or joint meter readings as appropriate;</li> <li>Checked, on a sample basis, notifications of Oil and Gas Regulatory Authority (OGRA) for gas prices and approval of appropriate authority within the Group for prices of LPG. Performing, on a sample basis, recalculation of crude oil and gas</li> </ul>



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Key audit matter	How the matter was addressed in our audit
<p>misstatement and revenue being a key economic indicator of the Group.</p>	<p>prices in accordance with applicable petroleum policies / agreements / decision of ECC of the Cabinet/Petroleum Concession Agreements;</p> <ul style="list-style-type: none"> <li>Where pricing is provisional / sales agreement not finalized, (a) inspecting correspondence, on a sample basis, with the customers and relevant government authorities during the year; (b) inspecting, on a sample basis, term sheets signed with the customers; (c) testing, on a sample basis of price being charged is in line with the applicable petroleum policy / agreed with customers/ Petroleum Concession Agreements; and (d) obtaining, on a sample basis, acknowledgment for price charged and quantity received from customers;</li> <li>Testing sales transactions, on a sample basis, on either side of the consolidated statement of financial position date to assess whether they are recorded in the correct accounting period;</li> <li>Testing journal entries relating to revenue recognized during the year by drawing a sub-population meeting certain specific risk-based criteria and comparing the details of such journal entries with the underlying documentation and accounting records; and</li> <li>Assessing the adequacy of relevant disclosures made in the consolidated financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</li> </ul>



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#### **Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Report Thereon**

Management is responsible for the other information. The other information comprises of Chairman's Review, Directors' Report and key performance indicators included in the Annual Report for the year ended June 30, 2025 but does not include the consolidated and unconsolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Group's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because



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because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Muhammad Danish.

A handwritten signature in black ink, appearing to read 'KPMG Taseer Hadi &amp; Co.', written in a cursive style.

KPMG Taseer Hadi & Co.  
Chartered Accountants

Islamabad

30 September 2025

UDIN: AR202510245M7zHw0XUu

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2025

Note	June 30, 2025	June, 30 2024
	----- (Rupees in thousand) -----	
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	144,399,761	137,879,752
Intangible assets	230,736	123,731
Long - term investments	82,659,682	64,054,255
Long - term loans	109,875	95,620
Long - term deposits	7,676	7,676
	<b>227,407,730</b>	202,161,034
<b>CURRENT ASSETS</b>		
Stores and spares	8,810,449	6,861,961
Trade debts	592,813,351	577,957,975
Loans and advances	494,140	428,858
Trade deposits and short - term prepayments	714,130	715,775
Interest accrued	1,167,684	1,269,408
Current maturity of long - term loans	49,194	40,068
Current maturity of long - term deposits	1,683,750	1,683,750
Other receivables	11,148,492	5,348,551
Short - term investments	78,740,173	109,365,452
Cash and bank balances	6,364,518	7,207,749
	<b>701,985,881</b>	710,879,547
<b>TOTAL ASSETS</b>	<b>929,393,611</b>	913,040,581
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	27,209,836	27,209,836
Reserves	677,813,647	613,522,020
	<b>705,023,483</b>	640,731,856
<b>NON-CURRENT LIABILITIES</b>		
Provision for decommissioning obligation	47,959,847	46,548,776
Long - term financing	1,369,419	1,136,412
Deferred liabilities	5,327,482	4,117,606
Deferred taxation - net	22,759,977	20,423,349
	<b>77,416,725</b>	72,226,143
<b>CURRENT LIABILITIES</b>		
Trade and other payables	82,227,253	129,683,790
Unclaimed dividends	344,992	311,624
Current maturity of long - term financing	247,970	129,873
Taxation - net	64,133,188	69,957,295
	<b>146,953,403</b>	200,082,582
<b>TOTAL LIABILITIES</b>	<b>224,370,128</b>	272,308,725
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>929,393,611</b>	913,040,581
<b>CONTINGENCIES AND COMMITMENTS</b>	25	

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	----- (Rupees in thousand) -----	
<b>Revenue from contracts with customers</b>	<b>244,977,029</b>	291,240,687
Operating expenses	(54,700,741)	(55,891,649)
Royalties and other levies	(37,662,995)	(45,449,568)
	<b>(92,363,736)</b>	(101,341,217)
<b>Gross profit</b>	<b>152,613,293</b>	189,899,470
Exploration expenses	(18,544,855)	(19,534,248)
Administrative expenses	(6,795,024)	(5,310,504)
Finance costs	(2,483,379)	(1,648,580)
Share of loss of associates - net	(344,450)	(2,327,007)
Other charges	(11,763,047)	(18,326,557)
	<b>112,682,538</b>	142,752,574
Other income	24,185,533	17,526,862
<b>Profit before taxation</b>	<b>136,868,071</b>	160,279,436
Taxation	(46,918,730)	(44,801,971)
<b>Profit after taxation</b>	<b>89,949,341</b>	115,477,465
<b>Basic and diluted earnings per share (Rs.)</b>	<b>33.06</b>	42.44

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	----- (Rupees in thousand) -----	
<b>Profit after taxation</b>	<b>89,949,341</b>	115,477,465
<b>Other comprehensive income:</b>		
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
Remeasurement loss on defined benefit plans - net	31 (1,555,836)	(646,426)
<b>Items that may be reclassified to profit or loss (net of tax):</b>		
Exchange differences on translation of subsidiaries & foreign associate (Pakistan International Oil Limited) - net	352,811	(362,683)
Share of exchange differences on translation of foreign operation of the associate {Pakistan Minerals (Private) Limited}	(4,047,360)	(998,777)
<b>Other comprehensive income - loss</b>	<b>(5,250,385)</b>	(2,007,886)
<b>Total comprehensive income for the year</b>	<b>84,698,956</b>	113,469,579

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

Note	2025	2024
	----- (Rupees in thousand) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	268,071,735	278,562,789
Receipts of other income	2,693,395	1,083,304
Payment to suppliers / service providers and employees	(48,558,555)	(46,267,936)
Payment of indirect taxes and Government levies including royalties	(145,505,641)	(103,682,006)
Income tax paid	(54,028,492)	(47,736,346)
Payment of decommissioning obligation	(139,180)	(37,991)
Finance costs paid	(203,894)	(104,991)
Long-term loans - net	(23,381)	(31,756)
Net cash generated from operating activities	22,305,987	81,785,067
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(33,047,051)	(26,849,625)
Proceeds from disposal of property, plant and equipment	842,055	247,656
Acquisition of short - term investments	(87,891,274)	(93,906,223)
Proceeds from sale of short - term investments	90,034,892	92,080,725
Equity investment in PIOL	(7,001,250)	(7,108,749)
Equity investment in PMPL	(12,677,999)	(5,012,874)
Finance income received	17,652,077	17,195,977
Net cash used in investing activities	(32,088,550)	(23,353,113)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long - term financing	21.2 556,433	1,272,703
Repayments of long - term financing	21.2 (205,329)	(6,418)
Payment of lease liabilities	-	(1,127,957)
Dividends paid	(20,373,961)	(14,493,581)
Net cash used in financing activities	(20,022,857)	(14,355,253)
Net (decrease) / increase in cash and cash equivalents	(29,805,420)	44,076,701
Cash and cash equivalents at the beginning of the year	97,245,752	53,296,776
Effect of exchange rate changes on cash and cash equivalents	87,625	(127,725)
<b>Cash and cash equivalents at the end of the year</b>	39 <b>67,527,957</b>	97,245,752

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Subscribed and paid-up share capital		Capital reserve	Revenue & other reserves	Total reserves	Total
	Ordinary	Convertible preference	(Note -19)			
------(Rupees in thousand)-----						
<b>Balance as at June 30, 2023</b>	<b>27,209,732</b>	<b>104</b>	<b>1,428</b>	<b>513,655,926</b>	<b>513,657,354</b>	<b>540,867,190</b>
<b>Total comprehensive income for the year</b>						
Profit after taxation	-	-	-	115,477,465	115,477,465	115,477,465
Other comprehensive loss for the year ended June 30, 2024, net of tax	-	-	-	(2,007,886)	(2,007,886)	(2,007,886)
Total comprehensive income for the year ended June 30, 2024	-	-	-	113,469,579	113,469,579	113,469,579
<b>Transactions with owners:</b>						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2023 @ 15%	-	-	-	(4,081,460)	(4,081,460)	(4,081,460)
First interim dividend for the year ended June 30, 2024 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
Second interim dividend for the year ended June 30, 2024 @ 10%	-	-	-	(2,720,973)	(2,720,973)	(2,720,973)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2023 @ 15%	-	-	-	(16)	(16)	(16)
First interim dividend for the year ended June 30, 2024 @ 25%	-	-	-	(26)	(26)	(26)
Second interim dividend for the year ended June 30, 2024 @ 5%	-	-	-	(5)	(5)	(5)
Conversion of preference shares into ordinary shares	-	-	-	-	-	-
Total transactions with owners	-	-	-	(13,604,913)	(13,604,913)	(13,604,913)
<b>Balance as at June 30, 2024</b>	<b>27,209,732</b>	<b>104</b>	<b>1,428</b>	<b>613,520,592</b>	<b>613,522,020</b>	<b>640,731,856</b>
<b>Total comprehensive income for the year</b>						
Profit after taxation	-	-	-	89,949,341	89,949,341	89,949,341
Other comprehensive loss for the year ended June 30, 2025, net of tax	-	-	-	(5,250,385)	(5,250,385)	(5,250,385)
Total comprehensive income for the year ended June 30, 2025	-	-	-	84,698,956	84,698,956	84,698,956
<b>Transactions with owners:</b>						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2024 @ 25%	-	-	-	(6,802,433)	(6,802,433)	(6,802,433)
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Second interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
Third interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(2,720,973)	(2,720,973)	(2,720,973)
- Convertible preference shareholders						
First interim dividend for the year ended June 30, 2025 @ 20%	-	-	-	(21)	(21)	(21)
Second interim dividend for the year ended June 30, 2025 @ 10%	-	-	-	(10)	(10)	(10)
Total transactions with owners	-	-	-	(20,407,329)	(20,407,329)	(20,407,329)
<b>Balance as at June 30, 2025</b>	<b>27,209,732</b>	<b>104</b>	<b>1,428</b>	<b>677,812,219</b>	<b>677,813,647</b>	<b>705,023,483</b>

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

## 1. LEGAL STATUS AND OPERATIONS

The Group consists of Pakistan Petroleum Limited (the Holding Company) and its subsidiary companies i.e. PPL Europe E&P Limited (PPLE), PPL Asia E&P B.V. (PPLA) and The Pakistan Petroleum Provident Fund Trust Company (Private) Limited (PPPFTC).

The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. Brief profiles of the Holding Company and its subsidiary companies are as follows:

### 1.1 Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950. The Holding Company's main objectives are conducting exploration, prospecting, development and production of hydrocarbons and mineral resources. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited. The registered office is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

**1.1.1** The Sui Mining Lease expired on May 31, 2015. The Government of Pakistan (GoP) through various notifications allowed the Holding Company to continue production from the Sui gas field till the formal grant of Development & Production Lease (D&PL).

Pursuant to the letter dated October 29, 2024 issued by the competent authority, a D&PL has been granted, for the Sui Gas Field, covering an area of 455.80 square kilometers, situated in District Dera Bugti, Balochistan, Pakistan. The lease has been granted for an initial term of ten (10) years, effective from June 1, 2015 to May 31, 2025, in accordance with Rule 30A of the Pakistan Onshore Petroleum (Exploration and Production) Rules, 2013 (the Rules). Pursuant to the Rules, the D&PL is eligible for further extension provided commercial production continues. Accordingly, an application for extension of the said D&PL has been submitted to the competent authority on April 16, 2025 for another 15 years effective from June 01, 2025 till May 31, 2040.

Additionally, the Holding Company, a sole working interest owner of the Sui Gas Field, has executed a Memorandum of Agreement (MoA) with the Government of Balochistan on February 14, 2025. Under this MoA, the Holding Company has committed to implement specific initiatives, including various social welfare initiatives under its Corporate Social Responsibility (CSR) program in accordance with the terms of D&PL and Petroleum Concession Agreement (PCA).

In accordance with the terms of the executed agreements, the Holding Company has paid lease extension bonus amounting to Rs 50,490 million and has fulfilled other financial commitments under the D&PL and PCA. The future arrangements beyond May 31, 2025 will be mutually agreed in accordance with the Rules.

**1.1.2** The Pakistan Sovereign Wealth Fund Act, 2023 became effective during the prior year ended June 30, 2024. Under the said Act, the GoP's shareholding in the Holding Company has been transferred, by operation of law, to the Pakistan Sovereign Wealth Fund (PSWF). The Holding Company is awaiting directives from the GoP regarding the necessary corporate actions to formally record this transfer. Further, in accordance with the Act, both the PSWF and the State - Owned Enterprises majority owned by the PSWF are exempt from the provisions of the State - Owned Enterprises (Governance and Operations) Act, 2023 (the "SOE Act").

## 1.2 PPL Europe E&P Limited

The Holding Company acquired on March 21, 2013, 100% shareholding of MND Exploration and Production Limited, a company incorporated in England and Wales. Subsequent to acquisition, the name of the subsidiary was changed to PPL Europe E&P Limited.

PPL's main objective is exploration and production of oil and gas and currently it has working interest in two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. PPL may consider additional investment opportunities in overseas blocks. The registered office of PPL is situated at 6th Floor, One London Wall, London, EC2Y 5EB United Kingdom.

## 1.3 PPL Asia E&P B.V.

The Holding Company established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at 4th Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

PPLA's main objective is exploration and production of oil and natural gas resources, and it owned 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). MdOC, vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the EDPSC and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. Accordingly, close-out proceedings have been concluded and a mutually favourable settlement agreement between PPLA and MdOC was signed on October 06, 2024. During the year, MdOC, through a third party, made a net payment of USD 6 million to PPLA, the effects of which have been recognised in these consolidated financial statements. Following this close-out, PPLA is pursuing new business opportunities in line with its strategic objectives.

## 1.4 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC was incorporated in Pakistan as a private limited company on November 7, 1955. The Subsidiary is engaged in administering the trusts formed for the benefits of the employees of the Holding Company.

The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004, has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC under Companies Act, 2017. Accordingly, the Holding Company has not consolidated PPPFTC in its consolidated financial statements for the year ended June 30, 2025.

## 2. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 1.4 to these consolidated financial statements, here-in-after referred to as "the Group".

Subsidiary is an entity over which the Holding Company has control. Control is achieved when the Holding Company is exposed, or has right, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control.

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

The assets, liabilities, income and expenses of the subsidiary companies are consolidated on a line-by-line basis and carrying value of investments held by the Holding Company eliminated against the subsidiary companies shareholder's equity in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. Further, the accounting policies of subsidiaries are aligned with accounting policies of the Group, wherever required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The presentation and functional currency of the Holding Company, as well as, PPPFTC are Pakistani Rupee and the functional currency of other subsidiaries is US Dollar. For the purpose of consolidation, the financial statements of the subsidiaries are translated into functional currency of the Holding Company.

## 3. BASIS OF PREPARATION

### 3.1 Statement of compliance

3.1.1 These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.1.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the GoP. The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. This exemption has been extended through various S.R.Os by SECP, the latest being S.R.O 1784(I)/2024 dated November 4, 2024 extending the exemption granted from application of ECL method under IFRS 9 'Financial Instruments' on financial assets due from GoP in respect of circular debt for the financial years ending on or before December 31, 2025, provided that the Holding Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Consequently, the Holding Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these consolidated financial statements. Further, in relation to financial assets due from parties other than GoP, the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 11.5 to these consolidated financial statements).

### 3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

- Financial assets at fair value through profit or loss have been measured at fair value.
- Obligations in respect of certain employee benefits and decommissioning cost have been measured at present value.

### 3.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Holding Company's functional currency.

### 3.4 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2024 but are considered not to be relevant or do not have any significant effect on these consolidated financial statements.

### 3.5 Standards, amendments and interpretations to accounting and reporting standards that are not yet effective

The following accounting and reporting standards as applicable in Pakistan and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July, 2025 and have not been early adopted by the Holding Company:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review. Early adoption continues to be permitted, however, the amendments are not likely to have an impact on these consolidated financial statements.
- Lack of Exchangeability (amendments to IAS 21) clarify:
  - when a currency is exchangeable into another currency; and
  - how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 01, 2025. Earlier application is permitted, however, the amendments are not likely to have an impact on these consolidated financial statements.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
  - Financial Assets with ESG-Linked features:

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with ESG-linked features represented Solely Payments of Principal and Interest (SPPI). This could have resulted in financial assets with ESG-linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just ESG-linked features. While the amendments may allow certain financial assets with contingent features to meet the SPPI criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g., where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

The amendments apply for reporting periods beginning on or after 1 January, 2026. Companies can choose to early-adopt these amendments (including the associated disclosure requirements), separately from the amendments for the recognition and derecognition of financial assets and financial liabilities. The amendments are not likely to have an impact on these consolidated financial statements.

Recognition / Derecognition requirements of Financial Assets / liabilities by Electronic Payments:

The amendments to IFRS 9 clarify when a financial asset or a financial liability is recognised and derecognised and provide an exception for certain financial liabilities settled using an electronic payment system. Companies generally derecognise their trade payables on the settlement date (i.e., when the payment is completed). However, the amendments provide an exception for the derecognition of financial liabilities. The exception allows the company to derecognise its trade payable before the settlement date, when it uses an electronic payment system that meets all of the following criteria:

- no practical ability to withdraw, stop or cancel the payment instruction;
- no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- the settlement risk associated with the electronic payment system is insignificant.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted, however, the amendments are not likely to have an impact on these consolidated financial statements.

- Other related amendments:

Contractually linked instruments (CLIs) and non-recourse features:

The amendments clarify the key characteristics of CLIs and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test).

Disclosures on investments in equity instruments:

The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income (FVOCI).

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted, however, the amendments are not likely to have an impact on these consolidated financial statements.

- Annual Improvements to IFRS Accounting Standards – Amendments to:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows

- The amendments to IFRS 9 address:

- A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables:

Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The IASB has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15; and

- How a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9:

When lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

- The amendment on trade receivables may require some companies to change their accounting policy.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted, however, the amendments are not likely to have an impact on these consolidated financial statements.

The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied.

- Contracts Referencing Nature-dependent Electricity – (Amendments to IFRS 9 and IFRS 7) address the challenges faced by Companies in applying IFRS 9 Financial Instruments to contracts referencing nature-dependent electricity – sometimes referred to as renewable power purchase agreements (PPAs). The IASB has also added new disclosure requirements for certain PPAs to IFRS 7 Financial Instruments: Disclosures.

The amendments include guidance on:

- The 'own-use' exemption for purchasers of electricity under such PPAs; and
- Hedge accounting requirements for companies that hedge their purchases or sales of electricity using PPAs.

The amendments for the own-use exemption:

- Existing IFRS 9 guidance left ambiguity on whether PPAs could qualify for the own-use exemption (i.e., not accounted for as derivatives).
- The amendments allow a company to apply the own-use exemption to PPAs if the company has been, and expects to be, a net-purchaser of electricity for the contract period.
- The amendments apply retrospectively using facts and circumstances at the beginning of the reporting period of initial application, without requiring prior periods to be restated.

The amendments for hedge accounting:

- Virtual PPAs and other PPAs that do not meet the own-use exemption are accounted for as derivatives and measured at FVTPL. Hedge accounting under IFRS 9 can help reduce volatility by reflecting how PPAs hedge future electricity purchases or sales, but applying it presents challenges. A key issue arises from a mismatch between the P50 estimate used to measure the PPA and the P90 estimate required for the highly probable hedged transaction, which may prevent hedge accounting qualification. Subject to certain conditions, the amendments permit designation of a variable nominal volume of forecasted renewable electricity sales or purchases as the hedged transaction, rather than a fixed volume based on P90 estimates. This variable volume reflects what is expected to be delivered by the referenced generation facility, supporting an economic offset and enabling hedge accounting. A P50 estimate indicates the volume of energy production expected to be exceeded with 50 percent probability. A P90 estimate indicates the volume of energy production expected to be exceeded with 90 percent probability.

- The amendments apply prospectively to new hedging relationships designated on or after the date of initial application. They also allow companies to discontinue an existing hedging relationship if the same hedging instrument is designated under the new requirements.

The new disclosure requirements:

- A company may apply the own-use exemption to certain PPAs under the amendments and therefore would not recognise these PPAs in its statement of financial position. Where this is the case, a company is required to disclose further information such as:
  - contractual features exposing the company to variability in electricity volume and risk of oversupply;
  - estimated future cash flows from unrecognised contractual commitments to buy electricity in appropriate time bands;
  - qualitative information about how the company assessed whether a contract might become onerous; and
  - qualitative and quantitative information about the costs and proceeds associated with purchases and sales of electricity, based on the information used for the 'net-purchaser' assessment.
- In addition, for PPAs designated in a cash flow hedging relationship, companies need to disaggregate the information disclosed about terms and conditions by risk category.

The amendments apply for reporting periods beginning on or after 1 January 2026. Early application is permitted, however, the amendments are not likely to have an impact on these consolidated financial statements.

### 3.6 Benazir Employees' Stock Option Scheme (BESOS)

The PPL Employees Empowerment Trust ("Trust") was established vide a Trust Deed under BESOS on September 14, 2009. The Trust currently holds 7.35% shareholding of the Holding Company. The Trust was created for the purposes of empowerment of employees of state-owned entities.

In June 2011, the SECP on receiving representations from some of the entities covered under BESOS and after having consulted the Institute of Chartered Accountants of Pakistan (ICAP), granted exemption to such entities from the application of IFRS - 2 "Share-based Payment" to BESOS. Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (2024: Rs 18,879 million).

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court (SHC), therefore, an amount of Rs 23,055 million has been repatriated back to the Federal Government on April 18, 2025. The winding-up activities, including the transfer of shares to the GoP, are in progress. During the year, the accumulated dividend amount of Rs 10,234 million along with interest earned thereon amounting to Rs 12,821 million have been repatriated back to the Federal Government on April 18, 2025.

### 3.7 Significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively, commencing from the period of revision.

In the process of applying the Group's accounting policies, the management has made the following estimates, assumptions and judgments which are significant to these consolidated financial statements.

#### a) Property, plant and equipment and intangibles

The Group reviews the appropriateness of useful lives, methods of depreciation / amortisation and residual values of property, plant and equipment and intangibles on the reporting date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangibles with a corresponding effect on the depreciation / amortisation charge and impairment.

Property, plant and equipment and intangible assets are reviewed for possible impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgments such as future prices of crude oil or gas and production profiles.

#### b) Exploration and evaluation expenditure

The Group's accounting policy for exploration and evaluation expenditure results in cost of exploratory wells being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgment is made that recovery of the expenditure is unlikely, the relevant capitalised amount is charged to profit or loss in the period in which the new information becomes available.

#### c) Development and production expenditure

Development and production activities commence after project sanctioning by the appropriate level of management. Judgment is applied by the management in determining when a project is economically viable. In exercising this judgment, management is required to make certain estimates and assumptions similar to those described above for capitalised exploration and evaluation expenditure. Any such estimates and assumptions may change when new information becomes available. If, after having commenced development activity, a judgment is made that a development and production asset is impaired, the appropriate amount is charged to profit or loss.

#### d) Estimation of proven hydrocarbon reserves

Reserves are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. Estimation of hydrocarbon reserves is important for the effective management of the upstream hydrocarbon assets. It is an integral part of the investment decisions related to the existing assets or new oil and gas discoveries. Reserves are also used as the basis to calculate unit-of-production depreciation / amortisation rates and to work out the recoverable amount of an asset, wherever applicable. The unit of production basis is the ratio of oil and gas production during the year to the estimated quantities of proved reserves at the end of the year plus production during the year.

All reserves estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate and the interpretation of data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved.

Proved reserves are those quantities of hydrocarbons which, by analysis of geoscientific and engineering data, can be estimated with reasonable certainty to be economically recoverable from the known reservoirs and under defined technical and commercial conditions. If deterministic methods of reserves estimation are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods of reserves estimation are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Unproved reserves are less certain to be recovered than the proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

Although the Group is reasonably certain that the proved reserves will be produced, however, the timing and amount recovered may be affected by a number of factors including completion of the development projects, reservoir performance, regulatory approvals or / and a significant change in long-term oil and gas price levels. The reserves revisions may include upward or downward changes in the previously estimated volumes of the proved reserves for the existing fields due to the evaluation or re-evaluation of (1) already available geological, reservoir or production data, (2) new geological, reservoir or production data or (3) changes in prices and costs that are used in the estimation of reserves. Revisions may also result from a significant change in the development strategy or the capacity of the production equipment / facilities.

Changes to the estimates of proved reserves prospectively affect the amount of amortisation to be recorded and impairment, if any, in the consolidated financial statements for assets amortised on unit-of-production basis.

#### e) Provision and amortisation of decommissioning cost

Provision is recognised for the future decommissioning and restoration of oil and gas wells, production facilities and pipelines at the end of their useful lives. The estimated cost is charged to profit or loss over the life of the proved reserves on unit-of-production basis.

The timing of recognition requires the application of judgment to existing facts and circumstances, which can be subject to change. Estimates of the amount of provision recognised are based on current legal and constructive obligations, technology and price levels. Provision is based on the best estimates, however, the actual outflows may differ from estimated cash outflows due to changes in laws, regulations, technology, prices and conditions, and the fact that actual expenditure will take place many years in the future. The carrying amount of provision is reviewed periodically and adjusted to take account of such changes.

The provision in respect of the Group's operated fields has been estimated by its in-house technical staff, whereas, the provision for the partner operated fields is based on estimates provided by the respective operators which are subject to in-house technical staff review and adjusted where necessary.

During the year, the Group revised its estimates of economic outflows to settle decommissioning liability, based on future projected costs adjusted to present value. The present value is calculated using real discount rate of 3.89% (2024: 4.45%) per annum. This has been treated as a change in accounting estimate, applied prospectively, in accordance with IFRIC-1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities'.

Following line items would have been affected had there been no change in estimates:

	<b>Rs (million)</b>
Provision for decommissioning obligation would have been higher by	1,366
Property, plant and equipment would have been higher by	697
Amortisation / write-off charge would have been higher by	669
Profit after tax would have been lower by	440

#### f) Joint arrangements

The Group participates in several joint arrangements. Judgment is required in order to determine their classification as a joint venture where the Group has rights to the net assets of the arrangement or a joint operation where the Group has rights to the assets and obligations for the liabilities of the arrangement. In making this judgment, consideration is given to the legal form of the arrangement, the contractual terms and conditions as well as other facts and circumstances.

### g) Provision for defined benefit plans and compensated absences

Defined benefit plans and compensated absences are provided for permanent employees of the Holding Company. The plans are structured as separate legal entities managed by trustees, except for post-retirement medical benefits and compensated absences, for which, liability is recognised in these consolidated financial statements. These benefits are evaluated with reference to uncertain events and are based upon actuarial assumptions including inter alia, discount rates, expected rates of salary increases, medical cost and mortality rates. The actuarial valuations are conducted by a qualified actuary on annual basis using Projected Unit Credit Actuarial Cost Method. Pension and gratuity costs primarily represent the increase / decrease in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years. Estimations are sensitive to changes in the underlying assumptions.

### h) Taxation

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The provision for taxation is accounted for by the Group after taking into account the current income tax laws and relevant decisions taken by appellate authorities. Accordingly, the recognition of deferred tax is also made, taking into account these decisions and the best estimates of future results of operations of the Group.

### i) Contingencies

The assessment of contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Holding Company; or the Holding Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### j) Impairment of financial assets

#### - Financial assets covered under IFRS 9 - 'Financial Instruments' (IFRS 9)

The Group uses default rates based on credit rating of customers from which receivables are due, probability weighted cash flow projection for customers for which credit rating is not available and provision matrix for large portfolio of customer which have similar characteristics to calculate expected credit losses (ECL) for trade debts and other receivables.

The default rates are benchmarked and adjusted for forward looking information, cash flow projections are discounted using original effective interest rates, and the rates in provision matrix are based on days past due for various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates which is then adjusted for forward looking information.

The assessment of the correlation between historical observed default rates and the projection of cash flows from customers, forecast economic conditions and resulting ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### - Financial assets covered under IAS 39 - 'Financial Instruments: Recognition and Measurement' (IAS 39)

The Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of ECL model in respect of financial assets due directly / ultimately from the Government of Pakistan (GoP) for the financial years ending on or before December 31, 2025. Accordingly, the Group reviews the recoverability of its trade debts and other receivables that are due directly / ultimately from GoP to assess whether there is any objective evidence of impairment as per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' at each reporting date.

The Group has overdue receivables on account of inter-corporate circular debt. These overdue balances are receivable from gas supply and power companies. The GoP is committed, hence continuously pursuing for satisfactory settlement of inter-corporate circular debt issue. However, the progress is slower than expected resulting in accumulation of Group's debts. Inter-corporate circular debt in Pakistan arises due to delayed payments in the energy sector supply chain; GoP either directly or through its direct / indirect ownership of entities within energy sector supply chain is at the core of circular debt issue.

Settlement of the Group's receivables is slower than the contractual terms primarily because circular debt is a macro-economic level issue in Pakistan and its level at any given time is dependent on policies and / or priorities of the GoP, the level of subsidies offered by GoP to certain domestic and industrial consumers, exchange rate fluctuations, global crude oil prices and certain other systemic issues within energy sector (tariffs, losses, non / delayed recoveries).

The Group's assessment of objective evidence of impairment with respect to overdue amounts on account of inter-corporate circular debt takes into account commitment made by the GoP, contractual rights to receive compensation for delayed payments and plans of the GoP to address the issue of inter-corporate circular debt.

### k) Stores and spares

The Group reviews the stores and spares for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores and spares with a corresponding effect on the provision.

## 4. MATERIAL ACCOUNTING POLICIES

### 4.1 Property, plant and equipment

#### a) Owned assets

Property, plant and equipment, except freehold land, leasehold land and capital work-in-progress, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and leasehold land are stated at cost. Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

Cost in relation to property, plant and equipment comprises of acquisition and other directly attributable costs, decommissioning cost and production bonus. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to working condition for their intended use. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, with net amount recognised in profit or loss.

Impairment tests for property, plant and equipment are performed when there is an indication of impairment. At the end of each reporting period, an assessment is made to determine whether there are any indications of impairment. Accordingly, the Group conducts an internal review of asset values which is used as a source of information to assess for any indications of impairment. External factors such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment. If any such indication exists, the asset's recoverable amount is estimated being the higher of its fair value less cost to sell and value in use.

If the carrying amount of the asset exceeds its recoverable amount, the property, plant and equipment is impaired and an impairment loss is charged to profit or loss so as to reduce the carrying amount of the property, plant and equipment to its recoverable amount.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups, referred to as Cash Generating Units (CGUs). CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **b) Lease liability and Right-of-use asset (ROUA)**

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the ROUA, or is recorded in profit and loss if the carrying amount of ROUA has been reduced to nil value.

The ROUA is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The ROUA is adjusted for certain remeasurements of the lease liability.

Leases that have terms of less than twelve months or on which the underlying asset is of low value are recognised as an expense in the statement of profit or loss when incurred.

#### **4.2 Exploration and evaluation assets**

The Group applies the "Successful Efforts" method of accounting for Exploration and Evaluation (E&E) costs. Under the Successful Efforts method of accounting, all property acquisitions, exploratory / evaluation drilling costs are initially capitalised, till such time that technical feasibility and commercial viability of oil and gas are demonstrated.

Costs directly associated with an exploratory well are capitalised until the drilling of the well is completed and results have been evaluated. Major costs include material, chemical, fuel, well services, rig operational costs and employee costs. All other exploration costs including cost of technical studies, seismic acquisition and data processing, geological and geophysical activities are charged to profit or loss as exploration expenditure. Cost incurred prior to obtaining exploration rights to explore an area are charged to profit or loss.

E&E assets relating to each exploration license / field are carried forward, until the existence or otherwise of commercial reserves have been determined subject to certain limitations including review for indications of impairment. In case of discovery of commercial reserves and commencement of production, the carrying value after any impairment loss of the relevant E&E assets is then transferred to production assets and if commercial reserves are not found, the capitalised costs are written off as dry and abandoned wells and charged to profit or loss.

E&E assets are assessed for impairment when facts and circumstances indicate that carrying amounts may exceed the recoverable amounts of these assets. Such indicators include (i) the point at which a determination is made as to whether or not commercial reserves exist (ii) the period for which the Group has right to explore has either expired or will expire in the near future and is not expected to be renewed (iii) substantive expenditure on further exploration and evaluation activities is not planned or budgeted (iv) whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or sale, and any other event, that may give rise to indication that such assets are impaired.

Where an impairment loss subsequently reverses, the carrying amount of the E&E asset is increased upto the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of the impairment loss is recognised as income in profit or loss. E&E assets are not amortised.

#### **4.3 Development and production assets**

Development and production assets are accumulated on a field by field basis and represent the cost of developing the discovered commercial reserves and bringing them into production, together with the capitalised E&E expenditures incurred in finding commercial reserves transferred from E&E assets as outlined in note 4.2 above. The cost of development and production assets also includes the cost of acquisition of such assets, directly attributable overheads, and the cost of recognising provisions for future site restoration and decommissioning.

Impairment testing of development and production assets is performed whenever events and circumstances arising during the development and production phase indicate that carrying amounts of the development and production assets may exceed their recoverable amount. Such circumstances depend on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, the production profile of the hydrocarbons, the cost of the development of the infrastructure necessary to recover the hydrocarbons, the production costs, the contractual duration of the production field and the net selling price of the hydrocarbons produced.

The carrying amounts are compared against estimated recoverable amounts of the assets, generally by reference to the present value of the future net cash flows expected to be derived from such assets. The CGU considered for impairment testing purposes is generally field by field basis, except that a number of fields may be grouped as a single CGU where the cash flows of each field are inter-dependent.

Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 4.4 Depreciation and amortisation

##### a) Property, plant and equipment

Depreciation and amortisation on all field based immovable assets are charged on unit-of-production basis. Whereas, all movable assets i.e. furniture, fittings & equipment, computers & allied equipment and vehicles are depreciated on straight-line basis at the rates specified in note 5.1 to these consolidated financial statements.

Depreciation on capital stores in operating assets is charged at the rate of plant and machinery to which these stores relate.

No depreciation is charged on freehold and leasehold land.

For those assets that are depreciated on straight-line basis, depreciation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

##### b) Intangible assets

Amortisation on intangible assets is charged over their useful life on straight-line basis at the rates stated in note 6.1 to these consolidated financial statements.

Amortisation on additions is charged from the month following the one in which the asset is available for use and on disposals upto the month the asset is in use.

#### 4.5 Investment in associated companies

An associate is an entity over which the Holding Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Holding Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of the Holding Company's interest in that associate are recognised only to the extent that the Holding Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 4.6 below.

#### 4.6 Impairment of non-financial assets and investment in associated companies

The Group assesses at each reporting date whether there is an indication that an asset or a CGU is impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 4.7 Stores and spares

Stores and spares are valued at weighted average cost less impairment loss, if any, except for stores in transit, which are valued at cost incurred upto the reporting date. Stores and spares, which meet the definition of property, plant and equipment, are classified as capital stores for drilling and development. Cost comprises invoice value and other direct costs. Provision is made for obsolete / slow moving items where necessary and is recognised in profit or loss. For calculating the amount of provision, capital spares of partner-operated joint operations are not considered.

#### 4.8 Financial assets and financial liabilities

##### a) Financial assets

###### Classification

Financial assets are classified in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation at each date of statement of financial position.

##### i. Amortised Cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Interest accrued on financial assets measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purposes of IFRS 9.

##### ii. At fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are recognised in the profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortised cost or cost as the case may be. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the GoP are not the financial instruments of the Group.

#### **Impairment of financial assets**

The Group assesses on a forward looking basis, the expected credit losses associated with its financial assets. The Group applies the simplified approach to recognise lifetime expected credit losses for trade debts and other receivables (except for due or ultimately due from GoP as described in note 3.1.2 to these consolidated financial statements). The impact of ECL on trade debts subject to circular debt is impracticable to determine as at June 30, 2025.

The Group assesses the recoverability of its financial assets if there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments, are considered indicators that the trade debts and other receivables are impaired.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises in the profit or loss, as an impairment loss or gain, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

#### **- Financial assets covered under IFRS 9**

The Group recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit exposures that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial assets other than trade debts, the Group applies general approach in calculating ECL. It is based on difference between the contractual cashflows due in accordance with the contract and all the cashflows that the Group expects to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cash flows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts, the Group applies a simplified approach where applicable in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of customers from which receivables are due that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **- Financial assets covered under IAS 39**

SECP through S.R.O. 985 (I)/2019 dated September 2, 2019 has notified that in respect of companies holding financial assets due from the GoP, the requirements contained in IFRS 9 with respect to application of ECL method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. Under the said S.R.O, the disclosure of the impacts of ECL was not required. Earlier to the aforesaid S.R.O, SECP in a press release dated August 22, 2019 communicated that IFRS 9 needs to be looked into from Pakistan perspective where phenomenon of circular debt needs to be given due consideration. Further, SECP through S.R.O 1177(I)/2021 dated September 13, 2021, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, this exemption was extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023, and through S.R.O 1784(I)/2024 dated November 04, 2024, for the financial years ending on or before December 31, 2024, and December 31, 2025, respectively. It was noted that concerns expressed by companies regarding practical limitations in determining ECL on debts due from government, due to uncertain cash recovery patterns of circular debt, carry weight. In accordance with the exemption granted by SECP, ECL has not been recognised on such financial assets due directly / ultimately from GoP (i.e. SNGPL, SSGCL and GENCO-II) in the consolidated financial statements.

Financial assets, on which ECL model is not applicable as per the aforesaid notification of SECP, are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial asset carried at amortised cost, the amount of impairment loss recognised is the difference between the carrying amount and present value of estimated cash flows, discounted at effective interest rate.

#### **b) Financial liabilities**

Financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are recognised as expense in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Interest accrued on financial liabilities measured at amortized cost is presented separately in the statement of financial position. Such accrued interest is included in the amortized cost of the respective instruments for the purposes of IFRS 9.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

#### **c) Offsetting of financial instruments**

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 4.9 Fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined with reference to quoted market bid prices at the close of business on the date of statement of financial position. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

#### 4.10 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain a significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method.

#### 4.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of statement of cash flows, comprise of cash in hand and at banks, and include short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

#### 4.12 Decommissioning obligation and its provision

The activities of the Group normally give rise to obligations for site restoration. Restoration activities may include abandonment and removal of wells, facility decommissioning and dismantling, removal or treatment of waste materials and land rehabilitation.

Liabilities for decommissioning cost are recognised when the Group has an obligation (whether legal or constructive) to dismantle and remove a well, facility or an item of plant and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty-two years. Decommissioning cost is capitalised and subsequently amortised / depreciated as part of the well or facility to which it relates.

The provision for decommissioning is based on the best estimate of future costs and the economic life of the existing wells and facilities, however, there is uncertainty regarding both the amount and timing of incurring these costs. Any change in the present value of the estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognised as finance cost in the profit or loss.

#### 4.13 Staff retirement benefits

##### a) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Holding Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The Holding Company maintains / operates the following benefit plans:

##### i. Approved pension and gratuity schemes

The Holding Company operates approved funded pension and gratuity schemes, separately, for its management and non-management permanent staff as per rules of service. Provisions are made annually, on the basis of actuarial valuations, for these schemes.

Contributions to these funds require assumptions to be made in respect of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

Remeasurement in respect of defined benefit plans are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur. Such remeasurements are also immediately recognised in retained earnings and are not reclassified to the profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Holding Company has recognised related restructuring or terminations.

These schemes are governed by their respective Trust Deeds and Rules. All matters pertaining to these schemes including contributions to the schemes and payments to outgoing members are dealt with in accordance with the respective Trust Deeds and Rules.

The liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected salary increases, are covered by the Fund on the valuation date, the total reserve as of the valuation date, future contributions to the Fund, and future projected investment income of the Fund. As far as possible, the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Projected Unit Credit Actuarial Cost Method employed.

##### ii. Post retirement medical benefits

The Holding Company provides post-retirement medical benefits to its management and non-management staff as per rules of service. The cost of these benefits is accrued over the expected remaining working lives of the employees based on actuarial valuations.

Remeasurements are recognised in full directly in equity through other comprehensive income or loss in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

##### iii. Leave preparatory to retirement

The Holding Company accrues entitlement to leave preparatory to retirement of its management staff on the basis of actuarial valuation. Remeasurement gains and losses are recognised immediately.

The actuarial valuations of all the Benefit Plans are conducted annually by qualified actuaries and the latest valuations were conducted as on June 30, 2025, based on the 'Projected Unit Credit Actuarial Cost Method'.

#### b) Defined contribution plan

A defined contribution plan is a post-employment contribution plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The Holding Company operates recognised provident fund schemes, separately, for its management and non-management permanent staff as per rules of service. Equal monthly contributions are made by the Holding Company and the employees to the respective funds at the rate of 4.35% (management staff) and 8% (non-management staff) of basic salary. Further, investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

The Holding Company also operates defined contribution pension fund schemes (Conventional and Shariah) for its management staff only as per rules of service and contributes upto 13.44% of basic salary, according to the eligibility of management staff to the relevant funds.

#### 4.14 Compensated absences

The Holding Company provides for compensated absences in respect of management and non-management staff, in accordance with the rules of the Holding Company. The cost is recognised on the basis of actuarial valuations. The latest actuarial valuations were conducted as on June 30, 2025.

#### 4.15 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

#### 4.16 Earnings per share

The Group presents basic and diluted Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Holding Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### 4.17 Taxation

Tax for the year comprises of current and deferred tax, which is recognised in the consolidated profit or loss except to the extent that it relates to items recognised outside of profit or loss (whether in other comprehensive income or loss or directly in equity), if any, in which case the tax amounts are recognised outside profit or loss.

The Institute of Chartered Accountants of Pakistan (ICAP) issued application guidance on the accounting treatment of minimum and final taxes through Circular No. 07/2024, dated May 15, 2024 ("the Guidance"). According to the Guidance, minimum taxes that are non-recoverable and exceed the normal tax liability, as well as taxes under the final tax regime, fall outside the scope of IAS 12 Income Taxes and as such should be accounted for under IFRIC 21 Levies / IAS 37 Provisions, Contingent Liabilities, and Contingent Assets.

Accordingly, in line with the Guidance, the Holding Company has recognised final tax / levy on income from mutual funds as Levy (note 32) instead of classifying as income tax.

##### a) Current taxation

Provision for current taxation is based on taxable income at the applicable tax rates based on tax laws enacted or substantively enacted at the date of statement of financial position after taking into account tax credits, tax rebates and exemptions available, if any, adjusted for payments to GoP on account of royalty, as applicable, and any adjustment to tax payable in respect of previous years.

##### b) Deferred taxation

Deferred tax is recognised using the balance sheet liability method, on all temporary differences at the date of statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits, to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each date of statement of financial position and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the date of statement of financial position.

Deferred tax relating to items recognised directly in statement of comprehensive income or equity is recognised in statement of comprehensive income or equity and not in profit or loss.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

#### 4.18 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortised cost at the date of statement of financial position, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

#### 4.19 Revenue recognition

Revenue from sale of hydrocarbons, barytes and iron ore (the Products) is recognised when the Group satisfies a performance obligation by transferring promised Products to customer. Products are transferred when the customer obtains their control. Revenue is recognised at transaction price, which represents the fair value of the consideration received or receivable, net of Government levies. Effect of adjustments, if any, arising from revision in prices is reflected as and when the prices are finalised with the customers and / or approved by the GoP. The normal credit terms with customers vary from 30 to 45 days.

Revenue from sale of the products in which the Group has an interest with other joint operations partners is recognised commensurate with the Group's working interest and the terms of the relevant agreements.

#### 4.20 Other income and finance costs

Other income comprises of interest income on loans, funds invested, delayed payments from customers, dividend income, exchange gain, liquidated damages recovered from contractors, any other income arising out of farm-in / farm-out agreements and changes in the fair value of financial assets at fair value through profit or loss.

Income on financial assets at amortised cost is calculated using the effective interest method and is recognised in consolidated statement of profit or loss.

The Group recognises interest, if any, on delayed payments from customers on receipt basis. Similarly, no provision is being made for the interest payable to GoP on late payment of Gas Development Surcharge (GDS) in accordance with the directives of the Price Determining Authority, Ministry of Energy (Petroleum Division).

Dividend income on equity investments is recognised when the right to receive the payment is established.

Finance costs comprise interest expense on borrowings, if any, unwinding of the discount on decommissioning obligation and bank charges. Mark up, interest and other charges on borrowings are charged to profit or loss in the period in which they are incurred.

#### 4.21 Joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement and are accounted for as follows:

The Group classifies a joint arrangement as joint operations when the Group has the rights to the assets, and obligations for the liabilities, of the arrangement and accounts for each of its assets, liabilities, revenues and expenses, including its share of those held or incurred jointly, in relation to the joint operations. The Group classifies a joint arrangement as a joint venture when the Group has rights to the net assets of the arrangement.

The Group has certain contractual arrangements with other participants to engage in joint activities, where all significant operating and financial policies are determined by the participants, such that the operator itself has no significant independence to pursue its own commercial strategy. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. The Group has recognised its share of assets, liabilities, revenue and expenses jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, on the basis of cost statements received from the operators of the joint operations. Estimates are made for the intervening period up to the date of statement of financial position. The difference, if any, between the cost statements and the estimates is accounted for in the next accounting year.

#### 4.22 Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates approximating those prevailing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at the rate of exchange ruling on the date of statement of financial position and exchange differences, are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates on the date on which the fair value was determined.

On consolidation, the assets and liabilities of foreign operations are translated into Pakistani Rupees at the rate of exchange prevailing at the date of statement of financial position and their income and expenses are translated at average exchange rate during the year. The exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is recognised in the profit or loss.

#### 4.23 Dividends and appropriations to reserves

Dividends and appropriations to reserves are recognised in the consolidated financial statements in the period in which these are approved. However, if these are approved after the reporting period but before the consolidated financial statements are authorised for issue, they are disclosed as subsequent event in the notes to these consolidated financial statements.

#### 4.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Group has a single reportable segment as the Board of Directors views the Group's operations as one reportable segment.

### 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 5.1

Capital work-in-progress - note 5.4

	June 30, 2025	June 30, 2024
	(Rupees in thousand)	(Rupees in thousand)
Operating assets - note 5.1	<b>88,422,758</b>	90,107,928
Capital work-in-progress - note 5.4	<b>55,977,003</b>	47,771,824
	<b>144,399,761</b>	137,879,752

#### 5.1 Operating assets

	Owned assets											ROUA		Total
	Freehold land	Leasehold land	Buildings roads and civil constructions on freehold land	Buildings roads and civil constructions on leasehold land	Plant & machinery (Note - 5.5)	Furniture, fittings and equipment	Tanks and pipelines	Computers and allied equipment	Vehicles* and production assets	Development and production assets	Decommissioning Cost	Sub total	Plant & Machinery	
<b>As at July 01, 2023</b>	111,138	1,336,908	3,153,946	5,085	95,725,953	1,316,324	16,070,782	1,453,722	859,672	131,517,754	31,768,920	283,320,204	1,513,423	284,833,627
Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / amortisation	-	(2,214,401)	(939,545)	(4,141)	(69,677,412)	(897,558)	(11,499,830)	(1,320,732)	(754,155)	(90,819,492)	(19,545,474)	(196,733,195)	(603,828)	(197,337,023)
<b>NBV</b>	<b>111,138</b>	<b>1,336,908</b>	<b>939,545</b>	<b>944</b>	<b>26,048,541</b>	<b>418,766</b>	<b>4,570,952</b>	<b>132,990</b>	<b>105,517</b>	<b>39,822,301</b>	<b>12,223,446</b>	<b>85,711,048</b>	<b>909,595</b>	<b>86,620,643</b>
<b>Year ended June 30, 2024</b>														
Additions (at cost)	-	-	60,625	-	8,128,351	292,462	1,051,515	180,799	1,365,599	12,127,486	2,448,614	25,655,451	-	25,655,451
Exchange differences / reclassifications	-	-	-	-	719,445	-	-	-	-	(9,430)	-	710,015	(733,536)	(23,521)
Disposals (at NBV)	-	-	(455)	-	(84)	(78)	-	(886)	-	-	-	(1,503)	-	(1,503)
Depreciation / amortisation charge	-	-	(120,497)	(133)	(5,911,314)	(79,307)	(1,145,602)	(98,226)	(79,345)	(10,955,623)	(3,577,036)	(21,967,083)	(176,059)	(22,143,142)
<b>NBV</b>	<b>111,138</b>	<b>1,336,908</b>	<b>879,218</b>	<b>811</b>	<b>28,984,939</b>	<b>631,843</b>	<b>4,476,865</b>	<b>214,677</b>	<b>1,391,771</b>	<b>40,984,734</b>	<b>11,095,024</b>	<b>90,107,928</b>	-	<b>90,107,928</b>
<b>As at July 01, 2024</b>														
Cost	111,138	1,336,908	3,206,753	5,085	105,345,517	1,596,204	17,122,297	1,625,596	2,212,025	143,635,809	34,217,534	310,414,866	-	310,414,866
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,327,535)	(4,274)	(76,340,578)	(964,361)	(12,645,432)	(1,410,919)	(820,254)	(101,775,114)	(23,122,510)	(219,430,977)	-	(219,430,977)
<b>NBV</b>	<b>111,138</b>	<b>1,336,908</b>	<b>879,218</b>	<b>811</b>	<b>28,984,939</b>	<b>631,843</b>	<b>4,476,865</b>	<b>214,677</b>	<b>1,391,771</b>	<b>40,984,734</b>	<b>11,095,024</b>	<b>90,107,928</b>	-	<b>90,107,928</b>
<b>Year ended June 30, 2025</b>														
Additions (at cost) / adjustments	77,995	(9,062)	278,147	1,500	4,285,021	137,061	778,614	369,669	636,723	9,951,505	(1,092,535)	15,414,648	-	15,414,648
Exchange differences / reclassifications	-	-	-	-	28,606	-	-	-	-	(14,595)	-	14,011	-	14,011
Disposals (at NBV)	-	-	-	-	(2,754)	(402)	-	(215)	(13,833)	-	-	(17,204)	-	(17,204)
Depreciation / amortisation charge	-	-	(115,009)	(171)	(5,222,903)	(101,798)	(893,697)	(106,249)	(315,461)	(9,458,200)	(883,137)	(17,096,625)	-	(17,096,625)
<b>NBV</b>	<b>189,133</b>	<b>1,327,856</b>	<b>1,042,356</b>	<b>2,140</b>	<b>28,072,909</b>	<b>666,704</b>	<b>4,361,782</b>	<b>477,882</b>	<b>1,699,200</b>	<b>41,463,444</b>	<b>9,119,352</b>	<b>88,422,758</b>	-	<b>88,422,758</b>
<b>As at June 30, 2025</b>														
Cost	189,133	1,327,856	3,476,278	6,585	109,401,996	1,714,263	17,867,695	1,967,239	2,828,039	153,598,572	33,124,998	325,502,654	-	325,502,654
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	(875,961)	-	(875,961)	-	(875,961)
Accumulated depreciation / amortisation	-	-	(2,433,922)	(4,445)	(81,329,087)	(1,047,559)	(13,505,913)	(1,489,357)	(1,128,839)	(111,259,167)	(24,005,646)	(236,203,935)	-	(236,203,935)
<b>NBV</b>	<b>189,133</b>	<b>1,327,856</b>	<b>1,042,356</b>	<b>2,140</b>	<b>28,072,909</b>	<b>666,704</b>	<b>4,361,782</b>	<b>477,882</b>	<b>1,699,200</b>	<b>41,463,444</b>	<b>9,119,352</b>	<b>88,422,758</b>	-	<b>88,422,758</b>
<b>Rate of depreciation / amortisation (%)</b>														
*	5	5	5	5	**	10	UoP	30	20	UoP	UoP	UoP		UoP
**														

\* Represents light and heavy vehicles.  
\*\* Amortisation on unit of production basis except for assets located at Holding Company's Head Office (HO) & Bolan Mining Enterprises (BME) which are amortised at 10%.

## 5.2 Summary of significant assets

The following assets have significant operational value to the Group:

Particulars	June 30, 2025		June 30, 2024	
	Cost	NBV	Cost	NBV
------(Rupees in thousand)-----				
<b>Head Office</b>				
Land for Head Office Building	1,315,076	1,315,076	1,315,076	1,315,076
<b>Sui Field</b>				
SML / SUL Compression and High Pressure Casings	5,638,919	-	5,638,919	-
Booster Compression Project - SML	2,891,124	776,171	2,891,124	913,418
Revamping of SML Compressors	5,570,448	3,993,336	5,504,035	4,633,047
<b>Adhi Field</b>				
LPG / NGL Plant III	4,653,217	1,278,048	4,649,726	1,515,774
<b>Kandhkot Field</b>				
Gas Compression Station	10,327,881	1,608,758	10,339,569	1,790,259
<b>Hala Field</b>				
Gas Processing Facility (GPF)	1,257,051	6,483	1,257,051	12,988
<b>Gambat South Field</b>				
Gas Processing Facility (GPF) II	10,842,068	4,577,894	10,844,529	5,041,825
GPF IV (Phase I & II)	4,340,257	2,603,466	4,340,257	2,869,188
GPF IV Compression	1,200,339	972,717	1,196,551	1,067,025
<b>Dhok Sultan Field</b>				
Oil Handling Facility	1,706,200	428,569	733,536	643,923
<b>Sawan Field</b>				
Front End Compression	7,602,001	48,885	7,604,471	67,411
Other Plant and Machinery	4,169,901	-	4,169,901	-
<b>Tal Field</b>				
Makori Central Processing Facility (CPF)	6,991,613	443,268	6,991,613	674,489
CPF Manzalai	3,157,148	30,322	3,157,148	46,139
<b>Nashpa Field</b>				
Nashpa LPG Plant	5,828,370	1,730,769	4,731,035	1,292,054
Wellhead Compression Project	1,188,301	326,087	1,188,301	450,174
<b>Latif Field</b>				
Reception / Tie-in Facility	1,165,465	9,409	1,165,465	15,448
<b>Kirthar Field</b>				
Kirthar Compression Project	1,330,210	856,078	1,353,360	1,135,431

## 5.3 Cost and accumulated depreciation include:

	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	Cost		Accumulated depreciation	
------(Rupees in thousand)-----				
Share in the Group operated joint operations	36,542,673	35,259,707	22,062,574	20,169,349
Share in partner operated joint operations - note 5.3.1	56,007,957	53,815,388	46,988,490	44,542,980
	<b>92,550,630</b>	<b>89,075,095</b>	<b>69,051,064</b>	<b>64,712,329</b>

**5.3.1** The assets pertaining to partner operated joint operations belong to various fields and are not in possession of the Group.

**5.3.2** The above figures represent assets under all areas excluding Sui and Kandhkot since these are 100% owned areas of the Holding Company.

**5.3.3** Vehicles amounting to Rs 1,564 million (2024: Rs 1,279 million) are kept as collateral with non-banking financial institutions, as disclosed in note 21 to these consolidated financial statements.

## 5.4 Capital work-in-progress

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
Plant, machinery, fittings and pipelines	12,722,370	10,911,395
Exploration and evaluation (E&E) assets	18,380,041	13,613,161
Development and production (D&P) assets	10,187,888	9,724,420
Lands, buildings and civil constructions	191,670	74,650
Advances to suppliers	611,849	709,064
Capital stores for drilling and development	14,074,171	12,622,490
- Net (charge) / reversal of impairment	(190,986)	116,644
	<b>13,883,185</b>	<b>12,739,134</b>
	<b>55,977,003</b>	<b>47,771,824</b>

### 5.4.1 Reconciliation of the carrying amount of capital work-in-progress

	Plant, machinery, fittings and pipelines	E&E assets	D&P assets	Lands, buildings and civil constructions	Capital stores for drilling and development	Advances to suppliers	Total
------(Rupees in thousand)-----							
<b>Balance as at June 30, 2023</b>	14,633,997	15,762,271	9,869,697	91,084	11,067,121	-	51,424,170
Capital expenditure incurred during the year (net) - note 5.4.2	7,100,368	7,237,932	9,945,086	44,191	1,559,141	709,064	26,595,782
Reversal of impairment of capital stores	-	-	-	-	116,644	-	116,644
Cost of dry well during the year	-	(7,023,943)	-	-	-	-	(7,023,943)
Exchange differences / reclassifications	-	-	(29,468)	-	(3,772)	-	(33,240)
Transferred to operating assets	(10,822,970)	(2,363,099)	(10,060,895)	(60,625)	-	-	(23,307,589)
<b>Balance as at June 30, 2024</b>	<b>10,911,395</b>	<b>13,613,161</b>	<b>9,724,420</b>	<b>74,650</b>	<b>12,739,134</b>	<b>709,064</b>	<b>47,771,824</b>
Capital expenditure incurred during the year (net) - note 5.4.2	8,031,743	18,827,182	6,832,072	395,822	1,320,530	(97,215)	35,310,134
Impairment of capital stores	-	-	-	-	(190,986)	-	(190,986)
Cost of dry well during the year	-	(10,036,940)	-	-	-	-	(10,036,940)
Exchange differences / reclassifications	-	-	45,030	-	14,507	-	59,537
Transferred to operating assets	(6,220,768)	(4,023,362)	(6,413,634)	(278,802)	-	-	(16,936,566)
<b>Balance as at June 30, 2025</b>	<b>12,722,370</b>	<b>18,380,041</b>	<b>10,187,888</b>	<b>191,670</b>	<b>13,883,185</b>	<b>611,849</b>	<b>55,977,003</b>

**5.4.2** Amounts under capital stores for drilling and development and advances to suppliers are net of consumption during the year.

**5.5** Plant and machinery includes major spare parts and standby equipment having cost of Rs 101.618 million (2024: Rs 94.067 million).

**5.6** None of the assets disposed off during the year have a book value of more than Rs 0.5 million except the following.

Asset description	Mode of disposal	Relationship	Particulars of Buyer	Cost	Net Book Value	Sale Proceeds	Gain / (Loss)
------(Rupees in thousand)-----							
<b>Plant and Machinery</b>	Tender	Joint Operation Partners	OGDCL	54,014	578	124,847	124,269
			UEP-BETA	186,553	2,058	270,207	268,149
<b>Vehicles</b>	Company policy	Ex-Employees	Tariq Hussain	8,184	6,831	7,372	541
			Mutawassam Ali	4,298	3,452	3,735	283
			Muhammad Sohail	4,316	3,550	3,836	286

**5.7 Particulars of immovable property in the name of the Holding Company (net share) are as follows**

Location	Total Area (Acreage)
<b>Freehold Land</b>	
Sui Field	2,488.71
Kandhkot Field	168.78
Mazarani Field	172.32
Khewali Pump Station (KPS)	14.84
<b>Leasehold Land</b>	
Plot No.3, CL-9, Civil Lines Quarters, Dr. Ziauddin Ahmed Road, Karachi	1.44
Kandhkot Field	777.02
Adhi Field	114.78
KPS	209.61

**5.8 Particulars of the Holding Company's business units, including plants, are as follows:**

S.No.	Business Unit	Address	Geographical location (Province / Emirate)	Plants
1	Head Office	P.I.D.C. House Dr. Ziauddin Ahmed Road P.O. Box 3942. Karachi-75530	Sindh	Not applicable
2	Regional Office	Gerry's Centre Justice Abdul Rasheed Road 7th Avenue, Sector G-6/1 Islamabad	Islamabad	Not applicable
3	PPLA Office	P.I.D.C. House Dr. Ziauddin Ahmed Road. Karachi	Pakistan	Not applicable
4	PPLA Office	6th Floor, One London Wall London	United Kingdom	Not applicable
5	PIOL Office	34th Floor, Al Maqam Tower ADGM Square, Al Maryah Island Abu Dhabi, United Arab Emirates	Abu Dhabi	Not applicable
6	PMPL Office	Petroleum House, 5th Floor, Ataturk House, G-5/2, Islamabad	Islamabad	Not applicable
7	Sui Gas Field	Sui, Dera Bugti	Balochistan	1) Gas Compression Station 2) Purification Plant 3) Gas Processing Facility
8	Adhi Field	District, Rawalpindi	Punjab	1) LPG Plant - I 2) LPG Plant - II 3) LPG / NGL Plant - III
9	Kandhkot Gas Field	District, Kashmore	Sindh	1) Dehydration Unit 2) Gas Compression Station
10	Gambat South Field	Districts Sanghar, Benazirabad and Matiari	Sindh	1) Gas Processing Facility - I 2) Gas Processing Facility - II 3) Gas Processing Facility - IV
11	Mazarani Gas Field	District, Qambar Shahdadt	Sindh	Gas Processing Facility
12	Chachar Gas Field	District, Kashmore	Sindh	Not applicable, since the gas is processed at Kandhkot Gas Field
13	Hala Field	Districts, Sanghar and Matiari	Sindh	Gas Processing Facility
14	Dhok Sultan	District, Attock	Punjab	Oil Handling Facility
15	Shah Bandar	District, Sujawal	Sindh	Third Party Processing Facility
16	BME	Districts, Khuzdar and Chagai	Balochistan	1) Grinding Mills 2) Crushing Plant

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
<b>5.9 The depreciation / amortisation charge has been allocated to</b>		
Operating expenses	16,675,404	21,974,475
Administrative expenses	421,221	171,215
	<u>17,096,625</u>	<u>22,145,690</u>

	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----		
<b>6. INTANGIBLE ASSETS</b>		
Computer software including ERP system - note 6.1	230,736	100,283
Intangible assets under development	-	23,448
	<u>230,736</u>	<u>123,731</u>

#### 6.1 Computer software including ERP system

	ERP System	Computer software	Total
------(Rupees in thousand)-----			
<b>As at July 01, 2023</b>			
Cost	450,870	1,646,374	2,097,244
Accumulated amortisation	(432,199)	(1,612,454)	(2,044,653)
<b>NBV</b>	<u>18,671</u>	<u>33,920</u>	<u>52,591</u>
<b>Year ended June 30, 2024</b>			
Additions (at cost)	-	88,519	88,519
Amortisation charge - note 30	(12,810)	(28,017)	(40,827)
<b>NBV</b>	<u>5,861</u>	<u>94,422</u>	<u>100,283</u>
<b>As at July 01, 2024</b>			
Cost	450,870	1,697,133	2,148,003
Accumulated amortisation	(445,009)	(1,602,711)	(2,047,720)
<b>NBV</b>	<u>5,861</u>	<u>94,422</u>	<u>100,283</u>
<b>Year ended June 30, 2025</b>			
Additions (at cost)	-	178,920	178,920
Amortisation charge - note 30	(2,344)	(46,123)	(48,467)
<b>NBV</b>	<u>3,517</u>	<u>227,219</u>	<u>230,736</u>
<b>As at June 30, 2025</b>			
Cost	378,866	1,791,863	2,170,729
Accumulated amortisation	(375,349)	(1,564,644)	(1,939,993)
<b>NBV</b>	<u>3,517</u>	<u>227,219</u>	<u>230,736</u>
<b>Rate of amortisation (%)</b>	20	33	

## 7. LONG-TERM INVESTMENTS

### Investments in related parties

#### - Wholly owned subsidiaries

PPPFTC - note 7.1

#### - Associates

##### Unquoted companies

- Pakistan International Oil Limited (PIOL) - note 7.2

Equity held: 25%

No. of shares: 8,500,000 (2024: 6,000,000) of

USD 10/- each

- Pakistan Minerals (Private) Limited (PMPL) - note 7.3

Equity held: 33.33%

No. of shares: 516,420,680 (2024: 4,000) of

Rs 10/- each

#### 7.1 The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

PPPFTC, a wholly owned subsidiary of the Holding Company, has neither made any profits nor incurred any losses from the date of its incorporation to June 30, 2025. The paid-up capital of PPPFTC is Rs 1,000 divided into 100 ordinary shares of Rs 10 each.

#### 7.2 Pakistan International Oil Limited (PIOL)

Offshore Block 5 was awarded to the Holding Company-led consortium in the Emirate of Abu Dhabi with each consortium company having 25% equity, through a separate entity, namely PIOL, incorporated in the Emirate of Abu Dhabi on July 15, 2021. Besides the Holding Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Energies Limited (MEL) and Government Holdings (Private) Limited (GHPL). The registered address of PIOL is 34th Floor, Al Maqam Tower, ADGM square, Al Maryah Island, Abu Dhabi, United Arab Emirates. Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021. During the year, field development plan for three pre-existing discoveries of PIOL has been approved and Production Concession Agreement has been signed with ADNOC.

Financial information of PIOL is summarised below, which is based on the audited financial statements of the associate for the year ended December 31, 2024, adjusted for the transactions and events up to June 30, 2025 based on unaudited financial statement.

	2025	2024
------(Rupees in thousand)-----		
<b>Investment in Associate</b>		
Opening carrying value as at July 01	12,265,444	5,560,044
Cost of investment	7,001,250	7,108,749
Holding Company's share of total comprehensive income / (loss) for the year	300,579	(92,766)
Foreign exchange differences on translation of foreign associate	326,668	(310,583)
Closing carrying value of investment as at June 30	<u>19,893,941</u>	<u>12,265,444</u>
<b>Summarised statement of financial position</b>		
Non-current assets	34,602,744	20,718,975
Current assets	54,841,662	35,630,718
Non-current liabilities	(734,361)	-
Current liabilities	(9,134,281)	(7,287,919)
Net assets	<u>79,575,764</u>	<u>49,061,774</u>
Holding Company's percentage shareholding in the associate	25%	25%
Holding Company's share in carrying value of net assets as at June 30	<u>19,893,941</u>	<u>12,265,444</u>
<b>Summarised statement of comprehensive income</b>		
Total comprehensive income / (loss) for the year	1,202,316	(371,062)
Holding Company's share of total comprehensive income / (loss) for the year (25%)	<u>300,579</u>	<u>(92,766)</u>

### 7.3 Pakistan Minerals (Private) Limited (PMPL)

The Holding Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDMC) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with collective representation of the Holding Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDMC is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDMC through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDMC is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Holding Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDMC. The SOEs have representation on the Boards of Holdcos and RDMC through PMPL.

PMPL through resolution dated May 14, 2025 has increased its paid-up capital by the issue of a further 1,549,250,040 ordinary shares of face value of Rs 10 each at a subscription price of Rs 100 each, through rights issue by offering the shares to existing members of PMPL, in proportion to their existing shareholding. Accordingly, the Holding Company has subscribed 516,416,680 ordinary shares of face value Rs 10 along with the premium. The total shares subscribed by the Holding Company in PMPL now stand at 516,420,680.

Financial information of PMPL is summarised below, which is based on the audited financial statements of the associate for the year ended June 30, 2025.

	2025	2024
----- (Rupees in thousand) -----		
<b>Investment in Associate</b>		
Opening Carrying Value as at July 01	51,788,810	50,008,954
Cost of investment	12,677,999	5,012,874
Holding Company's share of loss for the year	(645,029)	(2,234,241)
Holding Company's share of other comprehensive loss for the year	(1,056,040)	(998,777)
Closing carrying value of investment as at June 30	62,765,740	51,788,810
<b>Summarised statement of financial position</b>		
Non-current assets	205,792,601	168,601,657
Current assets	195,430	247,187
Non-current liabilities	(16,970,053)	(12,826,621)
Current liabilities	(184,999)	(15,137)
Net assets	188,832,979	156,007,086
Holding Company's percentage shareholding in the associate	33.33%	33.33%
Holding Company's share in carrying value of net assets	62,944,326	52,002,362
Others - exchange rate differences in equity contribution	(178,586)	(213,552)
Holding Company's share in carrying value of net assets as at June 30	62,765,740	51,788,810
<b>Summarised statement of comprehensive income</b>		
Loss for the year	(1,935,281)	(6,702,723)
Holding Company's share of loss for the year (33.33%)	(645,029)	(2,234,241)
Other comprehensive income - loss for the year	(3,168,437)	(2,996,332)
Holding Company's share of other comprehensive income - loss for the year (33.33%)	(1,056,040)	(998,777)
Total comprehensive income - loss for the year	(5,103,717)	(9,699,055)
Holding Company's share of total comprehensive income - loss for the year (33.33%)	(1,701,069)	(3,233,018)

Subsequent to the year end, the Holding Company has made further equity contribution amounting to Rs 6,032.775 million in PMPL.

June 30, 2025 June 30, 2024

----- (Rupees in thousand) -----

### 8. LONG-TERM LOANS

#### Unsecured and considered good

#### Long-term loans - staff - note 8.1

- Management staff - note 8.2
- Other employees

16,628	18,213
142,441	117,475
159,069	135,688
(6,196)	(6,555)
(42,998)	(33,513)
(49,194)	(40,068)
109,875	95,620

Less: Current maturities

- Management staff
- Other employees

8.1 These mainly represent house purchase / building, household appliances, generator and car / motorcycle loans disbursed to employees under the terms of employment and are recoverable by the Holding Company in accordance with the Holding Company's rules over a maximum period of ten years. The loans carry interest rate ranging from 1% to 10% (2024: 1% to 10%) per annum.

8.2 Reconciliation of the carrying amount of long-term loans to management staff

June 30, 2025 June 30, 2024

----- (Rupees in thousand) -----

Balance as on July 01  
Disbursements  
Repayments / adjustments  
Balance as on June 30

18,213	20,423
6,880	6,255
(8,465)	(8,465)
16,628	18,213

The maximum aggregate amount of loans due from the management staff at the end of any month during the year was Rs 19.295 million (2024: Rs 20.116 million).

### 9. LONG-TERM DEPOSITS

June 30, 2025 June 30, 2024

----- (Rupees in thousand) -----

#### Cash margin:

- For guarantee to International Bank of Yemen - note 9.1
- Others

1,683,750	1,683,750
7,676	7,676
1,691,426	1,691,426
(1,683,750)	(1,683,750)
7,676	7,676

Less: Current maturity of long-term deposits

9.1 The Production Sharing Agreement (PSA) for Yemen Block-29 (the Block) was entered into by the Ministry of Oil & Minerals of the Republic of Yemen (the Ministry of Yemen), OMV (Yemen) South Sanau Exploration GmbH (the Operator), Pakistan Petroleum Limited (the Holding Company) and Yemen General Corporation for Oil & Gas on April 13, 2008 and made effective on March 17, 2009.

The Holding Company placed a Standby Letter of Credit (the SBLC) amounting to USD 7.5 million through International Bank of Yemen (IBoY) on submission of counter guarantee through United Bank Limited (the Bank) against cash margin in Pakistani Rupees, to guarantee its performance under the PSA. Subsequently, the Holding Company assigned its Participating Interest in the Block to its wholly-owned subsidiary PPLE with effect from May 14, 2014.

The Operator, on behalf of the entities comprising Contractor of the PSA, served notice to the Ministry of Yemen through its letter dated April 21, 2015 of force majeure in accordance with Article 22 of the PSA in the Block. Further, on June 21, 2016, the Operator served a notice of termination of PSA pursuant to force majeure, to the Ministry of Yemen which became effective after ninety days from the date of notice of termination i.e. September 19, 2016.

Since then, there has been extensive correspondence among the Operator, the Ministry of Yemen and the Holding Company. In the latest correspondence, the Ministry of Yemen vide letter dated April 13, 2022 clarified that the SBLC automatically stands cancelled and its cancellation does not require any further action by the Ministry pursuant to provisions of PSA as the contractor has fulfilled its obligation by relinquishing the Block.

During the year, the Holding Company has initiated legal proceedings by filing a suit in the Honourable SHC against the Bank under Section 9 of the Financial Institutions (Recovery of Finances) Ordinance, 2001, seeking release of the SBLC.

## 10. STORES AND SPARES

Stores and spares  
Less: Provision for obsolete / slow moving stores and spares - note 10.1

	June 30, 2025	June 30, 2024
	9,226,454	7,230,575
	(416,005)	(368,614)
	<u>8,810,449</u>	<u>6,861,961</u>

### 10.1 Reconciliation of provision for obsolete / slow moving stores and spares:

Balance as on July 01  
Provision for the year - note 33  
Balance as on June 30

	368,614	316,655
	47,391	51,959
	<u>416,005</u>	<u>368,614</u>

## 11. TRADE DEBTS

### Unsecured and considered good

#### Related parties (note 11.1)

Central Power Generation Company Limited (GENCO-II) - note 11.4  
Sui Northern Gas Pipelines Limited (SNGPL)  
Sui Southern Gas Company Limited (SSGCL)  
Pakistan Refinery Limited (PRL)  
Pak-Arab Refinery Limited (PARCO)  
ENAR Petroleum Refining Facility (EPRF)  
Oil & Gas Development Company Limited (OGDCL)

	2,992,574	4,180,235
	267,617,084	265,433,842
	310,091,241	291,599,764
	54,417	169,627
	532,367	1,427,549
	224,471	184,824
	115,556	44,762
	<u>581,627,710</u>	<u>563,040,603</u>

#### Non-related parties

Attock Refinery Limited (ARL)  
National Refinery Limited (NRL)  
Others

	10,332,189	13,568,723
	565,549	522,362
	287,903	826,287
	<u>11,185,641</u>	<u>14,917,372</u>
	<u>592,813,351</u>	<u>577,957,975</u>

### Unsecured and considered doubtful Non-related party

Cnergyico Pk Limited (CENERGY) - note 11.5  
Less: Provision for doubtful debts

	253,002	253,002
	(253,002)	(253,002)
	<u>-</u>	<u>-</u>
	<u>592,813,351</u>	<u>577,957,975</u>

## 11.1 Maximum aggregate amount outstanding at any time during the year with respect to month end balance due from related parties, is as follows:

	June 30, 2025	June 30, 2024
	6,397,362	6,253,638
	268,153,280	272,980,242
	310,091,241	291,695,400
	1,485,354	3,179,960
	190,028	764,817
	350,053	288,617
	228,617	44,762
	<u>586,895,935</u>	<u>575,207,436</u>

## 11.2 The ageing of trade debts as at June 30 is as follows:

Neither past due nor impaired	31,781,570	40,334,669
Past due but not impaired:		
<b>Related parties</b>		
- within 90 days	31,066,788	35,430,120
- 91 to 180 days	38,512,176	42,534,667
- over 180 days	489,901,331	457,540,695
	<u>559,480,295</u>	<u>535,505,482</u>
<b>Non-related parties</b>		
- within 90 days	644,244	1,099,468
- 91 to 180 days	1,700	9,041
- over 180 days	905,542	1,009,315
	<u>1,551,486</u>	<u>2,117,824</u>
	<u>592,813,351</u>	<u>577,957,975</u>

11.3 Trade debts include overdue amount of Rs 559,347 million (2024: Rs 535,176 million) receivable from the State controlled companies and Rs 1,685 million (2024: Rs 2,447 million) overdue receivable from refineries and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Holding Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 3.1.2 to these consolidated financial statements, SECP has deferred the applicability of ECL model for the financial years ending on or before December 31, 2025 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivable from CENERGY as a result of disputes disclosed in note 11.5.

Based on the measures being undertaken by the GoP, including inter-corporate circular debt, the Group considers the overdue amounts to be fully recoverable and therefore, no provision for doubtful debts has been made in these consolidated financial statements, except for provision against receivable from CENERGY.

**11.4** As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade debts do not include GDS amounting to Rs 81,594 million (2024: Rs 77,266 million) as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has been billed to GENCO-II but has not been received by the Holding Company as at the date of statement of financial position.

**11.5** The Holding Company had filed a suit in the Honourable Sindh High Court (SHC) against CNERGY for recovery of overdue amount. In addition, the Holding Company filed a complaint against the officials of CNERGY on account of the willful default before the National Accountability Bureau (NAB). On the Holding Company's complaint, NAB filed a reference against the officials of CNERGY which is pending adjudication before the Accountability Court No. IV at Karachi. One of the accused officials of CNERGY, filed his plea bargain application by depositing an amount that covers the outstanding principal amount due to the Holding Company, which was allowed by the Accountability Court on October 24, 2020. The Holding Company received an amount of Rs 903.218 million from NAB against long outstanding receivables from CNERGY during financial year 2020-21. The provision for doubtful debts was reversed to the extent of recovery. As regards the remaining principal amount, the Holding Company has filed a constitutional petition against the NAB for recovery of the withheld amount, which is pending before the Honourable SHC. For late payment surcharge amount, the Holding Company's civil suit against CNERGY is pending before the district courts of Karachi after transfer of the case from the Honourable SHC.

## 12. LOANS AND ADVANCES

### Unsecured and considered good

Loans and advances to staff  
Advances to suppliers and others  
Advance payment of cash calls to joint operations - note 36

	June 30, 2025	June 30, 2024
	128,012	120,345
	150,923	111,659
	215,205	196,854
	<u>494,140</u>	<u>428,858</u>

## 13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits  
Prepayments

	399,290	138,927
	314,840	576,848
	<u>714,130</u>	<u>715,775</u>

## 14. INTEREST ACCRUED

Interest receivable on:  
- Short-term investments  
- Bank deposits

	924,563	993,334
	243,121	276,074
	<u>1,167,684</u>	<u>1,269,408</u>

## 15. OTHER RECEIVABLES

Receivable from related parties:  
SNGPL for Sui field services  
SSGCL for Sui field services  
PIOL  
Staff retirement benefit plans  
Current accounts with joint operations - note 36  
Indemnification asset  
Workers' Profit Participation Fund (WPPF) - note 15.1  
Sales tax - net  
Others - note 15.2

	37,632	36,131
	11,503	10,220
	189,044	281,323
	17,265	11,602
	1,273,655	1,739,650
	301,083	300,765
	224,011	872,390
	8,670,921	1,774,110
	423,378	322,360
	<u>11,148,492</u>	<u>5,348,551</u>

### 15.1 WPPF

Balance as at July 01  
Allocation for the year - note 33  
Net amount paid during the year  
Balance as at June 30

	872,390	172,659
	(6,275,989)	(7,827,610)
	5,627,610	8,527,341
	<u>224,011</u>	<u>872,390</u>

**15.2** It includes receivable from related parties i.e. (i) Rs 10.92 million (2024: 'Nil') from MEL with respect to the payments made by the Holding Company on its behalf for expenses related to Future Minerals Forum 2025 (ii) Rs 206.14 million (2024: 'Nil') from OGDCL against sale of inventory.

June 30, 2025 June 30, 2024

------(Rupees in thousand)-----

## 16. SHORT-TERM INVESTMENTS

### At amortised cost

- Local currency term deposits with banks - note 16.1  
- Foreign currency term deposits with banks - note 16.2  
- Local currency treasury bills - note 16.3  
- Pakistan Investment Bonds - note 16.4

	3,127,500	29,127,500
	43,929,498	35,652,656
	31,602,727	25,364,830
	80,448	410,047
	<u>78,740,173</u>	<u>90,555,033</u>

### At fair value through profit or loss

- Mutual funds

	-	18,810,419
	<u>78,740,173</u>	<u>109,365,452</u>

**16.1** These carry profit ranging from 9.00% to 16.00% (2024: 19.90% to 21.50%) per annum and are due to mature latest by March 2026. Further, it includes 'Nil' (2024: Rs 4,000 million) placed under a Shariah compliant arrangement.

**16.2** These represent foreign currency term deposits with banks amounting to USD 154.900 million (2024: USD 128.099 million) having effective interest rate ranging from 4.50% to 10.80% (2024: 7.51% to 10.80%) per annum and are due to mature latest by July 2025.

**16.3** These carry profit ranging from 11.02% to 11.83% (2024: 19.73% to 22.89%) per annum and are due to mature latest by December 2025. These bills were issued by the GoP and sold through State Bank of Pakistan. Further, as disclosed in note 21.1.2, T-Bills with carrying value of Rs 819.494 million (face value Rs 843.490 million) are pledged as collateral with Pak Oman Investment Company Limited.

**16.4** These carry profit ranging from 10.50% to 11.08% (2024: 20.49% to 20.72%) per annum and are due to mature latest by July 2025. These bonds were issued by the GoP and sold through State Bank of Pakistan.

## 17. CASH AND BANK BALANCES

### At banks

- Saving accounts  
Local currency - note 17.1  
Foreign currency - note 17.2

	5,467,838	6,075,232
	543,153	777,123
	<u>6,010,991</u>	<u>6,852,355</u>

- Current accounts  
Local currency  
Foreign currency

	345,342	320,571
	4,050	30,804
	<u>349,392</u>	<u>351,375</u>

### Cash in hand

	4,135	4,019
	<u>6,364,518</u>	<u>7,207,749</u>

**17.1** These carry profit at the rate ranging from 2.78% to 19.15% (2024: 6.50% to 20.85%) per annum. Further, it includes Rs 988.860 million (2024: Rs 51.769 million) placed under an arrangement permissible under Shariah.

**17.2** These carry profit at the rate ranging from 0.01% to 2.00% (2024: 0.01% to 4.00%) per annum. Further, it includes Rs 1.694 million (2024: Rs 1.662 million) placed under an arrangement permissible under Shariah.

## 18. SHARE CAPITAL

### Authorised

3,500,000,000 (2024: 3,500,000,000)  
ordinary shares of Rs 10 each

26,510 (2024: 26,510) convertible  
preference shares of Rs 10 each

### Issued

2,721,162,657 (2024: 2,721,162,657)  
ordinary shares of Rs 10 each - note 18.2

10,418 (2024: 10,418) convertible  
preference shares of Rs 10 each - note 18.3

### Subscribed and paid-up

683,078,299 (2024: 683,078,299) ordinary  
shares of Rs 10 each for cash - note 18.2

2,035,144,811 (2024: 2,035,144,811)  
ordinary shares of Rs 10 each issued  
as bonus shares

2,750,000 (2024: 2,750,000) ordinary shares of  
Rs 10 each for consideration other than cash  
under an Agreement for Sale of Assets dated  
March 27, 1952 with Burmah Oil Company Limited

9,344 (2024: 9,344) convertible preference  
shares of Rs 10 each for cash - note 18.3

1,074 (2024: 1,074) convertible preference  
shares of Rs 10 each issued as bonus shares

June 30, 2025	June 30, 2024
----- (Rupees in thousand) -----	
<b>35,000,000</b>	35,000,000
<b>265</b>	265
<b>35,000,265</b>	35,000,265
<b>27,211,626</b>	27,211,626
<b>104</b>	104
<b>27,211,730</b>	27,211,730
<b>6,830,783</b>	6,830,783
<b>20,351,449</b>	20,351,449
<b>27,500</b>	27,500
<b>27,209,732</b>	27,209,732
<b>93</b>	93
<b>11</b>	11
<b>27,209,836</b>	27,209,836

### 18.1 Movement in subscribed and paid-up share capital is as follows:

June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
----- (Number of Shares) -----		----- (Rupees in thousand) -----	
<b>2,720,973,110</b>	2,720,973,088	<b>27,209,732</b>	27,209,732
-	22	-	-
<b>2,720,973,110</b>	2,720,973,110	<b>27,209,732</b>	27,209,732

These fully paid ordinary shares carry one vote per share and right to dividend.

### 18.2 Issued, subscribed and paid-up capital

During June 2002, a rights issue of 653,170,040 ordinary shares of Rs 10 each was made to the existing shareholders, irrespective of the class. Out of the above, 189,547 (2024: 189,547) shares remained unsubscribed.

In July 2004, the GoP disinvested its shareholding, equivalent to 15% of the paid-up ordinary share capital (i.e. 102,875,500 ordinary shares) of the Holding Company through an Initial Public Offering. Whereas, in July 2014, the GoP completed the disinvestment of its 70,055,000 shares through a Secondary Public Offering. Consequently, the shareholding of the GoP in the Holding Company reduced to 67.51% of the paid-up ordinary share capital.

## 18.3 Convertible preference shares

In accordance with article 3(iv) of the Holding Company's Articles of Association, shareholders holding convertible preference shares have the right to convert all or any of their convertible preference shares into ordinary shares on the basis of one ordinary share for each convertible preference share converted, such conversion to take place upon the expiry of six months following service of written notice upon the Holding Company Secretary by the holders of such convertible preference shares to that effect. During the year, 'Nil' (2024: 22) convertible preference shares were converted into ordinary shares.

The convertible preference shares have right to a dividend ranking pari passu with the level of dividend payable to the holders of ordinary shares subject, however, to a maximum rate of thirty percent per annum of the value of the total number of such convertible preference shares held. The convertible preference shares issued by the Holding Company do not carry any fixed return.

## 19. RESERVES

### Capital reserve - note 19.1

#### Revenue and other reserves

- General and contingency reserve - note 19.2
- Insurance reserve - note 19.3
- Assets acquisition reserve - note 19.4
- Dividend equalisation reserve - note 19.5
- Foreign currency translation reserve - note 4.22
- Share of foreign currency translation reserve of the associated company - note 19.6
- Unappropriated profit

June 30, 2025	June 30, 2024
----- (Rupees in thousand) -----	
<b>1,428</b>	1,428
<b>69,761</b>	69,761
<b>34,021,894</b>	34,021,894
<b>23,751,980</b>	23,751,980
<b>2,535,354</b>	2,535,354
<b>7,085,260</b>	6,732,449
<b>8,973,960</b>	13,021,320
<b>601,374,010</b>	533,387,834
<b>677,812,219</b>	613,520,592
<b>677,813,647</b>	613,522,020

### 19.1 Capital reserve

This represents consideration for the surrender of the right of the Mari North Mining Lease. In accordance with the transfer agreement with the GoP, the foregoing consideration has to be carried forward as capital reserve and cannot be distributed.

### 19.2 General and contingency reserve

The reserve was built through appropriation from the available profit after taxation on a yearly basis to cater for unforeseen requirements. As at December 31, 1981, the balance available in the statement of profit or loss after appropriation of dividend for the year was transferred to the general and contingency reserve upon coming into effect of the Sui Gas Well-head Price Agreement, 1982 (1982 GPA), which required inclusion of this reserve as a part of the shareholders' funds for qualifying for return under the 1982 GPA (now dismantled). Since then, this balance has remained constant. This reserve can be utilised by the Holding Company only for the purpose specified in the 1982 GPA.

### 19.3 Insurance reserve

Due to difficulty in obtaining insurance policy for full value of the Holding Company's assets against terrorism, sabotage and civil commotion at reasonable premiums and deductibles, the Holding Company has built-up an insurance reserve for self-insurance cover against these risks.

The Holding Company has arranged terrorism cover from the international market up to the limit of liability of USD 100 million (Rs 28,360 million) for single occurrence, as well as, annual aggregate.

### 19.4 Assets acquisition reserve

In view of the declining hydrocarbon reserves profile of the Holding Company, it is intended to acquire sizeable producing reserves for which a separate assets acquisition reserve has been established.

### 19.5 Dividend equalisation reserve

During the year ended June 30, 2013, the Holding Company established a dividend equalisation reserve to maintain dividend declarations.

## 19.6 Share of foreign currency translation reserve of the associated company

This represents accumulated balance of effect of share of translation of a foreign operation into Pakistani Rupees of the associated company.

## 20. PROVISION FOR DECOMMISSIONING OBLIGATION

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
Balance at beginning of the year	46,548,776	42,760,318
- Provision during the year	709,093	686,760
- Revision due to change in estimates	(1,366,481)	1,692,081
- Exchange difference / payment during the year	(167,361)	(82,951)
- Unwinding of discount - note 32	2,235,820	1,492,568
Balance at end of the year	47,959,847	46,548,776

The above provision for decommissioning obligation is analysed as follows:

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
<b>Wells</b>		
Share in operated assets	24,927,679	23,181,524
Share in partner operated assets	11,134,409	10,253,897
<b>Production facilities</b>		
Share in operated assets	9,907,176	9,125,993
Share in partner operated assets	1,990,583	3,987,362
	47,959,847	46,548,776

## 21. LONG - TERM FINANCING

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
From Non-Banking Financial Institutions - Secured - note 21.1	1,617,389	1,266,285
Current maturity of long - term financing	(247,970)	(129,873)
	1,369,419	1,136,412

### 21.1 Non-Banking Financial Institutions - Secured

	Number of installments	Maximum Maturity Date	Markup profit rate per annum	Monthly instalment amount	Balance as at	
					June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----					
First Habib Modaraba 21.1.1	47-53 monthly	30 November 2029	3 Months Kibor + (from	20,397	868,945	978,366
Pak Oman Investment Company Limited 21.1.2	47-58 monthly	30 April 2030	0.84 to 0.94%)	16,591	748,444	287,919
					1,617,389	1,266,285

**21.1.1** This loan is obtained under a Shariah compliant arrangement and secured against the Holding Company's vehicles.

**21.1.2** This loan is secured against the Holding Company's vehicles. Additionally, a collateral in the form of government securities is held in an Investment Portfolio Services account with Pak Oman Investment Company Limited.

**21.1.3** These loans have been obtained to provide car facility to employees of the Holding Company as per the rules of service.

## 21.2 Reconciliation of long term financing

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
Opening	1,266,285	-
Loans obtained during the year	556,433	1,272,703
Loans repaid during the year	(205,329)	(6,418)
	351,104	1,266,285
Balance as on June 30	1,617,389	1,266,285

## 22. DEFERRED LIABILITIES

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
Post - retirement medical benefits - note 31.2.1	4,093,530	2,864,822
Leave preparatory to retirement - note 31.3	1,233,952	1,252,784
	5,327,482	4,117,606

## 23. DEFERRED TAXATION - NET

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
<b>(Deductible) / taxable temporary differences on:</b>		
Exploration expenditure	(1,785,175)	(1,836,663)
Deferred liabilities	(2,077,718)	(1,605,866)
Provision for windfall levy on oil / condensate	(22,690,452)	(19,888,086)
Provision for doubtful debts	(126,501)	(126,501)
Provision for obsolete / slow moving stores	(162,242)	(143,759)
Decommissioning cost	8,064,807	7,883,265
Accelerated tax depreciation allowances	2,866,305	3,201,156
Exploratory wells cost	10,719,775	8,945,101
Development and production expenditure	26,042,653	24,305,286
Others	1,908,525	(310,584)
	22,759,977	20,423,349

**23.1** During the year, the change in deferred taxation has been recognised in profit or loss, except for the deferred tax impact of Rs 81.67 million on account of exchange differences on translation of foreign associate and Rs 2,991.32 million on account of exchange differences on translation of foreign operation of the associate, which has been recognised in other comprehensive income.

## 24. TRADE AND OTHER PAYABLES

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	
Creditors	1,290,452	1,444,782
Accrued liabilities	14,135,214	13,048,083
Accrued mark-up / profit on long-term financing - note 24.2	5,353	12,011
Security deposits / advances from LPG distributors - note 24.3	1,052,480	1,457,356
Retention money	192,942	151,016
Federal excise duty	9,612	39,510
Royalties	4,132,795	13,953,801
Lease extension bonus - Sui gas field	374,226	45,072,924
Current accounts with joint operations - note 36	18,783,491	16,410,344
Staff retirement benefit funds - note 31.1.2	5,636,492	4,509,563
Provision for windfall levy on oil / condensate - note 25.1.7	36,304,674	31,895,178
Contractual obligations for Iraq EDPSC	-	1,309,467
Others	309,522	379,755
	82,227,253	129,683,790

**24.1** As disclosed in note 3.6.2 to the consolidated financial statements for the year ended June 30, 2021, trade and other payables do not include GDS amounting to Rs 81,594 million (2024: Rs 77,266 million) as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amount has not been paid to the GoP due to non-payment of the same by GENCO-II as at the date of statement of financial position.

- 24.2** This represents profit of Rs 5.353 million (2024: Rs 10.178 million) accrued in long term financing under Shariah compliant arrangements.
- 24.3** This includes advances received from customers against supply of LPG which will be recognised as revenue when the performance obligation is satisfied.

June 30, 2025	June 30, 2024
------(Rupees in thousand)-----	

## 25. CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

#### 25.1.1 Corporate guarantees

Corporate guarantees (including share of joint operations areas) issued to custom authorities, redeemable on receipt of necessary certification from regulatory authority or clarification from custom authorities.

-	896
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#### 25.1.2 Sales tax

The Holding Company has received various orders from the tax authorities raising demand of Rs 485 million on account of sales tax for different tax periods under the relevant provisions of the Sales Tax Act, 1990. Being aggrieved, the Holding Company is contesting the matter before various appellate forums.

The Appellate Tribunal Inland Revenue (ATIR), through recent orders, has disposed of the Holding Company's appeal for the tax periods from July 2020 to June 2021 (involving a tax demand of Rs 260 million), directing the Holding Company to approach the Federal Board of Revenue (FBR) for the constitution of an Alternate Dispute Resolution Committee (ADRC). Subsequent to the year end, the Holding Company filed a writ petition with the Islamabad High Court (IHC), challenging the ATIR's decision and has obtained a stay against the recovery of the tax demand.

The tax authorities passed an order dated January 10, 2025, raising a tax demand of Rs 39 million, along with default surcharge and penalty, on the alleged non-payment of sales tax on the disposal of fixed assets. The Holding Company had already discharged the applicable sales tax liability through the respective sales tax returns. Being aggrieved, the Holding Company paid 10% of the tax demand under protest and filed an appeal before the ATIR, which was disposed of by the ATIR with directions to approach the FBR for the constitution of an ADRC. Subsequent to the year end, the Holding Company filed a writ petition in the IHC, challenging ATIR's decision, and obtained a stay against the recovery of the tax demand.

#### 25.1.3 Income tax

The tax authorities have amended the assessments of the Holding Company for tax years 2003 to 2024, raising an aggregate demand of Rs 83,018 million (net of refund orders amounting to Rs 4,998 million). This demand primarily relates to super tax, windfall levy, tax credits under sections 65A, 65B, and 65E of the Income Tax Ordinance, 2001 (the Ordinance), rate issues and Holding Company's share of profit of Bolan Mining Enterprises. The Holding Company has paid or adjusted an amount of Rs 51,699 million out of the said aggregate demand.

The outstanding demand pertains to tax years 2003 to 2009, which has been stayed by the Honourable Sindh High Court (SHC), and super tax on agreement areas for tax years 2022 to 2024. The appeals in respect of the assessments made by the tax authorities are currently pending before the following appellate fora:

### Tax Year

2013, 2014, 2021, 2023 & 2024  
2003 to 2018  
2019 to 2023

### Appellate Forum

Islamabad High Court (IHC)  
Sindh High Court (SHC)  
Appellate Tribunal Inland Revenue (ATIR)

The Holding Company, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals on the aforesaid issues. However, as a matter of abundant caution, the Holding Company has continued to provide for tax liabilities primarily in respect of tax rates, decommissioning costs, super tax, and tax credits under sections 65A, 65B, and 65E relating to agreement areas, as well as other issues in its books of account. In the event that the appeals on these matters are decided in favour of the Holding Company, an amount of Rs 80,064 million will be credited to the profit or loss for that year.

As disclosed in note 26.1.3 in consolidated financial statements for the year ended June 30, 2024, additional refund orders aggregating to Rs 3,664 million for tax years 2014 to 2018 were also issued by the tax authorities during the year. With respect to the depletion allowance, the Holding Company is in the process of obtaining the effect of the Honourable SCP's order for appeals pending before the Honourable SHC for tax years 2003 to 2012.

During the year, the tax authorities, through an order dated January 30, 2025, levied super tax of Rs 11,998 million for tax year 2024. The super tax demand of Rs 430 million relating to non-agreement areas has been paid (under protest) by the Holding Company. The Holding Company filed an appeal before the ATIR, which was disposed of by the ATIR with directions to approach the ADRC. The Holding Company has filed a writ petition before the IHC, challenging ATIR's order. The Holding Company has also obtained a stay against the recovery of the remaining super tax demand of Rs 11,568 million, relating to income taxable under the Fifth Schedule to the Ordinance for tax year 2024.

During the year, appeals against assessment orders for tax years 2013, 2014, and 2021 were also disposed of by the ATIR with similar directions to approach the ADRC. The Holding Company has filed writ petitions before the IHC, challenging the ATIR's orders and has obtained stay against recovery.

During the year, the ATIR also disposed of the Holding Company's appeal under Section 4C of the Income Tax Ordinance, 2001, for tax year 2023, by directing the Holding Company to approach the ADRC. Subsequent to the year, the Holding Company filed a constitutional petition before the IHC and obtained a stay order against the recovery of the remaining super tax demand of Rs 9,569 million, relating to income taxable under the Fifth Schedule to the Ordinance.

During the year ended June 30, 2020, the Holding Company's tax return for tax year 2018 was selected for income tax audit. Based on the advice of its legal counsel, the Holding Company challenged the proceedings before the Honourable SHC. The Honourable SHC, vide order dated November 5, 2019, granted an interim stay.

Furthermore, the tax authorities have issued a show-cause notice intending to further amend the assessment of the Holding Company for the tax year 2019 on account of depletion allowance, tax credit under section 65B, and super tax relating to both non-agreement and agreement areas. Based on the advice of legal counsel, the Holding Company filed a constitutional petition challenging the impugned show-cause notice before the Honourable SHC. During the year, the Honourable SHC disposed of the Holding Company's petition and directed to peruse the case through departmental proceedings. Accordingly, the tax authorities passed an order dated April 29, 2025, raising a tax demand of Rs 340 million on account of depletion allowance on gathering and processing charges, which was paid under protest. The Holding Company has filed an appeal before the ATIR, which is currently pending. The tax authorities also passed an order dated April 26, 2025 on account of super tax, raising a tax demand of Rs 1,070 million. The Holding Company has paid under protest super tax of Rs 299 million relating to non-agreement areas and has filed an appeal before the ATIR, which is pending.

The Holding Company, based on the advice of its legal counsel, filed a constitutional petition before the Honourable SHC for tax years 2020 and 2021, challenging the retrospective withdrawal of tax credit under section 65B of the Ordinance vide the Finance Act, 2019. The petition was primarily filed on the ground that an enactment which prejudicially affects vested rights, the legality of past transactions, or impairs contracts cannot be given retrospective application.

The petition was decided by the Honourable SHC through a combined judgment dated February 07, 2023, in the Holding Company's favour. This judgment was challenged before the Honourable SCP by the tax authorities. The Honourable SCP, vide order dated September 18, 2024, modified the earlier order of the Honourable SHC, holding that:

a) Tax credit remains available at 10% in respect of the purchase and installation of machinery on or before June 30, 2019; and

b) Tax credit is not available where machinery was purchased on or before June 30, 2019, and installation was done after June 30, 2019.

In pursuance of the above SCP order, the tax authorities have issued assessment orders in respect of tax credit for tax years 2020 and 2021 amounting to Rs 490 million and Rs 320 million, respectively. The Holding Company has paid the said tax demands during the year.

Tax liabilities pertaining to the above order are already provided for by the Holding Company.

The Holding Company has challenged the vires of amendment made through Tax Laws Amendment Act 2024 in the Ordinance and the Sales Tax Act, 1990 before the IHC whereby it is now mandatory for State Owned Enterprises (SOEs) to apply for ADRC for resolution of tax disputes. IHC has granted interim stay against any recovery.

#### 25.1.4 Sindh Workers' Welfare Fund

The Holding Company received a notice from Sindh Revenue Board (SRB) requesting to pay the amount of Sindh Workers' Welfare Fund (SWWF) under the SWWF Act, 2014 for the tax year 2015. The Holding Company on the advice of its legal counsel, challenged the jurisdiction of the notice, and vires of SWWF Act, 2014 before the Honourable SHC. The Honourable SHC vide an interim order dated April 28, 2016 directed that no coercive action be taken against the Holding Company.

SRB passed order dated November 24, 2023, requiring the Holding Company to deposit Rs 2,061 million in SWWF account for the year ended June 30, 2022. The Holding Company filed an appeal against the aforesaid SRB order before Commissioner Appeals, SRB and filed a constitutional petition challenging the recovery notice before the Honourable SHC. The Honourable SHC was pleased to pass restraining order against SRB from taking any coercive action against the Holding Company.

Further, SRB has issued notice dated January 02, 2024 for initiating proceedings on show-cause notice dated November 05, 2018 for the year ended June 30, 2017. The Holding Company, through its external legal counsel has submitted written reply and the matter is pending adjudication.

Furthermore, SRB has issued a show cause notice dated March 12, 2024 for the payment of SWWF for the year ended June 30, 2023 demanding SWWF contribution along with penalties and surcharges. On June 12, 2024, SRB issued an order demanding the Holding Company to pay Rs 3,478 million. The Holding Company filed an appeal before Commissioner Appeals, SRB and filed a constitutional petition against the recovery notice. Accordingly, stay was granted by the Honourable SHC.

The Holding Company has challenged the applicability of the SWWF Act, 2014 asserting that the Holding Company is governed by federal law. Further, the Holding Company, based on its legal counsel's advice, is confident that the matter will be ultimately decided in favour of the Holding Company, therefore, no provision has been made in these consolidated financial statements.

During the year, the Honourable SHC has disposed of Suit No.1030 of 2016, in which the Holding Company had challenged the demand for Sindh Workers' Welfare Fund (SWWF) by the Sindh Revenue Board (SRB) on the grounds of being a trans-provincial entity. The Honourable SHC relied on the Council of Common Interests (CCI) decision (CCI.14/1/2019), which affirmed that Workers' Welfare Fund (WWF) and the Employees' Old-Age Benefits Institution (EOBI) shall remain under federal jurisdiction until a mutually agreed mechanism is established.

#### 25.1.5 Sindh Workers' Profit Participation Fund

The Holding Company received a notice dated March 7, 2018 from SRB requesting to provide certain information / details and to deposit the amount of Sindh Workers' Profit Participation Fund (SWPPF) from 2011 to 2016 in terms of the Sindh Companies Profit (Workers Participation) Act, 2015. The Holding Company on the advice of its legal counsel, challenged the vires of SWPPF Act, 2015 and has obtained an interim stay. Further, in view of the potential exposure involved, the Holding Company, on the advice of the legal counsel, has also obtained an interim stay from the Honourable SHC for the years 2017 to 2019 with the direction to deposit the leftover amount of SWPPF relating to Sindh before the Nazir of the Court, which has been duly complied with. The deposited amount before Nazir of SHC for the years 2017 to 2019 is Rs 3,434 million. The matter is now pending before the Honourable SHC for adjudication.

SRB issued a notice to the Holding Company on February 21, 2024, demanding payment of leftover amount of Workers' Profit Participation Fund (WPPF) for the year ended June 30, 2023. The Holding Company argued that being a trans-provincial entity, it falls under the ambit of the Companies Profit (Worker's Participation) Act, 1968, and is not obligated to make WPPF payments to SRB but rather to the Federal Government. The Holding Company also received notices from the Federal Board of Revenue (FBR) and the Ministry of Overseas Pakistanis and Human Resources Development claiming the payment of the said amount. The Holding Company sought clarification from FBR on the appropriate authority for payment, and FBR affirmed its authority through order dated March 22, 2024. Consequently, the Holding Company filed a lawsuit seeking declaration and permanent injunction against notice issued by SRB and the Ministry of Overseas Pakistanis and Human Resources Development, aiming to clarify the authority responsible to collect the WPPF amount. The Honourable SHC granted interim relief to the Holding Company on April 16, 2024, restraining any adverse actions against the Holding Company by the defendants.

#### 25.1.6 Others

The Honourable SHC vide its order dated August 3, 2017, in which the Holding Company was not a party, has held that tax disputes cannot be agitated under the original civil jurisdiction of the Honourable SHC. This decision by a Division Bench of the Honourable SHC impacts a number of suits and appeals filed by the Holding Company under the original civil jurisdiction of the Honourable SHC which are pending adjudication and where in interim restraining orders have also been obtained against the tax authorities.

In view of the considerable potential impact, the Holding Company, on the advice of its legal counsel, challenged the said judgment before the Honourable SCP. The Honourable SCP, vide its order dated June 27, 2018, has held that although tax cases can be argued under the original civil jurisdiction of the High Court, however, the SCP has made it conditional to the payment of at least 50 percent of the tax calculated into the Government treasury.

Subsequently, being aggrieved by the said condition of payment of 50 percent, the Holding Company, based on the advice of its legal counsel, filed a petition for review before the Honourable SCP. The said review petition is pending for adjudication.

#### 25.1.7 Contingency with respect to imposition of Windfall Levy on oil / condensate

The Holding Company is a working interest owner in the Tal Block Petroleum Concession Agreement (PCA), signed under the Petroleum Policy 1997 on February 11, 1999. Subsequently, the Holding Company, along with other working interest owners, signed the Supplemental Agreement for Tal block dated August 28, 2015 ("SA") with the President of Pakistan in accordance with the 'Conversion Regime' introduced in the Petroleum Exploration and Production Policy 2012 (PP 2012) as applicable at that date. This Conversion Regime under the PP 2012 was translated in the SA as a 'Conversion Package' that included revised price for exploration and production of petroleum products and Windfall Levy on Natural Gas only.

Notwithstanding the aforesaid settled status, the Ministry of Energy (Petroleum Division) revised PP 2012 (with the approval from the Council of Common Interests) through SRO 1290(I)/2017 dated December 27, 2017 (SRO), that inter alia provides (i) the PCAs executed under the 1994 and 1997 petroleum policies shall be amended to provide for imposition of Windfall Levy (restricted previously to Natural Gas in the SA) on oil / condensate; (ii) that such policy shall be applicable on those PCA's also whose SAs have been executed for conversion option before the policy revision; (iii) the SA already executed for availing conversion from 1994 & 1997 policies shall be amended within 90 days to give effect to this policy revision; and (iv) any entity not agreeing to amend the SA as aforesaid will revert back to prices as were applicable before the conversion and be rendered ineligible for the pricing incentive under the conversion.

This SA read with PP 2012 reveals that:

- i) Windfall Levy is applicable on exploration and production of natural gas only;
- ii) Such amendments are not applicable on concessions wherein SAs have been signed prior to the amendment in PP 2012; and
- iii) There is no provision or room for reverting to earlier pricing arrangement under the Conversion Package already executed before December 27, 2017.

The aforesaid view, which is not in line with the SRO, is duly supported by legal advice which inter alia states that the terms of none of the existing PCAs as amended to date by the existing SAs can be unilaterally revised by the GoP (through introduction of the 2017 Amendments), nor can the GoP lawfully require and direct that such amendments be made mandatorily to include imposition of Windfall Levy on Oil / Condensate (WLO) retrospectively and nor can the GoP unilaterally hold and direct that the gas pricing incentives to which the Holding Company is presently entitled and receiving under the existing 'Conversion Package' as enshrined in the existing SAs will stand withdrawn or that the Holding Company shall cease to be eligible for such incentives in the event of failure to execute the new SAs. Pursuant to the legal advice, the Holding Company along with other working interest owners of Tal Block, challenged the SRO in the Honourable Islamabad High Court and the Court has passed an order directing the parties to maintain status quo till the next date of hearing. The Islamabad High Court (IHC) on March 17, 2021 inquired from the Federation if the matter was placed before the Council of Common Interests (CCI). Also, IHC advised Petroleum Division to settle the matter keeping in view the repercussions of an international arbitration, if invoked in the matter. Most of the petitioners have already advanced final arguments before the Court. The stay order already granted remains in effect. The case was last fixed for hearing on February 13, 2025, however, the case was cancelled from the cause list on the said date and at present next date of hearing awaited.

The financial impacts of the price revision under the SA have been duly accounted for in the financial statements for the years ended from June 30, 2016 till June 30, 2025, on the completion of the process laid down in the law and in line with the Holding Company's accounting policy following the revised prices notified from time to time.

The WLO, if also applicable on oil / condensate will amount to approximately Rs 54,371 million for the period up to June 30, 2025. As mentioned above, the Holding Company based on the advice of its legal counsel, is confident that it has valid grounds to defend the aforesaid issue in the Court and that the issue will be decided in its favour. However, without prejudice to the Holding Company's legal contention and as a matter of abundant caution, the Holding Company has provided for the impact of WLO prospectively with effect from the date of the SRO i.e. December 27, 2017 and onwards in these financial statements, which till June 30, 2025 amounts to Rs 36,305 million (2024: Rs 31,821 million).

The cumulative impact of incremental revenue recorded in the books of accounts and profit after tax thereof is Rs 53,608 million and Rs 24,249 million respectively.

### 25.1.8 Other contingencies

a) The Holding Company had entered into a contract for the construction of 60 MMscfd gas processing plant (GPP-III) at Shahdadpur field in Gambat South block. The project was to be completed in October 2017. However, its completion was delayed due to failure by the Contractor to meet the project milestones and fulfil contractual obligations. Accordingly, the Holding Company has terminated the contract with effect from May 10, 2019 and has encashed the performance guarantee and advance payment guarantee, amounting to Rs 998 million and Rs 288 million, respectively. The Holding Company's share of encashment has been credited to the project cost under capital work-in-progress.

Further, the Contractor has initiated arbitration proceedings against the Holding Company in which it has filed a number of claims against the Holding Company. The Holding Company has filed a strong defence and raised counter-claims against the Contractor. Moreover, a number of litigations are pending adjudication between the Contractor and the Holding Company. The financial impact of the dispute, if any, cannot be reliably estimated at present. The Holding Company, after reviewing the claims made against it and consulting its legal counsel, is reasonably confident of an outcome in its favour.

b) The Holding Company is defending suits filed against it in various courts of Pakistan for sums aggregating Rs 2,957.110 million (2024: Rs 2,978.511 million), related to its business operations. The legal counsel is confident that these suits are expected to be decided in favour of the Holding Company and, accordingly, no provision has been made in these consolidated financial statements.

c) In the context of PPLE, the tax authorities have amended the assessments for the tax years 2004 to 2014 raising an aggregate demand of Rs 918 million, which relates to rate issue, depletion allowance and decommissioning cost. PPLE has paid / adjusted an amount of Rs 587 million out of the said aggregate demand and the remaining amount has either been stayed by the IHC or deleted / remanded back by the Commissioner Inland revenue, Appeals CIR(A), the appeal effect of which is pending before the tax authorities.

Further, the tax authorities have amended the assessment of PPLE for the tax years 2015 to 2020 and 2023, raising an aggregate demand of Rs 792 million; which primarily relates to the above said / other issues. PPLE has paid 10% of the said demand under protest (except for tax year 2020 for which rectification application was filed). PPLE has obtained stay orders in respect of remaining demand from CIR (A) / ATIR.

During the year, the appeal effect order was passed by the tax authorities giving effect to the direction of CIR(A) for the tax year 2015. Through the order, depletion allowance was decided in favour of PPLE while remaining disallowances have been decided against PPLE. An appeal has been filed before ATIR, which was disposed of by the ATIR with directions to approach ADRC in terms of section 134A of the Ordinance. The Holding Company has challenged the ATIR's order before the IHC through filing writ petition and has obtained stay against recovery of tax demand. Like-wise, an appeal filed by PPLE for tax year 2013 was also disposed of by the ATIR with directions to approach ADRC in terms of section 134A of the Ordinance. PPLE is in process to challenge ATIR's order before the IHC.

For tax year 2023, an appeal was filed with ATIR wherein, the ATIR maintained the disallowance with respect to windfall levy whereas remaining issues were remanded back. PPLE has filed an appeal in IHC and has obtained stay against recovery.

PPLE, based on the advice of its legal counsel, is confident that it has sound grounds to defend the appeals. However, as a matter of abundant caution, it continues to provide on rate issue and decommissioning cost which amounts to Rs 743 million for the tax years 2004 to 2020 and 2023.

d) The Holding Company has provided parent company guarantees (corporate guarantees) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents. In addition, due to the several liability of each consortium member of PIOL under the parent company guarantees, each consortium member has given Shareholders' Protection Guarantees (corporate guarantees) to PIOL and other consortium members to guarantee each other's share of obligations under the concession documents.

## 25.2 Commitments

25.2.1 The Holding Company has provided parent company guarantee to GoP in respect of PPLE's exploration licences in Pakistan i.e., Barkhan, Harnai and Ziarat.

25.2.2 Total Group's commitments for capital expenditure (net share) as at June 30, 2025 are Rs 1,117 million (2024: Rs 1,520 million). Further, total amount outstanding under letters of credit (net share) as at June 30, 2025 is Rs 2,058 million (2024: Rs 1,044 million).

25.2.3 With respect to PIOL (note 7.2), the Holding Company has entered into a Shareholders' Agreement with the consortium partners, under which the Holding Company has committed to invest up to USD 100 million in PIOL during five years' period from the date of initial investment, out of which USD 85 million have been invested till June 30, 2025.

25.2.4 With respect to PMPL (note 7.3), the Holding Company had earlier entered into a Joint Venture Agreement with the stakeholders, under which the Holding Company had committed to invest a total amount of up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. Subsequent to year end, the shareholders of the Holding Company has approved to increase the investment amount to USD 715 million to be adjusted for actual inflation and financing costs. However, after accounting for the expected project financing to be obtained by RDMC, the proportionate contribution by the Holding Company in the form of equity and shareholder loan will be reduced from USD 715 million to USD 391 million to be adjusted for actual inflation and financing costs. In addition, the Holding Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate contribution in the administrative expenses of PMPL. Furthermore, the Holding Company has provided a several corporate guarantee to fund the obligations of the Holding Company under the Definitive Agreements.

RDMC is in the final stages of concluding project financing arrangements for Phase-I of the Reko Diq project, with financial close expected in 2025. Subsequent to the year end, as part of the financing terms, the SOEs have agreed to provide joint and several Completion Guarantees for their pro rata contributory share (which is equal to 27.7778%) of RDMC's secured debt obligations. This guarantee will remain effective until the project achieves financial completion, i.e., the date when specific criteria are met to demonstrate the required level of commercial operations.

Furthermore, the Holding Company has also committed to enter into a Transfers Restriction Agreement required by the project lenders. This agreement mainly requires the SOEs, in aggregate, to maintain their existing shareholding percentage of 25% in RDMC until the project achieves financial completion. Post financial completion, the requirements are relaxed to maintain 10% shareholding in RDMC, until the project debt has been fully repaid.

The above-mentioned commitments are subject to regulatory approvals.

## 26. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Year ended June 30, 2025	Year ended June 30, 2024
	------(Rupees in thousand)-----	
Local sales	<b>277,541,653</b>	329,081,002
Federal excise duty	<b>(1,239,734)</b>	(1,371,542)
Sales tax	<b>(33,230,830)</b>	(37,646,844)
Petroleum Levy	<b>(453,413)</b>	(529,951)
Discounts (barytes)	<b>(29,732)</b>	(22,087)
	<b>(34,953,709)</b>	(39,570,424)
Local sales - net	<b>242,587,944</b>	289,510,578
Export sales - note 26.1	<b>2,389,085</b>	1,730,109
	<b>244,977,029</b>	291,240,687
Product wise break-up of sales is as follows:		
Natural gas	<b>181,575,253</b>	210,439,932
Federal excise duty	<b>(1,209,751)</b>	(1,340,832)
Sales tax	<b>(29,780,837)</b>	(33,856,129)
	<b>(30,990,588)</b>	(35,196,961)
	<b>150,584,665</b>	175,242,971
Gas supplied to Sui villages - note 27	<b>1,602,148</b>	1,545,848
Federal excise duty	<b>(14,978)</b>	(14,041)
Sales tax	<b>(244,395)</b>	(235,807)
	<b>(259,373)</b>	(249,848)
	<b>1,342,775</b>	1,296,000
Internal consumption of gas	<b>722,361</b>	774,925
Federal excise duty	<b>(6,750)</b>	(7,021)
Sales tax	<b>(110,165)</b>	(118,180)
	<b>(116,915)</b>	(125,201)
	<b>605,446</b>	649,724
Crude oil / Natural gas liquids / Condensate	<b>73,388,295</b>	93,874,559
LPG	<b>19,974,023</b>	22,282,258
Federal excise duty	<b>(8,255)</b>	(9,648)
Sales tax	<b>(3,051,766)</b>	(3,406,082)
Petroleum Levy	<b>(453,413)</b>	(529,951)
	<b>(3,513,434)</b>	(3,945,681)
	<b>16,460,589</b>	18,336,577
Barytes	<b>2,668,658</b>	1,893,589
Sales tax	<b>(43,667)</b>	(30,646)
Discounts	<b>(29,732)</b>	(22,087)
	<b>(73,399)</b>	(52,733)
	<b>2,595,259</b>	1,840,856
	<b>244,977,029</b>	291,240,687
<b>26.1 Break up of export sales is as follows:</b>		
Barytes	<b>2,352,664</b>	1,635,818
Crude oil / condensate	<b>36,421</b>	94,291
	<b>2,389,085</b>	1,730,109

## 27. OPERATING EXPENSES

	Year ended June 30, 2025	Year ended June 30, 2024
	------(Rupees in thousand)-----	
Salaries, wages, welfare and other benefits - note 30.1	<b>16,528,689</b>	13,978,708
Operators' personnel	<b>4,097,452</b>	3,998,298
Depreciation	<b>6,334,067</b>	7,441,816
Amortisation of decommissioning assets - note 5.1	<b>883,137</b>	3,577,036
Amortisation of D&P assets - note 5.1	<b>9,458,200</b>	10,955,623
Plant operations	<b>6,041,057</b>	5,025,385
Well interventions	<b>1,626,725</b>	1,740,584
Field services	<b>3,533,506</b>	3,388,638
Crude oil and barytes transportation	<b>1,511,766</b>	1,637,633
Travelling and conveyance	<b>729,547</b>	693,263
Training and development	<b>120,636</b>	107,573
PCA overheads	<b>546,169</b>	315,250
Insurance expenses	<b>1,100,759</b>	933,280
Free supply of gas to Sui villages - note 26	<b>1,602,148</b>	1,545,848
Social welfare / community development	<b>586,883</b>	552,714
	<b>54,700,741</b>	55,891,649
<b>28. ROYALTIES AND OTHER LEVIES</b>		
Royalties and others	<b>28,113,342</b>	33,825,415
Lease extension bonus	<b>5,791,450</b>	7,389,008
Windfall levy	<b>3,758,203</b>	4,235,145
	<b>37,662,995</b>	45,449,568
<b>29. EXPLORATION EXPENSES</b>		
Dry and abandoned wells	<b>10,001,016</b>	7,023,942
Other exploration expenditures	<b>8,543,839</b>	12,510,306
	<b>18,544,855</b>	19,534,248
<b>30. ADMINISTRATIVE EXPENSES</b>		
Salaries, wages, welfare and other benefits - note 30.1	<b>10,750,005</b>	8,672,422
Amortisation of intangible assets - note 6.1	<b>48,467</b>	40,827
Depreciation of leased and HO assets	<b>421,221</b>	171,215
Rent, rates and taxes	<b>382,681</b>	352,198
Utilities and communication	<b>159,384</b>	157,424
Travelling and conveyance	<b>231,002</b>	178,363
Training and development	<b>122,122</b>	75,760
Insurance expenses	<b>66,153</b>	55,485
Repairs, maintenance and supplies	<b>1,279,880</b>	1,243,222
Professional services	<b>351,280</b>	183,470
Auditors' remuneration - note 30.2	<b>59,449</b>	60,117
Donations and sponsorships - note 30.3 & 30.4	<b>250,677</b>	166,558
Contract services	<b>209,154</b>	162,094
Compliance and regulatory expenses	<b>79,156</b>	66,212
Advertisement, publicity and public relations	<b>134,721</b>	64,966
Other expenses	<b>89,653</b>	67,004
	<b>14,635,005</b>	11,717,337
Allocation to capital and operating expenditure	<b>(7,839,981)</b>	(6,406,833)
	<b>6,795,024</b>	5,310,504

**30.1** This includes expenditure in respect of provident fund, pension fund, gratuity fund and post-retirement medical benefits amounting to Rs 428.861 million, Rs 1,015.322 million, Rs 398.354 million and Rs 481.831 million, respectively (2024: Rs 427.584 million, Rs 814.885 million, Rs 369.367 million and Rs 482.730 million, respectively).

**30.2 Auditors' remuneration**

Annual audit fee  
- Holding Company  
- Subsidiary Companies

Limited review, special certifications  
Out of pocket expenses and others

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
	<b>8,426</b>	7,022
	<b>41,931</b>	38,261
	<b>6,320</b>	11,745
	<b>2,772</b>	3,089
	<b>59,449</b>	60,117

**30.3** Party wise details of donations in excess of 10 percent of the Holding Company's total amount of donations are given below:

**Name of Donees / Party**

University of Engineering, Lahore  
Tehzibul Akhlaq Trust  
Al-Shifa Trust Eye Hospital Sukkur  
Behbud Association of Pakistan

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
	<b>12,600</b>	17,500
	<b>10,500</b>	10,500
	<b>10,000</b>	-
	<b>10,000</b>	10,000

**30.4** There are no donations in which the directors of the Holding Company are interested.

**31. STAFF RETIREMENT BENEFITS**

**31.1 Funded post retirement pension and gratuity schemes**

As mentioned in note 4.13 to these consolidated financial statements, the Holding Company operates approved pension and gratuity schemes through approved trust funds. These funds are governed under Trusts Act, 1882, Trust Deed and Rules of Fund, the Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the funds are responsible to plan administration and investment. The Holding Company appoints the trustees. All trustees are employees of the Holding Company and the responsibility for governance of plan, including investment decisions and contribution schedule lies with Board of Trustees of the Funds.

**31.1.1 Fair value of plan assets and the present value of obligations**

The fair value of plan assets and the present value of defined benefit obligations of the pension and gratuity schemes at the valuation dates are as follows:

	Executive		Non-Executive		Total
	Pension	Gratuity	Pension	Gratuity	
June 30, 2025					
------(Rupees in thousand)-----					
Present value of defined benefit obligations - note 31.1.6	<b>16,062,420</b>	<b>1,962,064</b>	<b>9,135,766</b>	<b>3,545,750</b>	<b>30,706,000</b>
Fair value of plan assets - note 31.1.5	<b>(17,103,463)</b>	<b>(1,276,548)</b>	<b>(5,137,080)</b>	<b>(1,552,417)</b>	<b>(25,069,508)</b>
<b>Liability / (asset) recognised in the statement of financial position</b>	<b>(1,041,043)</b>	<b>685,516</b>	<b>3,998,686</b>	<b>1,993,333</b>	<b>5,636,492</b>

**31.1.2 Movement in amounts payable to / (receivable from) defined benefit plans**

	Executive		Non-Executive		Total
	Pension	Gratuity	Pension	Gratuity	
June 30, 2025					
------(Rupees in thousand)-----					
Balances as on July 01	<b>1,138,912</b>	<b>574,174</b>	<b>1,764,917</b>	<b>1,030,495</b>	<b>4,508,498</b>
Charge for the year - note 31.1.3	<b>616,774</b>	<b>159,368</b>	<b>398,548</b>	<b>238,986</b>	<b>1,413,676</b>
Payments during the year	<b>(500,830)</b>	<b>(147,324)</b>	<b>(176,968)</b>	<b>(72,053)</b>	<b>(897,175)</b>
Amount recognised in Other Comprehensive Income (OCI) for the year – note 31.1.4	<b>(2,295,899)</b>	<b>99,298</b>	<b>2,012,189</b>	<b>795,905</b>	<b>611,493</b>
<b>Balances as on June 30</b>	<b>(1,041,043)</b>	<b>685,516</b>	<b>3,998,686</b>	<b>1,993,333</b>	<b>5,636,492</b>

**31.1.3 Amounts recognised in profit or loss**

	Executive		Non-Executive		Total
	Pension	Gratuity	Pension	Gratuity	
June 30, 2025					
------(Rupees in thousand)-----					
Current service cost	<b>459,953</b>	<b>80,308</b>	<b>141,494</b>	<b>86,767</b>	<b>768,522</b>
Interest cost on defined benefit obligation	<b>2,251,342</b>	<b>235,639</b>	<b>894,296</b>	<b>356,231</b>	<b>3,737,508</b>
Interest income on plan assets	<b>(2,094,521)</b>	<b>(156,579)</b>	<b>(637,242)</b>	<b>(204,012)</b>	<b>(3,092,354)</b>
Charge for the year recognised in profit or loss	<b>616,774</b>	<b>159,368</b>	<b>398,548</b>	<b>238,986</b>	<b>1,413,676</b>
<b>Actual return on plan assets</b>	<b>3,151,067</b>	<b>240,581</b>	<b>982,199</b>	<b>227,640</b>	<b>4,601,487</b>

**31.1.4 Remeasurement recognised in other comprehensive income**

	Executive		Non-Executive		Total
	Pension	Gratuity	Pension	Gratuity	
June 30, 2025					
------(Rupees in thousand)-----					
Actuarial (gain) / loss on obligation	<b>(1,239,353)</b>	<b>183,300</b>	<b>2,357,146</b>	<b>819,532</b>	<b>2,120,625</b>
Actuarial (gain) / loss on assets	<b>(1,056,546)</b>	<b>(84,002)</b>	<b>(344,957)</b>	<b>(23,627)</b>	<b>(1,509,132)</b>
<b>Total remeasurements</b>	<b>(2,295,899)</b>	<b>99,298</b>	<b>2,012,189</b>	<b>795,905</b>	<b>611,493</b>

**31.1.5 Changes in fair value of plan assets**

	Executive		Non-Executive		Total
	Pension	Gratuity	Pension	Gratuity	
June 30, 2025					
------(Rupees in thousand)-----					
Fair value of plan assets at beginning of the year *	<b>14,283,371</b>	<b>1,083,425</b>	<b>4,491,705</b>	<b>1,481,755</b>	<b>21,340,256</b>
Interest income on plan assets	<b>2,094,521</b>	<b>156,579</b>	<b>637,242</b>	<b>204,012</b>	<b>3,092,354</b>
Transferred to defined contribution pension fund	<b>-</b>	<b>-</b>	<b>(21,818)</b>	<b>-</b>	<b>(21,818)</b>
Contributions / adjustments by the Holding Company	<b>500,830</b>	<b>147,324</b>	<b>176,968</b>	<b>72,053</b>	<b>897,175</b>
Benefits paid	<b>(831,805)</b>	<b>(194,782)</b>	<b>(491,974)</b>	<b>(229,030)</b>	<b>(1,747,591)</b>
Amount recognised in OCI for the year	<b>1,056,546</b>	<b>84,002</b>	<b>344,957</b>	<b>23,627</b>	<b>1,509,132</b>
<b>Fair value of plan assets at the end of the year</b>	<b>17,103,463</b>	<b>1,276,548</b>	<b>5,137,080</b>	<b>1,552,417</b>	<b>25,069,508</b>

\* This represents unaudited fair value of plan assets.

### 31.1.6 Changes in present value of pension and gratuity obligations

	Executive		Non-Executive		Total	
	Pension	Gratuity	Pension	Gratuity		
	June 30, 2025				June 30, 2024	
------(Rupees in thousand)-----						
Present value of obligations at beginning of the year	15,422,283	1,657,599	6,256,622	2,512,250	25,848,754	21,035,910
Current service cost	459,953	80,308	141,494	86,767	768,522	616,828
Interest cost	2,251,342	235,639	894,296	356,231	3,737,508	3,335,038
Transferred to defined contribution pension fund	-	-	(21,818)	-	(21,818)	-
Benefits paid	(831,805)	(194,782)	(491,974)	(229,030)	(1,747,591)	(2,133,319)
Amount recognised in OCI for the year	(1,239,353)	183,300	2,357,146	819,532	2,120,625	2,994,297
<b>Present value of obligations at the end of the year</b>	<b>16,062,420</b>	<b>1,962,064</b>	<b>9,135,766</b>	<b>3,545,750</b>	<b>30,706,000</b>	25,848,754

### 31.1.7 Break-up of plan assets

The major categories of plan assets as a percentage of total plan assets of pension and gratuity schemes are as follows:

	Rate of return %	Executive		Non-Executive		Executive		Non-Executive	
		Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
		June 30, 2025				June 30, 2024			
<b>Pension Fund</b>									
Government securities	8.00 - 18.49	9,646,658	56	3,444,530	67	6,310,823	44	2,304,696	51
Shares / mutual funds	-	1,986,872	12	709,101	14	2,080,463	14	826,919	18
Term finance certificates	13.09	59,691	-	-	-	85,911	1	10,090	1
National savings certificates	13.01	2,006,533	12	669,774	13	1,856,919	13	619,881	14
Cash and bank deposits	8.00 - 11.50	3,403,709	20	313,675	6	3,949,255	28	729,054	16
<b>Total</b>		<b>17,103,463</b>	<b>100</b>	<b>5,137,080</b>	<b>100</b>	<b>14,283,371</b>	<b>100</b>	<b>4,490,640</b>	<b>100</b>
<b>Gratuity Fund</b>									
Government securities	8.00 - 14.00	645,088	50	872,471	56	349,180	32	752,645	51
Shares / Mutual funds	-	168,517	13	233,528	15	244,183	23	329,295	22
Term finance certificates	13.09	19,972	2	24,965	2	23,051	2	29,329	2
National savings certificates	13.01	262,386	21	211,846	14	242,871	22	196,104	13
Cash and bank deposits	8.00 - 11.50	180,585	14	209,607	13	224,140	21	174,382	12
<b>Total</b>		<b>1,276,548</b>	<b>100</b>	<b>1,552,417</b>	<b>100</b>	<b>1,083,425</b>	<b>100</b>	<b>1,481,755</b>	<b>100</b>

### 31.1.8 Sensitivity analysis

	Executive		Non-Executive		Executive		Non-Executive	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
	June 30, 2025				June 30, 2024			
------(Rupees in thousand)-----								
<b>Pension</b>								
Salary rate sensitivity	755,251	(678,335)	342,045	(312,227)	733,691	(658,218)	156,492	(143,766)
Pension rate sensitivity	1,310,558	(1,125,436)	484,490	(413,187)	1,242,408	(1,069,293)	304,194	(261,732)
Discount rate sensitivity	(1,750,766)	2,136,578	(782,245)	931,960	(1,677,654)	2,044,221	(497,483)	585,857
<b>Gratuity</b>								
Salary rate sensitivity	132,840	(119,056)	151,502	(138,831)	37,250	(31,913)	67,772	(62,287)
Discount rate sensitivity	(126,061)	143,358	(181,598)	202,324	(97,582)	110,564	(111,782)	124,564

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

### 31.1.9 Maturity profile of the defined benefit obligations

	June 30, 2025			
	Executive		Non-Executive	
	Pension	Gratuity	Pension	Gratuity
Weighted average duration (years)	10.9	6.99	8.56	5.8
------(Rupees in thousand)-----				
Distribution of timing of benefit payments (time in years)				
1	749,428	188,316	692,300	441,810
2	906,394	250,182	850,077	586,637
3	1,246,953	218,437	827,152	537,762
4	1,159,429	241,496	1,318,830	868,667
5	1,256,154	273,301	1,076,166	627,573
6-10	8,467,780	1,368,166	5,065,446	2,240,585

**31.1.10** The Holding Company expects to contribute Rs 1,074.626 million (2024: Rs 1,413.676 million) to the pension and gratuity funds in the next financial year.

### 31.2 Unfunded post-retirement medical benefits

**31.2.1** The Holding Company provides free medical facilities to its management and non-management retired employees, as mentioned in note 4.13 to these consolidated financial statements. The latest actuarial valuation for post-retirement medical benefits was carried out as at June 30, 2025, results of which are as follows:

	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----		
Present value of defined benefit obligations - notes 22 and 31.2.4	<b>4,093,530</b>	2,864,822

### 31.2.2 Movement in the liability recognised in the statement of financial position is as follows:

Balance as at July 01	<b>2,864,822</b>	2,617,730
Charge for the year - notes 30.1 & 31.2.3	<b>481,830</b>	482,730
Payments during the year	<b>(197,465)</b>	(170,163)
Amounts credited to OCI	<b>944,343</b>	(65,475)
<b>Balance as at June 30</b>	<b>4,093,530</b>	2,864,822

### 31.2.3 Amounts recognised in profit or loss

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
Current service cost	<b>63,511</b>	61,079
Interest cost	<b>418,319</b>	421,651
	<b>481,830</b>	482,730

### 31.2.4 Changes in present value of post-retirement medical obligations

Balance as at July 01	<b>2,864,822</b>	2,617,730
Current service cost	<b>63,511</b>	61,079
Interest cost	<b>418,319</b>	421,651
Benefits paid	<b>(197,465)</b>	(170,163)
Amounts credited to OCI	<b>944,343</b>	(65,475)
<b>Balance as at June 30</b>	<b>4,093,530</b>	2,864,822

### 31.2.5 Sensitivity analysis

	1% increase	1% decrease
	----- (Rupees in thousand) -----	

Medical cost trend rate sensitivity	484,165	311,192
Discount rate sensitivity	(497,801)	(322,905)

**31.2.6** The Holding Company expects to contribute Rs 568.764 million (2024: Rs 481.830 million) to the unfunded post-retirement medical benefits in the next financial year.

**31.2.7** The weighted average duration of the defined benefit obligation works out to 11.98 years (2024: 11.14 years) in respect of management and 12.42 years (2024: 11.51 years) in respect of non-management retired employees.

### 31.3 Leave preparatory to retirement

	June 30, 2025	June 30, 2024
	----- (Rupees in thousand) -----	

Balance as at July 01	1,252,784	987,531
Charge for the year - note 30.1	(10,648)	285,227
	1,242,136	1,272,758
Payments / adjustments during the year	(8,184)	(19,974)
<b>Balance as at June 30 - note 22</b>	<b>1,233,952</b>	<b>1,252,784</b>

### 31.4 Principal actuarial assumptions

	Per annum	
	June 30, 2025	June 30, 2024
- discount rate	11.75%	14.75%
- expected rate of increase in salaries	11.75%	14.75%
- expected rate of increase in pension	7.75%	10.75%
- expected rate of escalation in medical cost	8.75%	10.75%
- death rate / mortality rate	SLIC (2001-05)	

### 31.5 Description of the risks to the Group

The defined benefit plans expose the Group to the following risks:

**Withdrawal risks** - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

**Mortality risks** - The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit. Especially in the case of pension and post-retirement medical benefit, there is an additional longevity risk after cessation of service that the mortality will improve and the benefit is payable for longer period of time.

**Investment risks** - The risk of the investment underperformance and being not sufficient to meet the liabilities.

**Final salary risks** - The risk that the final salary at the time of cessation of service is greater than what was assumed.

**Medical escalation risk** - The risk that the cost of post-retirement medical benefits will increase.

**Discount rate risk** - The risk that the decrease in discount rate will increase the plan liabilities.

### 32. FINANCE COSTS

	Year ended June 30, 2025	Year ended June 30, 2024
	----- (Rupees in thousand) -----	

Financial charges for lease liabilities	-	77,736
Unwinding of discount on decommissioning obligation - note 20	2,235,820	1,492,568
Mark-up / profit on long-term financing - note 32.1	197,236	27,255
Others	50,323	51,021
	<b>2,483,379</b>	<b>1,648,580</b>

**32.1** This includes an amount of Rs 131.188 million (2024: Rs 25.681 million) under Shariah compliant arrangement.

### 33. OTHER CHARGES

	Year ended June 30, 2025	Year ended June 30, 2024
	----- (Rupees in thousand) -----	

WPPF charge - note 15.1	6,275,989	7,827,610
Provision for windfall levy on oil / condensate - note 25.1.7	4,483,737	7,473,000
Exchange loss on foreign currency (net)	209,188	2,287,245
Charge of provision for obsolete / slow moving stores and spares - note 10.1	47,391	51,959
Write off / (reversal) / impairment of property, plant and equipment - note 5.4	190,986	(116,644)
Levy - notes 4.17 & 35.2	555,756	792,013
Others	-	11,374
	<b>11,763,047</b>	<b>18,326,557</b>

### 34. OTHER INCOME

#### Income from financial assets

Income on loans and bank deposits - note 34.1	1,687,967	1,744,914
Income on local currency term deposits - note 34.2	721,504	2,475,036
Income on foreign currency term deposits	3,082,522	3,383,632
Income from investment in treasury bills	9,834,643	6,058,559
Reversal of provision for doubtful debts	-	169,454
Dividend income / gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	2,223,024	3,098,846
	<b>17,549,660</b>	<b>16,930,441</b>

#### Income from assets other than financial assets

Rental income on assets	3,869	5,137
Gain on disposal of property, plant and equipment (net)	749,976	180,934
Insurance claim - note 34.3	2,863,701	285,277
Final Settlement with MdOC - note 1.3	2,899,524	-
Others	118,803	125,073
	<b>6,635,873</b>	<b>596,421</b>
	<b>24,185,533</b>	<b>17,526,862</b>

**34.1** This includes profit amounting to Rs 9.127 million (2024: Rs 13.381 million) under a Shariah compliant arrangement.

**34.2** This includes profit amounting to Rs 65.493 million (2024: Rs 9.005 million) under a Shariah compliant arrangement.

**34.3** As disclosed in note 5.4.3 to the consolidated financial statements for the year ended June 30, 2023, a fire incident occurred at a warehouse located in the Holding Company's partner operated field - Tal Block. Initially, an insurance claim of USD 27 million (the Holding Company's share: USD 7.5 million) was filed by the Operator of the block. Subsequently, the loss adjuster has issued the final total assessment of the claim based on market value at USD 40.1 million (the Holding Company's share: USD 11.1 million). During the year, the Holding Company has received USD 10.178 million (Rs 2,846.027 million) against its aforementioned insurance claim and recognised the income accordingly.

### 35. TAXATION

Provision for taxation for the year ended June 30, 2025 has been calculated on the basis of tax rates of 55%, 52.5% and 40% for onshore agreement areas. The corporate and BME income is taxed at 29% being non-agreement areas. In addition, super tax at 10% has been provided on all income streams of the Holding Company for the tax year 2025.

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
Current		
- for the year - note 35.1	<b>48,035,703</b>	64,821,953
- for prior years (net)	<b>(380,614)</b>	(14,442,015)
	<b>47,655,089</b>	50,379,938
Deferred - note 35.1	<b>(736,359)</b>	(5,577,967)
	<b>46,918,730</b>	44,801,971

**35.1** Current tax includes provision for super tax imposed by the GoP at the rate of 10% (2024: 10%) amounting to Rs 10,219.211 million (2024: Rs 13,124.878 million) on the taxable income of the Holding Company during the year, while the impact of said provision on deferred tax amounts to Rs 289.117 million (2024: Rs 915.355 million) at the rate of 10% (2024: 10%).

**35.2** Reconciliation of current tax expense charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
Current tax liability for the year as per applicable tax laws	<b>48,591,459</b>	65,613,966
Portion of current tax liability as per tax laws, representing income tax under IAS 12	<b>(48,035,703)</b>	(64,821,953)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 - note 33	<b>(555,756)</b>	(792,013)
Difference	<b>-</b>	-

**35.3** The aggregate of final tax and income tax amounting to Rs 48,591.459 million (2024: 65,613.966 million) represents tax liability of the Holding Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

#### 35.4 Relationship between accounting profit and taxation

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
Accounting profit for the year before taxation	<b>136,868,071</b>	160,279,436
Tax on accounting profit at applicable rate of 41.89% (2024: 42.82%)	<b>57,333,591</b>	68,627,372
Tax effect of:		
- Depletion allowance	<b>(15,801,353)</b>	(19,076,715)
- Royalty allowed for tax purposes	<b>(4,421,340)</b>	(5,566,972)
- Impairment loss	<b>(931,200)</b>	-
- Unwinding of discount on decommissioning obligation	<b>1,036,384</b>	681,796
- Tax income relating to prior years	<b>(380,614)</b>	(14,442,015)
- Decommissioning cost	<b>643,353</b>	1,490,155
- Super tax	<b>9,930,094</b>	12,209,523
- Others	<b>(490,185)</b>	878,827
	<b>46,918,730</b>	44,801,971
Effective tax rate %	<b>34.28%</b>	27.95%

### 36. DETAILS OF EXPLORATION, PRODUCTION AND MINING AREAS / FIELDS

The areas in which the Group has working interest are as follows:

Name of Field	Operator	Percentage of the Group's working interest as at	Net Balance (Payable) / Receivable	Net Balance (Payable) / Receivable
		June 30, 2025	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----				
<b>Producing Fields</b>				
1 Adhi	PPL	39.00	(1,535,906)	(1,403,078)
2 Dhok Sultan (EWT Phase)	PPL	75.00	(438,563)	(236,602)
3 Gambat South	PPL	65.00	(1,472,317)	(1,664,704)
4 Hala	PPL	65.00	(63,480)	(132,328)
5 Kandhkot	PPL	100.00	-	-
6 Kandhkot East (Chachar)	PPL	75.00	11,730	17,440
7 Mazarani	PPL	87.50	86,307	110,064
8 Shah Bandar	PPL	63.00	(441,359)	(66,586)
9 Sui	PPL	100.00	-	-
10 Block 22	PEL	35.53	(191,580)	(113,506)
11 Digri	UEPL	25.00	(76,180)	(41,684)
12 Ghauri (Dharian EWT Phase)	MEL	35.00	(46,947)	(43,880)
13 Kirthar	POGC	30.00	(1,083,292)	(1,345,228)
14 Kotri North (Takri EWT Phase)	UEPL	40.00	(762,473)	(29,034)
15 Latif	UEP-BETA	33.30	(251,652)	(1,075,929)
16 Miano	UEP-BETA	15.16	(303,616)	(169,653)
17 Nashpa	OGDCL	28.55	(2,113,670)	(1,048,691)
18 Qadirpur	OGDCL	7.00	(269,376)	(99,301)
19 Sawan	UEP-BETA	34.07	(829,714)	(314,189)
20 Tal	MOL	27.76	(2,256,989)	(2,035,144)
21 Ziarat	MEL	40.00	(854,270)	(1,071,419)

Name of Field	Operator	Percentage of the Group's working interest as at	Net Balance (Payable) / Receivable	Net Balance (Payable) / Receivable	
		June 30, 2025	June 30, 2025	June 30, 2024	
------(Rupees in thousand)-----					
<b>Exploration Blocks</b>					
1	Block 2566-6 (Bela West)	PPL	58.50	54,387	152,254
2	Block 3371-15 (Dhok Sultan) - note 36.1	PPL	75.00	-	-
3	Block 2568-18 (Gambat South) - note 36.1	PPL	65.00	-	-
4	Block 2568-13 (Hala) - note 36.1	PPL	65.00	-	-
5	Block 2969-8 (Barkhan) - note 36.2	PPL	100.00	(5,175)	(26,850)
6	Block 3372-23 (Hisal)	PPL	62.50	(221,295)	(15,178)
7	Block 2866-2 (Kalat)	PPL	100.00	4,979	(999,700)
8	Block 2763-3 (Kharan)	PPL	100.00	4,481	(4,850)
9	Block 2764-4 (Kharan-East)	PPL	100.00	(24,219)	(22,978)
10	Block 2766-1 (Khuzdar)	PPL	100.00	(720,481)	(29,881)
11	Block 2866-4 (Margand)	PPL	100.00	(19,705)	37,993
12	Block 3069-10 (Musakhel)	PPL	37.20	(66,084)	(67,788)
13	Block 2668-9 (Naushahro Firoz)	PPL	100.00	(57,925)	(42,519)
14	Block 2864-2 (Nausherwani)	PPL	97.50	12,459	(3,759)
15	Block 3073-5 (Punjab)	PPL	47.50	(12,647)	18,697
16	Block 2467-16 (Shah Bandar) - note 36.1	PPL	63.00	-	-
17	Block 2468-10 (Sirani)	PPL	75.00	(529,996)	(23,227)
18	Block 2768-13 (Sorah)	PPL	100.00	(38,351)	(46,050)
19	Block 3070-13 (Baska)	PPL	82.50	(18,672)	(610,397)
20	Block 2869-15 (Sui North) - note 36.3	PPL	47.50	98,078	31,995
21	Block 2866-15 (Kalat West) - note 36.4	PPL	47.50	13,097	(99,084)
22	Block 3273-3 (Ghauri) - note 36.1	MEL	35.00	-	-
23	Block 2866-3 (Khuzdar North)	OGDCL	25.00	(20,333)	(26,107)
24	Block 2667-7 (Kirthar) - note 36.1	POGC	30.00	-	-
25	Block 2568-21 (Kotri North) - note 36.1	UEPL	40.00	-	-
26	Block 2867-5 (Kuhan) - note 36.5	UEP-BETA	35.00	(2,084,509)	(1,270,354)
27	Block 2669-3 (Latif) note 36.1	UEP-BETA	33.30	-	-
28	Block 3370-10 (Nashpa) - note 36.1	OGDCL	30.00	-	-
29	Block 3070-16 (Pezu)	OGDCL	30.00	(15,226)	(38,846)
30	Block 3072-8 (Shakarganj West)	OGDCL	50.00	(48,453)	(76,161)
31	Block 3069-9 (Suleiman) - note 36.6	OGDCL	47.50	(85,770)	(143,554)
32	Block 3370-3 (Tal) - note 36.1	MOL	30.00	-	-
33	Block 2967-5 (Mach)	MEL	28.50	(5,193)	(4,534)
34	Block 2867-6 (Dadhar)	MEL	28.50	(7,252)	(5,800)
35	Block 3168-2 (Shaigalu) - note 36.7	PPL	38.00	25,694	32,616
36	Block 3068-8 (South Pishin)	MEL	35.00	(16,288)	(16,878)
37	Block 3067-8 (Lugai)	OGDCL	30.00	(17,987)	(2,300)
38	Block 3167-3 (Tanishpa) - note 36.8	OGDCL	34.13	(17,667)	(1,979)
39	Block 2568-20 (Sukhpur) - note 36.9	PIOGCL	30.00	-	9,213
40	Block 2667-12 (Baran)	POGC	31.00	(161,326)	(24,282)
41	Block 2668-25 (Gambat-II)	PPL	70.00	23,518	(21,788)
42	Block 2666-1 (Saruna West)	POL	30.00	(2,087)	(3,246)
43	Block 3067-3 (Harnai)	MEL	40.00	(23,579)	(30,193)
44	Block 2967-2 (Ziarat) -36.1	MEL	40.00	-	-
45	EL 207 (Chagai)	DEW	49.00	(143,792)	-
<b>Offshore Blocks</b>					
46	Block 2366-7 (Indus-C)	PPL	100.00	(10,627)	(123,998)
<b>Exploration Blocks (Outside Pakistan)</b>					
1	Block-3 (Yemen)	TOTAL	20.00	(272,540)	(213,786)
	Other areas - note 36.12			11,691	5,599

**36.1** The receivable / (payable) from / to these exploratory blocks is included in the overall receivable / (payable) balance of the block as stated under the "producing field", since the balances are settled on a net basis.

**36.2** In Barkhan block, a Deed of Assignment was signed on September 09, 2024, to transfer 15.00% working interests to the Holding Company which was surrendered by UEP-BETA with effect from October 01, 2019.

**36.3** On September 16, 2024, Deed of Assignment was signed to transfer the Holding Company's 1.25%, 1.02% and 0.23% working interests to GHPL, Balochistan Energy Company Limited (BECL) and Punjab Energy Holding Company (Pvt) Limited respectively, with effect from November 22, 2022.

**36.4** On September 9, 2024, Deed of Assignment was signed to transfer the Holding Company's cumulative 2.5% working interests to GHPL and BECL with effect from November 22, 2022.

**36.5** On July 10, 2025, Deed of Assignment was signed to transfer the Holding Company's 12.50% working interest to GHPL with effect from November 1, 2024.

**36.6** On September 19, 2024, Deed of Assignment was signed to transfer the Holding Company's cumulative 2.5% working interests to GHPL and BECL with effect from April 23, 2021.

**36.7** On September 18, 2024, Deed of Assignment was signed to transfer the Holding Company's 1.00% working interest each to GHPL and BECL respectively, with effect from July 26, 2023.

**36.8** On November 6, 2024, Deed of Assignment was signed to transfer the Holding Company's 0.875% working interest to BECL with effect from July 26, 2023.

**36.9** In Sukhpur block, relinquishment notice was served on November 21, 2019, however, due to certain development during P&A operations of exploratory well Lundali-1, the Operator approached the GoP (in June 2021) for approval of further well testing. The matter is still under consideration of the GoP.

**36.10** On May 13, 2025, the Holding Company has been provisionally awarded two blocks in bidding round of April 2025; one operated block Kalat South with 40% working interest and one partner operated block Ziarat North with 24.87% working interest, respectively.

**36.11** On February 26, 2025, the Holding Company has signed farm-out Agreement with The Khyber Pakhtunkhwa Oil & Gas Company Limited to acquire working interest of 10% in Miran block. Deed of Agreement is under progress.

**36.12** This mainly includes amounts receivable / (payable) under the various blocks against which the Holding Company has applied to the GoP for relinquishment or partial relinquishment with retention of discovery areas (Hab and Kotri ELs). Further, Jherruck block has been provisionally re-granted to another entity.

**36.13** The balances are stated net of receivable / (payable) position, since these are settled on net basis. Further, ageing of these balances is not relevant due to the nature of operations of the Holding Company and transactions with the Joint Operations.

### 37. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

June 30, 2025 June 30, 2024

------(Rupees in thousand)-----

#### Financial assets as per statement of financial position

##### - At amortised cost

Long-term loans	109,875	95,620
Long-term deposits	7,676	7,676
Trade debts	592,813,351	577,957,975
Loans and advances	343,217	317,199
Trade deposits	399,290	138,927
Interest accrued	1,167,684	1,269,408
Current maturity of long-term deposits	1,683,750	1,683,750
Current maturity of long-term loans	49,194	40,068
Other receivables	2,247,421	2,694,893
Short-term investments	78,740,173	90,555,033
Cash and bank balances	6,364,518	7,207,749
	<b>683,926,149</b>	<b>681,968,298</b>

##### - At fair value through Profit or Loss - Mutual Funds

Total financial assets	-	18,810,419
Non-financial assets	683,926,149	700,778,717
Total assets	245,467,462	212,261,864
	<b>929,393,611</b>	<b>913,040,581</b>

#### Financial liabilities as per statement of financial position

##### - Financial liabilities measured at amortised cost

Long term financing	1,369,419	1,136,412
Trade and other payables	41,405,946	38,705,237
Current maturity of long term financing	247,970	129,873
Unclaimed dividends	344,992	311,624
Total financial liabilities	43,368,327	40,283,146
Non-financial liabilities	181,001,801	232,025,579
Total liabilities	224,370,128	272,308,725

### 37.1 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between market participants in an orderly transaction at the measurement date under current market conditions. The carrying values of all financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

Financial assets due directly / ultimately from the GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.7(j).

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's operations are subject to various financial risks, including market risks arising from changes in interest rates, foreign currency exchange rates, and commodity prices, as well as credit and liquidity risks associated with its financial assets and liabilities. Except for investments measured at amortized cost, which are carried at amortized value, the carrying amounts of financial assets and liabilities approximate their respective fair values. There were no changes to the Holding Company's financial risk management objectives, policies, or processes during the year ended June 30, 2025.

Financial risks arising from evolving market conditions and the Holding Company's strategic and operational decisions are identified, assessed, and managed in line with established policies, procedures, and the risk management framework, within the parameters of the approved risk appetite.

### a) Market risk

Market risk represents the potential for adverse movements in the fair value or future cash flows of financial instruments arising from changes in interest rates, foreign currency exchange rates, and market prices. Such movements can directly affect the Group's earnings, cash flows, and the carrying value of its financial assets and liabilities.

The Group's market risk management framework aims to safeguard financial performance by identifying, assessing, and monitoring exposures on a continuous basis. Wherever applicable, appropriate hedging strategies, diversification of financial assets, and other mitigation techniques are employed to manage these risks within the approved parameters. The overarching objective is to maintain exposures at prudent levels while seeking to optimise risk-adjusted returns on financial instruments.

#### i) Interest rate risk

The Interest rate risk is the potential for changes in the fair value or future cash flows of financial instruments due to movements in market interest rates. The Group mitigates this risk by actively monitoring and managing the duration profile of its fixed-rate investments, placements, and loans/borrowings.

#### ii) Currency risk

Currency risk is the risk that fluctuations in foreign exchange rates may impact the Group's revenues, foreign procurement costs, or the carrying value of its financial instruments. The Group's currency risk management objective is to identify, manage, and control such exposures within acceptable parameters, while seeking to optimise returns on financial instruments. The favourable impact of exchange rate movements on the Group's revenues and assets has outweighed the adverse effect on its liabilities, resulting in an overall positive net impact.

#### Exposure to foreign currency risk

The Group's exposure to currency risk mainly comprises:

June 30, 2025 June 30, 2024

------(US Dollars)-----

Investments at amortised cost	130,152,168	130,541,501
Cash and bank balances	2,830,008	2,944,136
Trade and other payables	(8,925,449)	(13,530,848)
	<b>124,056,727</b>	<b>119,954,789</b>

The following significant exchange rates have been applied during the year:

	Average Rate		Closing Rate	
	2025	2024	2025	2024
USD 1	279.57	283.45	283.60	278.30

------(Rupees)-----

A one rupee change in the exchange rate of foreign currencies would have the following effect:

One Rupee Increase One Rupee Decrease

------(Rupees in thousand)-----

Foreign currency financial assets	132,982	(132,982)
Foreign currency financial liabilities	8,926	(8,926)

### iii) Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments may fluctuate due to changes in market prices, other than those arising from currency or interest rate movements.

The Group does not have any material financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

### b) Credit risk

Credit risk is the potential for financial loss to the Group if a customer or counterparty to a financial instrument fails to fulfil its contractual obligations.

The Group is exposed to credit risk through its operating activities and certain investing activities. For reporting purposes, these exposures are classified under the following categories:

#### i) Counterparties

The Group conducts transactions with the following major types of counterparties:

##### Customers (Trade debts)

Trade debts are essentially due from oil refining companies, gas distribution and power generation companies. Majority of sales to the Holding Company's customers are made on the basis of agreements approved by the GoP. Sale of crude oil and gas is at prices specified in relevant agreements and / or as notified by the Government authorities based on agreements with customers or relevant applicable petroleum policy or Petroleum Concession Agreements. Prices of liquefied petroleum gas are determined by the Holding Company subject to maximum price notified by Oil and Gas Regulatory Authority (OGRA).

The Holding Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade debts that are due directly / ultimately from GoP till June 30, 2025 as per policy disclosed in note 4.8 to these consolidated financial statements. Majority of sales and past due trade receivables are from SSGCL, SNGPL and GENCO-II and the Holding Company does not consider itself to be exposed to any significant credit risk since these receivables are past due because of inter-corporate circular debt and these companies are owned or controlled by the GoP. The Holding Company is actively pursuing for recovery of trade debts and the Holding Company does not expect these companies to fail to meet their obligation. Impact of ECL on trade receivables not covered under exemption as explained in note 3.1.2 is not material and accordingly has not been included in these consolidated financial statements.

##### Bank and investments

The Group limits its exposure to credit risk by investing in liquid securities and only with counterparties that have high credit rating assessed by independent reputed credit rating agencies. These credit ratings are subject to periodic review and accordingly, the Group currently does not expect any counterparty to fail to meet its obligations. While bank balances and investments in term deposits are also subject to the requirements of IFRS 9, the identified impairment loss is immaterial as the counter parties have reasonably high credit ratings.

#### ii) Exposure to credit risk

The carrying amount of financial assets as at the reporting date represents the maximum credit exposure, details of which are as follows:

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
Long-term loans	109,875	95,620
Long-term deposits	7,676	7,676
Trade debts	592,813,351	577,957,975
Loans	128,012	120,345
Trade deposits	399,290	138,927
Interest accrued	1,167,684	1,269,408
Current maturity of long-term loans	49,194	40,068
Current maturity of long-term deposits	1,683,750	1,683,750
Other receivables	2,247,421	2,694,893
Short-term investments	78,740,173	109,365,452
Bank balances	6,363,236	7,206,529
	<u>683,709,662</u>	<u>700,580,643</u>

Expected credit loss on loans, advances, deposits and other receivables is calculated using general approach as disclosed in note 4.8 to these consolidated financial statements. As at the reporting date, the Group envisages that default risk on account of loans, advances, deposits and other receivables is immaterial based on historic trends adjusted to reflect forward looking information.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

#### Trade debts

Customers with defaults in past one year which have not yet been recovered

June 30, 2025	June 30, 2024
------(Rupees in thousand)-----	
31,781,570	40,334,669

#### Short-term investments

AAA  
AA

51,846,873	58,159,773
26,893,300	51,205,679
<u>78,740,173</u>	<u>109,365,452</u>

#### Cash at banks

AAA  
AA

4,435,384	5,807,030
1,924,999	1,396,700
<u>6,360,383</u>	<u>7,203,730</u>

The Group's most significant customers include two gas transmission and distribution companies and one power generation company (related parties), which account for Rs 580,701 million of the trade debts as at June 30, 2025 (2024: Rs 561,214 million).

The ageing of trade debts at the reporting date is provided in note 11.2.

The maximum exposure to credit risk for trade debts at the reporting date by type of product was:

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
Natural Gas	580,700,899	561,213,841
Crude oil / Natural gas liquids / Condensate	11,708,993	15,873,085
Other operating revenue	403,459	871,049
	<u>592,813,351</u>	<u>577,957,975</u>

### c) Capital risk management

Capital management aims to safeguard the Group's ability to operate as a going concern, preserve capital within the established risk appetite, and protect long-term value creation for shareholders while delivering benefits to other stakeholders. A strong and stable capital base is maintained to support the sustained growth and strategic development of the Group's businesses. Any potential capital losses exceeding the Group's risk appetite are deemed significant and are subject to rigorous assessment and mitigation measures.

The Group manages its capital structure — comprising shareholders' equity and reserves — by closely monitoring return on net assets and adjusting the structure in response to changing economic conditions. Such adjustments may include modifying dividend distributions to shareholders, issuing new equity, or other capital measures as deemed appropriate. During the year, there were no changes to the Group's approach to capital management, and the Group remained free from externally imposed capital requirements.

### d) Liquidity risk management

Liquidity risk is the risk that an enterprise will be unable to meet its financial obligations as they fall due, owing to insufficient cash resources or an inability to raise funds on acceptable terms. Such a situation may adversely impact the Group's operations, investment activities, or financial position.

The Group manages this risk through robust cash flow forecasting, effective working capital management, and access to diverse funding sources. Its cash management and planning policies are designed to ensure that sufficient liquidity is available to meet operational needs, service debt obligations (if any), and fund new business opportunities, while maintaining an adequate liquidity buffer in line with the approved guidelines."

	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	More than 5 years	Total
------(Rupees in thousand)-----						
Long term financing	-	59,032	188,938	1,369,419	-	1,617,389
Trade and other payables	11,619,682	24,773,898	5,012,366	-	-	41,405,946
Unclaimed dividend	344,992	-	-	-	-	344,992
<b>Year ended June 30, 2025</b>	<b>11,964,674</b>	<b>24,832,930</b>	<b>5,201,304</b>	<b>1,369,419</b>	-	<b>43,368,327</b>
Long term financing	-	29,966	99,907	1,136,412	-	1,266,285
Trade and other payables	12,120,788	21,141,266	5,443,183	-	-	38,705,237
Unclaimed dividend	311,624	-	-	-	-	311,624
<b>Year ended June 30, 2024</b>	<b>12,432,412</b>	<b>21,171,232</b>	<b>5,543,090</b>	<b>1,136,412</b>	-	<b>40,283,146</b>

### e) Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. Financial assets due directly / ultimately from GoP carry contractual rights and entitlement to receive interest on late payment and is exempt from ECL accounting / disclosure as disclosed in note 3.7(j).

### 39. CASH AND CASH EQUIVALENTS

Short-term highly liquid investments - note 39.1  
Cash and bank balances - note 17

	June 30, 2025	June 30, 2024
------(Rupees in thousand)-----		
	<b>61,163,439</b>	90,038,003
	<b>6,364,518</b>	7,207,749
	<b>67,527,957</b>	97,245,752

39.1 Short-term investments as disclosed in note 16 amount to Rs 78,740 million (2024: Rs 109,365 million). However, certain investments which were not considered highly liquid comprising mutual funds amounting to Rs 'Nil' (2024: Rs 18,810 million), foreign currency term deposits amounting to Rs 14,407 million (2024: Rs 292 million), local currency term deposits amounting to Rs 93 million (2024: Rs 93 million) and T-bills amounting to Rs 3,077 million (2024: Rs 132 million), have not been classified as cash and cash equivalents.

### 40. REMUNERATION OF CHIEF EXECUTIVES, DIRECTORS AND EXECUTIVES

	Chief Executives		Executives	
	Year ended June 30, 2025	Year ended June 30, 2024	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----				
Managerial remuneration	<b>99,733</b>	67,000	<b>11,011,617</b>	11,954,811
Housing, conveyance and utilities	-	-	<b>646,994</b>	1,206,658
Retirement benefits	-	-	<b>1,677,189</b>	1,666,862
Bonus	<b>12,000</b>	5,220	<b>5,028,968</b>	1,564,281
Medical and leave passage	<b>781</b>	370	<b>1,339,962</b>	1,305,638
Leave encashment	-	-	<b>93,583</b>	191,470
	<b>112,514</b>	72,590	<b>19,798,313</b>	17,889,720
Number, including those who worked for part of the year	<b>1</b>	1	<b>1,447</b>	1,583

40.1 Aggregate amount charged in these consolidated financial statements in respect of fees paid to twelve non-executive directors, on account of attending board, board committee and general meetings, was Rs 47.700 million (2024: Rs 34.800 million to thirteen non-executive directors).

In addition to the above, Rs 0.562 million (2024: Rs 0.600 million) was paid to directors of PPLA and PPLE as director's fee.

40.2 The employees of the Holding Company have the option to avail car facility as per the rules of service of the Holding Company.

### 41. EARNINGS PER SHARE

#### 41.1 Basic earnings per share

	Year ended June 30, 2025	Year ended June 30, 2024
Profit after taxation (Rs '000)	<b>89,949,341</b>	115,477,465
Dividend on convertible preference shares (Rs '000)	<b>(31)</b>	(31)
Profit attributable to ordinary shareholders (Rs '000)	<b>89,949,310</b>	115,477,434

Weighted average number of ordinary shares in issue

**Basic earnings per share (Rs)**

#### 41.2 Diluted earnings per share

Profit after taxation (Rs '000)

Weighted average number of ordinary shares in issue

Adjustment for conversion of convertible preference shares

Weighted average number of ordinary shares for diluted earnings per share

**Diluted earnings per share (Rs)**

## 42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. The Holding Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these consolidated financial statements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Year ended June 30, 2025	Year ended June 30, 2024
------(Rupees in thousand)-----		
<b>Sales of hydrocarbons / barytes to state controlled entities (including Government Levies)</b>		
GENCO-II	18,373,295	23,769,120
SSGCL	102,463,209	98,875,017
SNGPL	56,945,535	84,865,475
EPRF	1,636,830	1,617,763
OGDCL	203,177	43,202
	<b>179,622,046</b>	<b>209,170,577</b>

Trade debts and other receivables from state controlled entities as at June 30

See notes 11, 15 & 42.2

### Transactions and balances with Associated Companies - note 42.2

Sales of crude oil / condensate to PARCO	4,338,836	7,333,463
Sales of crude oil / condensate to PRL	196,199	752,279
Payment to PARCO Gunvor Limited (PGL) - formerly Total PARCO Pakistan Limited	59,414	45,948
Membership / sponsorship fee paid to Petroleum Institute of Pakistan (PIP)	29,328	16,305
Purchase of medicines from Hoechst Pakistan Limited (HPL)	5,454	4,400
Equity investment in PIOL	7,001,250	7,108,749
Equity investment in PMPL	12,677,999	5,012,874
Receivable from PIOL as at June 30	See note 15	
Service fee (G&A overheads) charged to PIOL	491,264	320,113
Payment of employees cost on secondment to PIOL	350,721	285,939
Payment to MEL against gas processing & field services received	340,616	823,817
Payment to The Kidney Center Post Graduate Training Institute (TKC)	9,979	1,857
Sale of capital stores and spares to OGDCL	291,510	181,718
Sale of capital stores and spares to MEL	1,948	-

### Transactions and balances with Joint Operations (JOs)

Payments of cash calls to JOs	51,009,375	47,842,085
Expenditures incurred by JOs	53,229,323	49,832,787
Amounts receivable from / payable to JOs partners as at June 30	See notes 12, 15 & 24	
Income from rental of assets to JOs	3,869	5,137
Purchase of goods from BME (net)	201,352	182,534
Reimbursement of employee cost on secondment to BME	26,594	26,429

Year ended June 30, 2025	Year ended June 30, 2024
-----------------------------	-----------------------------

------(Rupees in thousand)-----

### Other related parties - note 42.2

Dividends paid to the GoP	13,776,477	9,184,319
Dividends paid to trust under BESOS	1,500,430	1,610,461
Dividends paid to post-retirement benefits and contributory funds	7,517	7,573
Transactions with post-retirement benefits and contributory funds	See notes 30.1 & 31	
Remuneration to key management personnel	See note 40	
Payment to PPL Welfare Trust for CSR activities	42,520	36,000
Payment of rental to Pakistan Industrial Development Corporation (PIDC)	234,825	212,072
Payment of rental to Karachi Port Trust (KPT)	7,570	6,894
Payment of insurance premium to National Insurance Company Limited (NICL)	1,206,830	1,222,175
Insurance claim received from NICL	2,863,701	257,353
Fuel purchased from Pakistan State Oil Company Limited (PSO)	807,989	295,584
Payment for chartered flights to Pakistan International Airlines Corporation Limited (PIACL)	115,104	107,729
Deposits with National Bank of Pakistan (NBP) as at June 30	3,495,581	17,481,736
Interest income earned on deposits with NBP	1,669,686	1,116,418
Dividend income / gain on mutual funds investment with NBP Funds	523,608	268,450
Dividend income / gain on mutual funds investment with NIT	342,148	421,032
Payment to ENAR Petrotech Services (Private) Limited (EPSL) for engineering services obtained	3,132	-
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	-	86

**42.1** Gas sales are made to various state controlled entities, at prices notified by the GoP. Transactions with BME for purchase of goods are conducted at prices determined by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

The Group pays various taxes and duties to different regulatory authorities including Federal Board of Revenue and custom authorities.

Contributions to staff retirement benefit funds are in accordance with the terms of rules. Remuneration of key management personnel is in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out at agreed terms.

**42.2** Following are the related parties with whom the Group has entered into transactions during the year excluding GoP, joint operations, associates, staff retirement benefit funds, trusts and employees, details of which have already been disclosed in these consolidated financial statements.

S.No.	Company Name	Basis of Relationship as at June 30, 2025
1.	OGDCL	GOP is common shareholder / Common Directorship
2.	GHPL	GOP is common shareholder / Common Directorship
3.	PARCO	GOP is common shareholder / Common Directorship
4.	SSGCL	GOP is common shareholder / Common Directorship
5.	PSO	GOP is common shareholder / Common Directorship
6.	MEL	GOP is common shareholder / Common Directorship
7.	SNGPL	GOP is common shareholder / Common Directorship
8.	NICL	GOP is common shareholder / Common Directorship
9.	GENCO - II	GOP is common shareholder
10.	PIDC	GOP is common shareholder
11.	KPT	GOP is common shareholder
12.	PGL	GOP is common shareholder
13.	NBP	GOP is common shareholder
14.	NBP Funds	GOP is common shareholder
15.	NIT	GOP is common shareholder
16.	PIACL	GOP is common shareholder
17.	PRL	GOP is common shareholder
18.	HDIP	GOP is common shareholder
19.	EPRF	GOP is common shareholder
20.	EPSL	GOP is common shareholder
21.	PIP	Common Directorship
22.	HPL	Common Directorship
23.	TKC	Common Directorship

#### 43. INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Group are organised into one operating segment i.e. exploration, development and production of oil, gas and barytes. The Group operates in the said reportable operating segment based on the nature of the products, risks and returns, organisational and management structure and internal financial reporting systems. Accordingly, the figures reported in these consolidated financial statements are related to the Group's only reportable segment.

The operating interests of the Group are confined to Pakistan in terms of production areas and customers. Accordingly, the production and revenue figures reported in these consolidated financial statements relate to the Group's only reportable operating segment in Pakistan.

Following are the details of customers with whom the revenue from sales transactions amount to 10% or more of the Group's overall gross revenue:

	June 30, 2025	June 30, 2024
	------(Rupees in thousand)-----	
SSGCL	102,463,209	98,875,017
SNGPL	56,945,534	88,789,842
ARL	62,961,256	80,020,646
	<b>222,369,999</b>	<b>267,685,505</b>

June 30, 2025 June 30, 2024

#### 44. GENERAL

##### 44.1 Number of employees

Total number of employees at the end of the year were as follows:

- Regular	2,488	2,544
- Contractual	55	46
	<b>2,543</b>	<b>2,590</b>

Average number of employees during the year were as follows:

- Regular	2,519	2,517
- Contractual	51	56
	<b>2,570</b>	<b>2,573</b>

##### 44.2 Capacity and production

Product	Unit	Actual production for the year (The Group's share)	Actual production for the year (The Group's share)
		June 30 2025	June 30 2024
Natural gas	MMscf	205,577	232,548
Crude oil / NGL / Condensate	Thousand Barrels	3,812	4,302
LPG	M. Ton	97,067	113,104
Barytes & Iron Ore	M. Ton	83,149	127,111

Due to the nature of operations of the Group, installed capacity of the above products is not relevant.

44.3 Figures have been rounded off to the nearest thousand, unless otherwise stated.

##### 45. SUBSEQUENT / NON-ADJUSTING EVENT

45.1 The Board of Directors of the Holding Company in its meeting held on September 19, 2025 has recommended final cash dividend @ 25% amounting to Rs 6,802.433 million (2024: @ 25% amounting to Rs 6,802.433 million) on paid-up value of ordinary share capital, which will be put forward for the shareholders' approval in the Annual General Meeting scheduled to be held on October 27, 2025.

##### 46. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 19, 2025 by the Board of Directors of the Holding Company.

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

# LIST OF ABBREVIATIONS

## ABBREVIATION

ATA	Annual Turn Around
AVO	Amplitude-Variation-with-Offset seismic inversion
BBL	Barrel
BCF	Billion Cubic Feet
BCFDe	Billion Cubic Feet Per Day Equivalent
BCFe	Billion Cubic Feet Equivalent
BLZ	Baryte Lead Zinc
BME	Bolan Mining Enterprises
BOPD or bbl/d	Barrels of Oil Per Day
CPPA-G	Central Power Purchasing Agency (Guarantee) Limited
CSR	Corporate Social Responsibility
D&PL	Development and Production Lease
DEW	Degan Exploration Works
DGPC	Director General Petroleum Concessions
E&P	Exploration and Production
EDPSC	Exploration, Development and Production Service Contract
EHS	Environmental Health and Safety
EPCC	Engineering, Procurement, Construction and Commissioning
EPS	Earnings Per Share
EWT	Extended Well Testing
FC	Frontier Corps
FEED	Front End Engineering Design
FEED-ID	Front End Engineering Design - Investment Decision
FID	Final Investment Decision
G&G	Geological & Geophysical
GDP	Gross Domestic Product
GDS	Gas Development Surcharge
GENCO-II	Central Power Generation Company Limited
GHPL	Government Holdings (Pvt.) Limited
GIDC	Gas Infrastructure Development Cess
GIS	Geographic Information System
GRI	Global Reporting Initiatives
GoB	Government of Balochistan
GoP	Government of Pakistan
GPf	Gas Processing Facility
HAZID	Hazard Identification Study
HAZOP	Hazard and Operability Study
HRL	Habib Rahi Limestone
HSE	Health, Safety and Environment
IAS	International Accounting Standards
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISMS	Information Security Management System
ISO	International Organisation for Standardisation
IT	Information Technology
KBOE	Thousands of Barrels of Oil Equivalent
KM/ LKm / Sq Km	Kilometer/ Line Kilometer/ Square Kilometer
KSE-100	KSE-100 Index
KUFPEC	Kuwait Foreign Petroleum Exploration Company
KVA	Kilo - volt - Amperes
KW	Kilowatts
LNG	Liquefied Natural Gas
LoA	Letter of Award
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
MALC	Marie Adelaide Leprosy Centre
MdOC	Midland Oil Company, Iraq

## ABBREVIATION

MDRL	Mineral Deposit Retention License
MMSCF	Million Standard Cubic Feet
MMSCFD	Million Standard Cubic Feet Per Day
MMSCFDe	Million Standard Cubic Feet Per Day Equivalent
MMSCFDe	Million Standard Cubic Feet Per Day Revenue Equivalent
MoD	Ministry of Defense
MOL	MOL Pakistan Oil and Gas BV
MEL	MariEnergies Limited
MT	Metric Tones
MW	Megawatts
NGL	Natural Gas Liquids
NII	Non-Intrusive Inspection
NHEPL	New Horizon Exploration and Production Limited
NOC	No Objection Certificate
NRU	Nitrogen Rejection Unit
NTDC	National Transmission & Despatch Company
O&M	Operations & Maintenance
OGDCL	Oil and Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority
OHSAS	Occupational Health and Safety Assessment System
OPEX	Operating Expenditure
OSHA	Occupational Safety and Health Administration
P&A	Plugged and Abandoned
P&S	Plugged and Suspended
PCA	Petroleum Concession Agreement
PHA	Process Hazard Analysis
PIOL	Pakistan International Oil Limited
PIOGCL	Prime International Oil and Gas Company Limited
POGC	Polish Oil & Gas Company
PPLA	PPL Asia E&P B.V.
PPL E	PPL Europe E&P Limited
PSA	Profit Sharing Agreement
PSDM	Pre-Stack Depth Migration
PSI	Process Safety Information
PSM	Process Safety Management
PSSR	Pre Startup Safety Review
PSTM	Pre-Stack Time Migration
PSX	Pakistan Stock Exchange
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
RBI	Risk Based Inspection
RRR	Reserves Replacement Ratio
SFGCS	Sui Field Gas Compressor Station
SHC	Sindh High Court
SML	Sui Main Limestone
SNGPL	Sui Northern Gas Pipelines Limited
SSGCL	Sui Southern Gas Company Limited
ST	Sidetrack
T / K / S	Tobra/ Khewra/ Sakesar
TCF	Trillion Cubic Feet
UEPL	United Energy Pakistan Limited
USD	United States Dollar
WPPF	Worker's Profit Participation Fund
ZHENHUA	China ZhenHua Oil Co. Ltd.

# PATTERN OF SHAREHOLDING

## AS AT JUNE 30, 2025

	Size of Holding Rs. 10 Shares	Number of Shareholders	Total Shares held
	1	6,756	274,543
	101	7,070	2,070,922
	501	3,548	2,893,332
	1,001	13,488	29,850,588
	5,001	1,389	10,387,597
	10,001	544	6,855,716
	15,001	294	5,277,513
	20,001	365	9,176,881
	30,001	170	5,935,499
	40,001	109	5,095,998
	50,001	73	4,048,873
	60,001	52	3,419,302
	70,001	50	3,764,911
	80,001	37	3,163,292
	90,001	38	3,697,308
	100,001	96	11,877,964
	150,001	64	11,312,038
	200,001	59	14,252,610
	300,001	54	21,313,838
	500,001	65	45,417,089
	1,000,001	54	76,161,873
	2,000,001	49	216,150,947
	10,000,001	8	191,653,526
	200,000,001	1	200,057,318
	1,800,000,001	1	1,836,863,632
	<b>TOTAL</b>	<b>34,434</b>	<b>2,720,973,110</b>

Categories of Shareholders	No. of Shareholders	No. of Shares Held	Percentage
<b>Ordinary shares</b>			
Directors, CEO and their spouse and minor children	2	7,981	*
Associated companies, undertakings and related parties			
PPL Employees Empowerment Trust	1	200,057,318	7.35
PPL Employees Retirement Benefit Funds	12	747,140	0.03
NIT and ICP	1	2,112,713	0.08
Banks, Development Financial Institutions, Non-Banking Financial Institutions	27	89,266,260	3.28
Insurance Companies	23	28,948,346	1.06
Modarabas and Mutual Funds	116	140,153,090	5.15
Shareholders holding 10% or more			
Government of Pakistan	1	1,836,863,632	67.51
General Public			
Resident	33,615	195,098,654	7.18
Non-resident	205	367,638	0.01
Others			
Non-Resident Financial Institutions	35	45,264,936	1.66
Public Sector Companies and Corporations	7	93,003,043	3.42
Joint Stock Companies	255	55,583,519	2.04
Employee Trust / Foundations etc.	130	33,498,081	1.23
Nazir of High Court	4	759	*
	<b>34,434</b>	<b>2,720,973,110</b>	<b>100.00</b>
<b>Convertible Preference Shares</b>			
Individuals	69	9,967	95.67
Joint Stock Companies	1	407	3.91
Nazir of High Court	1	44	0.42
	<b>71</b>	<b>10,418</b>	<b>100.00</b>

\* Negligible

**Note:** The share of GoP will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer to note 2.6 to the unconsolidated statements).

#### ADDITIONAL INFORMATION

Information on shareholding required under reporting framework of the Public Sector Companies (Corporate Governance) Rules is as follows:

Shareholders' Category	No. of Shareholders	No. of Shares Held
<b>Government of Pakistan</b>	1	1,836,863,632
<b>Associated Companies, undertakings and related parties</b>		
PPL Employees Empowerment Trust formed under BESOS	1	200,057,318
Trustee Pakistan Petroleum Senior Provident Fund	1	205,131
Trustee Pakistan Petroleum Senior Provident Fund	1	174,155
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	132,119
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	84,388
Trustee Pakistan Petroleum Junior Provident Fund	1	44,286
Trustee Pakistan Petroleum Executive Staff Pension Fund	1	34,678
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	27,920
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	11,504
Trustee Pakistan Petroleum Non-Executive Staff Pension Fund	1	11,083
Trustee Pakistan Petroleum Junior Provident Fund	1	10,929
Trustee Pakistan Petroleum Executive Staff Gratuity Fund	1	6,007
Trustee Pakistan Petroleum Non-Executive Staff Gratuity Fund	1	4,940
<b>Mutual Funds</b>	112	140,042,991
<b>Directors and their spouses and minor children</b>		
Mian Imtiazuddin	1	1,981
Mr. Aftab Ahmad	2	6,000
<b>Executives</b>	14	26,389
<b>Public Sector Companies &amp; Corporations</b>	7	93,003,043
<b>Banks, DFIs, NBFIs, Insurance Companies, Takaful &amp; Modarabas Companies</b>	54	118,324,705
<b>Shareholders holding five percent or more voting rights</b>		
Government of Pakistan	1	1,836,863,632
PPL Employees Empowerment Trust formed under BESOS	1	200,057,318

**Note 1:** In accordance with rule 5.6.4 of the Rules of Pakistan Stock Exchange, the Board has set a threshold for categories of certain group of senior management employees as "Executive" which is reviewed annually.

**Note 2:** The share of GoP will increase to 74.86% after implementation of the Supreme Court order pertaining to BESOS (please refer to note 2.6 to the unconsolidated statements).

# SHAREHOLDERS' AND INVESTORS' INFORMATION

## **ANNUAL GENERAL MEETING**

The annual shareholders' meeting will be held at 11:00 am on October 27, 2025 at Pearl Continental Hotel, Karachi.

## **MANAGING DIRECTOR & CEO'S INTERVIEW**

MD & CEO's presentation regarding PPL's performance, business overview, strategy and outlook may be viewed on the company's website <https://www.ppl.com.pk/content/md-outlook>.

## **SHAREHOLDERS' ENQUIRIES**

Any queries pertaining to shareholding or dividends should be communicated to the Company's Registered Office or the Share Registrar at the address mentioned below:

## **FAMCO SHARE REGISTRATION SERVICES (PRIVATE) LIMITED**

8-F, Next to Hotel Faran, Nursery  
Block-6, P.E.C.H.S, Shakra-e-Faisal  
Karachi.  
Tel. Nos: 021-34380101-5  
Fax: 021-34380106

## **QUARTERLY REPORTS**

Interim reports are issued by the Company at the conclusion of the first, second, and third quarters of each financial year. Copies of the previous year's reports are available online at PPL's website <https://www.ppl.com.pk/content/reports-and-accounts> or in print upon request from the Company Secretary.

## **ANNUAL REPORT**

PPL's Annual Report provides a comprehensive review of the company's yearly performance and offers valuable insights into its future outlook.

## **STOCK EXCHANGE LISTING**

Pakistan Petroleum Limited's shares are listed and traded on the Pakistan Stock Exchange under the symbol "PPL".





## رسک مینجمنٹ فریم ورک

سال کے دوران ملکی معیشت کے حالات نسبتاً مستحکم رہے، مہنگائی قابو میں رہی اور کرنسی میں صرف معمولی اتار چڑھاؤ دیکھا گیا۔ تاہم، بلند مالی دباؤ خصوصاً زیادہ ٹیکسیشن نے عملی کارکردگی اور مالی نتائج کے لیے مسائل پیدا کیے۔ سیکٹر سے متعلق خصوصاً خطرات بھی برقرار رہے، جو سرحدی علاقوں میں ہائیڈروکاربن کی تلاش کے لئے غیر یقینی صورتحال اور زیادہ اخراجات کی صورت میں سامنے آئے۔ اسی دوران، ملکی سطح پر پرائے ذرائع سے پیداواری کمی نے وسعت حاصل کرنے کی کاروباری ضرورت کو اجاگر کیا۔

اس صورتحال کے پیش نظر، کمپنی قومی توانائی کے تحفظ کو برقرار رکھنے اور اسٹیک ہولڈرز کے لیے پائیدار قدر پیدا کرنے کے عزم پر قائم ہے۔ ملکی اور بین الاقوامی تلاش اور ترقی پر نظم و ضبط کے ساتھ توجہ، طویل مدتی ترقی کے بنیادی ستون کے طور پر برقرار ہے، جسے وسعت کے اقدامات نے مزید مضبوط کیا ہے۔ اس میں غیر روایتی آمدنی کے ذرائع، خاص طور پر معدنیات (Mining) کے شعبے میں داخلہ شامل ہے تاکہ ہائیڈروکاربن کی پیداوار میں کمی کے اثرات کو کم کیا جاسکے۔

اس پیچیدہ ماحول سے نمٹنے کے لیے کمپنی کا انٹر پرائز رسک مینجمنٹ (ERM) فریم ورک مکمل طور پر حکمت عملی اور عملدرآمد کا حصہ ہے۔ اس کا مقصد ادارے کے تمام خطرات کی نشاندہی، جانچ اور ان کے تدارک پر توجہ مرکوز کرنا ہے تاکہ مقاصد کو محفوظ بنانے کے ساتھ پائیدار قدر پیدا کی جاسکے۔ اس مقصد کے لیے سال کے دوران ایک مربوط حکمت عملی اور رسک مینجمنٹ پلیٹ فارم حاصل کیا گیا ہے، جس کا نفاذ جاری ہے۔ کمپنی کے آپریشنز میں پائیداری کے اصول بدستور موجود ہیں جو شفافیت، ذمہ دارانہ گورننس اور طویل مدتی پائیداری کو تقویت دیتے ہیں۔

کمپنی نے ایک خصوصی بورڈ انٹر پرائز رسک کمیٹی (BERC) قائم کی ہے جو ادارے بھر میں رسک مینجمنٹ کی اسٹریٹجک نگرانی فراہم کرتی ہے۔ اس کمیٹی کو ایگزیکٹو رسک مینجمنٹ (ERM) کمیٹی اور ERM فنکشن کی معاونت حاصل ہے۔ اپنی نگرانی کی ذمہ داریوں کے حصے کے طور پر، BERC سائبر سیورٹی خطرات اور متعلقہ معاملات پر بھی نظر رکھتی ہے اور ان کے لیے ضروری حفاظتی اقدامات کی نگرانی کرتی ہے۔

MISSION, VISION & CORE VALUES	STRATEGY DEVELOPMENT	BUSINESS OBJECTIVE FORMULATION	IMPLEMENTATION & PERFORMANCE	ENHANCED VALUE
 <p><b>GOVERNANCE &amp; CULTURE</b></p> <ol style="list-style-type: none"> <li>1. Exercises Board Risk Oversight</li> <li>2. Establishes Operating Structures</li> <li>3. Defines Desired Culture</li> <li>4. Demonstrates Commitments to Core Values</li> <li>5. Attracts, Develops and Retains Capable Individuals</li> </ol>	 <p><b>STRATEGY &amp; OBJECTIVE-SETTING</b></p> <ol style="list-style-type: none"> <li>6. Analyzes Business Context</li> <li>7. Defines Risk Appetite</li> <li>8. Evaluates Alternative Strategies</li> <li>9. Formulates Business Objectives</li> </ol>	 <p><b>PERFORMANCE</b></p> <ol style="list-style-type: none"> <li>10. Identifies Risk</li> <li>11. Assesses Severity of Risk</li> <li>12. Prioritizes Risk</li> <li>13. Implements Risk Responses</li> <li>14. Develops Portfolio View</li> </ol>	 <p><b>REVIEW &amp; REVISION</b></p> <ol style="list-style-type: none"> <li>15. Assesses Substantial Change</li> <li>16. Reviews Risk And Performance</li> <li>17. Pursues Improvement In Enterprise Risk Management</li> </ol>	 <p><b>INFORMATION COMMUNICATION &amp; REPORTING</b></p> <ol style="list-style-type: none"> <li>18. Leverages Information and Technology</li> <li>19. Communicates Risk Information</li> <li>20. Reports on Risk Culture and Performance</li> </ol>

اس سالانہ رپورٹ کے سیکشن رسک گورننس میں رسک گورننس اسٹریٹجی اور خطرات و مواقع سے متعلق رپورٹ کی تفصیلات درج ہیں۔

## مستقبل کا لائحہ عمل

کمپنی نے آئندہ پانچ سالوں کے لیے ایک جامع حکمت عملی تیار کی ہے جس کے ذریعے توانائی اور مائننگ کے شعبے میں اپنی پوزیشن مزید مضبوط کرنے کا عزم رکھتی ہے۔

## دریافت و پیداوار (E&P)

PPL آپریشنز کا بنیادی مقصد آئندہ پانچ سالوں میں متبادل ذرائع کا زیادہ سے زیادہ ریسٹو حاصل کرنا ہے۔ یہ ایک منظم ایکسپلوریشن پروگرام کے ذریعے ممکن بنایا جائے گا، جس میں ڈیٹا جمع کرنا اور ڈرلنگ کی سرگرمیاں شامل ہیں۔ ایکسپلوریشن کی صلاحیت کو بڑھانے کے لیے، PPL نے 2D اور 3D سائزنگ اور

## تنوع (Diversification)

آرگنک ترقی کے ساتھ ساتھ، PPL آئندہ پانچ سالوں میں اپنی پورٹ فولیو کو وسعت دینے کے لیے نئی کان کنی کے مواقع تلاش کر رہی ہے۔ بلوچستان حکومت کے ساتھ آپرینٹنگ ایگریمنٹ مکمل ہونے کے بعد، بولان مائننگ انٹر پرائزز (BME) اب بیرائٹ، لیڈ اور زنک (BLZ) پروجیکٹ کی ترقی پر توجہ دے گی۔ اس منصوبے کے لیے انجینئرنگ، پروکيورمنٹ، کنسٹرکشن اور کمیشننگ (EPCC) کنٹریکٹ کو حتمی شکل دینے پر کام جاری ہے۔ اس منصوبے سے مضبوط مالی نتائج اور زبردست منافع کی توقع ہے جو PPL کی آمدنی میں نمایاں کردار ادا کرے گا۔

مزید برآں، PPL کے پاس ریکوڈک کا پراپر اور گولڈ پروجیکٹ میں 8.33 فیصد حصہ داری ہے، جس کا پہلا مرحلہ مالی سال 2028-29 میں مکمل ہونے کا ہدف ہے۔ اس کے علاوہ، بلاک EL-207 میں ایکسپلوریشن کی سرگرمیاں بھی شروع ہو چکی ہیں، جو میسرز ڈیگن ایکسپلوریشن ورکس لمیٹڈ کے ساتھ 49 فیصد جوائنٹ وینچر کے حصول کے بعد ممکن ہوئیں۔

توانائی کے بدلے ہوئے منظر نامے کو تسلیم کرتے ہوئے، PPL اسٹریٹجک طور پر اپنی ویلیو چین کو روایتی E&P اور کان کنی کی سرگرمیوں سے آگے بڑھانے میں سرمایہ کاری کر رہی ہے۔ کمپنی کا مقصد توانائی کے پورے ویلیو چین میں مفادات حاصل کرنا ہے، تاکہ وہ ایک متنوع توانائی فراہم کرنے والے ادارے کے طور پر اپنی پوزیشن قائم کر سکے۔

## مالیاتی مستقبل کا جائزہ (فنانشل آؤٹ لک)

کمپنی اپنی ترقیاتی حکمت عملی کو اگلے پانچ سالوں میں نمایاں سرمایہ بخش کر کے تقویت دے رہی ہے۔ برنس کے تمام شعبہ جات میں اسٹریٹجک طور پر سرمایہ کاری کی جائے گی اور اس کا حجم مارکیٹ کے حالات اور آپریشنل تقاضوں کے مطابق ایڈجسٹ کیا جائے گا۔ سرمایہ بخش کرنے کی یہ پالیسی قدر پیدا کرنے، مجموعی منافع بخشی اور مارکیٹ میں پوزیشن کو بہتر بنانے کے لیے ہے۔

ترقیاتی اقدامات کے باوجود، کمپنی اپنے ملکی گیس آپریشنز میں گردش قرضے (Circular Debt) کے بحران کی وجہ سے چیلنجز کا سامنا کر رہی ہے۔ اگرچہ ریکوری میں بہتری آئی ہے، لیکن پرانے گردش قرضے کا تصفیہ اب بھی ایک بڑا مسئلہ ہے۔ اس مسئلے سے نمٹنے کے لیے PPL بروقت گیس پرائس ریویژن کے تسلسل کی حمایت کر رہی ہے۔ مزید یہ کہ تیل کی قیمتوں میں کمی، مستحکم ایکسیچج ریٹ، کم شرح سود اور SNGPL نیٹ ورک میں گیس کی کمی جیسے عوامل مالی کارکردگی پر دباؤ ڈالتے رہیں گے۔ اس کے جواب میں، کمپنی مقامی گیس آپریشنز پر انحصار کم کرنے اور آمدنی کے ذرائع کو مضبوط بنانے کے لیے کان کنی اور بین الاقوامی منصوبوں میں اضافہ کر رہی ہے۔

خلاصہ یہ کہ PPL اپنی اسٹریٹجک پلان پر مکمل تعمیل کے ذریعے شیئر ہولڈرز کے لیے طویل مدتی قدر تخلیق کرنے کے عزم پر قائم ہے۔ واضح ترجیحات اور مالی طاقت کے ساتھ، کمپنی انڈسٹری کے چیلنجز سے نمٹنے اور ملکی و بین الاقوامی مارکیٹس میں پیدا ہونے والے مواقع سے فائدہ اٹھانے کی پوزیشن میں ہے۔

## بیلنس شیٹ کے بعد کے واقعات

سال ختم ہونے کے بعد، جناب عمران احمد، ڈائریکٹر جنرل (آئل)، وزارت توانائی، پٹرولیم ڈویژن کو کمپنی کا ڈائریکٹر مقرر کیا گیا ہے، جنہوں نے جناب مومن آغا کی خالی ہونے والی اسامی پُر کی۔

## ریکوڈک

سال ختم ہونے کے بعد، کمپنی کے بورڈ آف ڈائریکٹرز نے ریکوڈک پروجیکٹ کے لیے PPL کی فنڈنگ کمیشن میں اضافے کی منظوری دی۔ بورڈ نے دیگر SOEs کے ساتھ مشترکہ بنیادوں پر کمپلیشن گارنٹیز فراہم کرنے کی اجازت بھی دی جو اس وقت تک نافذ نہیں کی جب تک منصوبہ مالی تکمیل حاصل نہیں کر لیتا۔ مزید برآں، SOEs کے لیے اپنی موجودہ شیئر ہولڈنگ برقرار رکھنے کے تقاضے لاگو ہیں۔ اس مقصد کے لیے، 10 ستمبر 2025 کو کمپنی نے ایک غیر معمولی اجلاس عام (EGM) منعقد کیا تاکہ شیئر ہولڈرز کی منظوری حاصل کی جاسکے، جس کے تحت کمپنی کو ریکوڈک پروجیکٹ کے پہلے مرحلے کی فنڈنگ کمیشن بڑھانے کا اختیار دیا گیا، جیسا کہ کمپنیز ایکٹ 2017 کی سیکشن 199 اور کمپنیز (ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈر ٹیکنیکل) میں سرمایہ کاری (ریگولیشنز 2017) کے تحت درکار ہے۔

## دریافتی

سال ختم ہونے کے بعد، ڈھوک سلطان بلاک کے ڈھوک سلطان 3 میں ایک نئی دریافت کا اعلان کیا گیا۔

## منافع منقسمہ

بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 19 ستمبر 2025 میں ادا شدہ عمومی شیئر کیسٹبل پر 25 فیصد کی شرح سے نقد منافع منقسمہ یعنی 6,802.433 ملین روپے (2024 میں 25 فیصد کی شرح سے 6,802.433 ملین روپے) کی سفارش کی ہے۔ یہ تخصیص 27 اکتوبر 2025 کو منعقد ہونے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کے لئے پیش کی جائے گی۔

## آڈیٹرز

کمپنی کے آڈیٹرز KPMG تا شیر ہادی اینڈ کمپنی آئندہ سالانہ اجلاس عام میں ریٹائر ہو رہے ہیں، وہ مالی سال 2025-26 کے لیے دوبارہ تقرری کے اہل ہیں اور بورڈ آف ڈائریکٹرز نے ان کی دوبارہ تقرری کی سفارش کی ہے۔



CHAIRMAN  
BOARD OF DIRECTORS

Karachi: 19 September, 2025



CHIEF EXECUTIVE  
OFFICER &  
MANAGING DIRECTOR



## اقلیتی شیئر ہولڈرز

کمپنی تمام اسٹیک ہولڈرز کے مفادات کو تسلیم کرتی ہے جن میں شیئر ہولڈرز، ملازمین، قرض دہندگان، صارفین، کاروباری شراکت دار اور مقامی کمیونٹی شامل ہیں۔ شیئر ہولڈرز کو سالانہ اور غیر معمولی اجلاسوں (AGMs اور EGMs) میں شرکت کی ترغیب دی جاتی ہے تاکہ وہ اپنی تجاویز اور فیڈ بیک دے سکیں۔ اس مقصد کے لیے کمپنی درج ذیل انتظامات کرتی ہے:

- نوٹس کی ترسیل: شیئر ہولڈرز کو EGM/AGM کے نوٹس کم از کم 21 دن پہلے سالانہ رپورٹ کے ساتھ بھیجے جاتے ہیں۔
- جلی کیشن: EGM/AGM کے نوٹس کراچی، لاہور اور اسلام آباد کے کثیر الاشاعت اخبارات میں انگریزی اور اردو زبان میں شائع کیے جاتے ہیں۔
- آن لائن دستاویزی: نوٹس پاکستان اسٹاک ایکسچینج کے آن لائن پورٹل اور کمپنی کی ویب سائٹ پر بھی پوسٹ کیے جاتے ہیں۔
- سالانہ رپورٹ کی تقسیم: پرنٹ شدہ سالانہ رپورٹس شیئر ہولڈرز کو درخواست پر ارسال کی جاتی ہیں اور AGM کے مقام پر بھی فراہم کی جاتی ہیں۔
- پراسی مقرر کرنے کی سہولت: شیئر ہولڈرز کو پراسی کے ذریعے شرکت کرنے کی سہولت دی جاتی ہے۔
- اقلیتی شیئر ہولڈرز کی نمائندگی: ڈائریکٹرز کے انتخابات میں اقلیتی شیئر ہولڈرز کے ساتھ تعاون کے لیے ان کے بیانات اور پراسی فارم اخبارات میں شائع کیے جاتے ہیں۔

## صنعتی تنوع اور تنخواہ کے فرق پر بورڈ کا بیان

بورڈ اس بات کا پابند ہے کہ کمپنی میں روزگار کے مساوی مواقع فراہم کیے جائیں اور قوانین کے مطابق ایک جامع تنوع اور شمولیت کی حکمت عملی نافذ کی جائے۔ کمپنی صنف، نسل، مذہب، رنگ، قومیت، ازدواجی حیثیت یا سماجی طبقے کی بنیاد پر امتیاز نہیں کرتی۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے سرکلر نمبر 10، 2024 کے مطابق بورڈ نے صنعتی تنوع کے فرق (Gender Pay Gap) پر ایک اسٹیٹمنٹ منظور کیا ہے جو کمپنی کی سالانہ رپورٹ میں شامل ہے اور ویب سائٹ پر بھی موجود ہے۔

## پاکستان خود مختار دولت (ساورن ویلتھ فنڈ) ایکٹ 2023

مالی سال 2023-24 کے دوران حکومت پاکستان نے پاکستان خود مختار دولت (ساورن ویلتھ فنڈ) ایکٹ 2023 نافذ کیا۔ اس ایکٹ کی شق (2) کے مطابق حکومت کی کمپنی میں شیئر ہولڈنگ بذریعہ قانون پاکستان خود مختار دولت (ساورن ویلتھ فنڈ) (PSWF) کو منتقل کر دی گئی۔ کمپنی فی الحال حکومت کی مزید ہدایات کی منتظر ہے تاکہ اس منتقلی کو باضابطہ طور پر ریکارڈ کرنے کے لیے کارپوریٹ اقدامات کیے جاسکیں۔

مزید برآں، اس ایکٹ کی شق 50 کے مطابق فنڈ اور وہ تمام سرکاری ادارے جن میں فنڈ کی اکثریتی شیئر ہولڈنگ ہے، اسٹیٹ اونڈ انٹرنیشنل پرائز (گورننس اینڈ آپریشنز) ایکٹ، 2023 سے مستثنی ہوں گے۔ اس کے نتیجے میں PPL اس ایکٹ کی تعمیل سے آزاد ہے۔

## پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) قوانین 2013 کی تعمیل پر بیان

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

- I- بورڈ نے کارپوریٹ گورننس کے اصولوں کی پاسداری کی ہے۔
- II- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات کی حالت، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلی کی درست اور منصفانہ عکاسی کرتے ہیں۔
- III- کمپنی نے درست اکاؤنٹس بس برقرار رکھی ہوئی ہیں۔
- IV- مالیاتی گوشواروں کی تیاری میں موزوں اکاؤنٹنگ پالیسیاں اختیار کی گئی ہیں اور ان میں ہونے والی کسی تبدیلی کو واضح کیا گیا ہے۔ اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہے۔
- V- مالیاتی گوشوارے پاکستان میں نافذ اکاؤنٹنگ اور رپورٹنگ کے معیاروں کے مطابق ہیں۔
- VI- اندرونی کنٹرولز کو نافذ کرنے کا نظام بہتر ہے اور اس پر عمل کا باقاعدہ فالو اپ کیا گیا اور رپورٹنگ بھی کی گئی۔
- VII- گزشتہ سالوں کے آپریشننگ نتائج سے انحراف کی وجوہات کو ڈائریکٹرز کی رپورٹ کے متعلقہ حصوں میں بیان کیا گیا ہے۔
- VIII- گزشتہ چھ سالوں کا اہم آپریشننگ اور مالی اعداد و شمار سالانہ رپورٹ کے سیکشن ’’چھ سالوں کے خلاصہ‘‘ میں دیئے گئے ہیں۔
- IX- اکاؤنٹس کے نوٹس میں واجب الادا ٹیکس، ڈیویڈنڈ، محصولات اور چارجز کی تفصیل مالیاتی بیانات کے نوٹس میں درج ہے۔
- X- ادارے کی تنظیم نو، کاروبار کی توسیع اور آپریشنز جاری نہ رکھنے (جہاں لاگو ہو) کے بارے میں اہم منصوبے اور فیصلے سالانہ رپورٹ میں بیان کیے گئے ہیں۔ ڈائریکٹرز رپورٹ کے متعلقہ حصوں میں مستقبل کے امکانات، خطرات اور غیر یقینی صورتحال کے بارے میں وضاحت کی گئی ہے۔
- XI- چیئرمین اور دیگر ڈائریکٹرز کی تقرری، تعیناتی اور معاوضہ کی پالیسی کی شرائط کمپنی کے بہترین مفادات میں ہیں اور بہترین طریقہ کار کے مطابق ہیں۔
- XII- کمپنی کے سماجی مقاصد اور نتائج سے متعلق وضاحتیں ڈائریکٹرز رپورٹ کے متعلقہ سیکشن میں دی گئی ہیں۔

## (XIII) 30 جون 2024 تک ملازمین کے ریٹائرمنٹ فنڈز میں سرمایہ کاری کی تفصیل درج ذیل ہے:

تازہ ترین آڈٹ شدہ اکاؤنٹس کے مطابق سرمایہ کاری کی مالیت (ملین روپے)	سینئر پروڈیونٹ فنڈ
5,414	سینئر پروڈیونٹ فنڈ
2,117	جونیئر پروڈیونٹ فنڈ
904	ایگزیکٹو اسٹاف گریجویٹ فنڈ
1,247	نان ایگزیکٹو اسٹاف گریجویٹ فنڈ
13,770	ایگزیکٹو اسٹاف پینشن فنڈ
4,130	نان ایگزیکٹو اسٹاف پینشن فنڈ
3,182	ایگزیکٹو اسٹاف پینشن فنڈ (ڈیفائنڈ کسٹریویشن - شریعہ)
1,421	ایگزیکٹو اسٹاف پینشن فنڈ (ڈیفائنڈ کسٹریویشن - روایتی)

(XIV) سال کے دوران بورڈ اور اس کی کمیٹیوں کی میٹنگز کی تعداد اور ان میں ممبران کی حاضری کی تفصیل سالانہ رپورٹ کے حصے ’’بورڈ اور کمیٹی میٹنگز میں حاضری‘‘ میں درج ہے۔ جو ممبران کسی میٹنگ میں شرکت نہیں کر سکے، انہیں باضابطہ طور پر رخصت دی گئی۔

(XV) ڈائریکٹرز صرف اس فیس کے حقدار ہیں جو بورڈ، بورڈ کمیٹیوں اور جنرل میٹنگز میں شرکت کے بدلے ادا کی جاتی ہیں۔ کمپنی بورڈ اور کمیٹی میٹنگز میں شرکت سے متعلق سفری اخراجات، رہائش اور دیگر اخراجات بھی برداشت کرتی ہے۔ ہر ڈائریکٹر کو ادا کی گئی فیس کی تفصیل سالانہ رپورٹ کے حصے ’’بورڈ اور کمیٹی میٹنگز میں حاضری‘‘ میں درج ہے۔

(XVI) 30 جون 2025 تک کمپنی میں شیئر ہولڈنگ کا پیٹرن سالانہ رپورٹ 2025 کے سیکشن ’’پیٹرن آف شیئر ہولڈنگ‘‘ میں شامل ہے۔

## ڈائریکٹرز کے لیے اور مینٹیشن (واقفیت) پروگرام

سال کے دوران تعینات ہونے والے ڈائریکٹرز کو کمپنی بزنس، آپریشنز، کام کے ماحول اور بورڈ ممبر کے طور پر اُن کے کردار و ذمہ داریوں پر جامع بریفنگ دی گئی۔ ڈائریکٹرز کو خوش آمدید پیش بھی دینے گئے جن میں کمپنی کا میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور اس کی سہ ماہی اور سالانہ رپورٹس شامل تھیں تاکہ کمپنی کی گورننس اور کارکردگی کو بخوبی سمجھا جاسکے۔

## ڈائریکٹرز ٹریننگ (ترتیبی) پروگرام

ڈائریکٹرز اپنی ذمہ داریوں سے بخوبی واقف ہیں اور انہیں اعلیٰ ترین کارپوریٹ گورننس معیاروں کے مطابق انجام دینے کے لیے پرعزم ہیں۔ سال کے اختتام تک کمپنی زیادہ تر ان اختیاری تقاضوں پر عمل پیرا تھی جو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت ڈائریکٹرز ٹریننگ پروگرام کے مطابق ہیں۔

## بورڈ کی مدت اور ڈائریکٹرز کا انتخاب

کمپنی کے بورڈ آف ڈائریکٹرز کی موجودہ مدت دسمبر 2023 میں ختم ہو گئی۔ مدت ختم ہونے سے قبل، وزارت توانائی، پیٹرولیم ڈویژن نے مشورہ دیا کہ بورڈ کے انتخابات 6 ماہ کے لیے مؤخر کر دیے جائیں تاکہ وفاقی حکومت کو آزاد اور موزوں ڈائریکٹرز کے نام فائل کرنے کے لیے کافی وقت مل سکے۔ قانونی تقاضوں کے مطابق کمپنی نے SECP کو امیڈیٹ منٹ رپورٹ جمع کرائی۔ اس پر SECP نے وضاحت کی کہ متعلقہ قانونی دفعات کے تحت کمپنی کے پاس بورڈ کی مدت ختم ہونے کے بعد 90 دن ہیں تاکہ نئے بورڈ کے انتخاب کے لیے شیئر ہولڈرز کی میٹنگ منعقد کی جاسکے۔

90 دن مکمل ہونے کے بعد، کمپنی نے SECP کو انتخابات 21 ستمبر 2024 تک کرانے کی درخواست دی۔ اس کے بعد وزارت توانائی، پیٹرولیم ڈویژن نے مزید مہلت مانگی کیونکہ وفاقی حکومت نامزدگیوں کو حتمی شکل نہیں دے سکی تھی۔ کمپنی نے SECP سے 6 ماہ کی مزید توسیع کی درخواست کی تاکہ ڈائریکٹرز کے انتخاب کے لیے غیر معمولی اجلاس عام (EGM) منعقد کی جاسکے۔ SECP نے وضاحت کی کہ اگر کوئی تاخیر سے میٹنگ کی جاتی ہے اور سیکشن 147 آف کمپنیز ایکٹ 2017 کی تعمیل کے بغیر بھی منعقد کی جائے تو معتبر ہوگی اگر وہ قانون کے مطابق ہو۔

کمپنی ڈائریکٹرز کے انتخاب کے لیے انتظامات اُس وقت انجام دے گی جب حکومت کی جانب سے نامزدگیاں اور پرو کسی موصول ہوں گے۔ اس دوران، کمپنیز ایکٹ 2017 کے سیکشن 158 کے تحت موجودہ ڈائریکٹرز اپنی ذمہ داریاں ادا کرتے رہیں گے جب تک اُن کے جانشین باضابطہ طور پر منتخب نہیں ہو جاتے۔

## نان ایگزیکٹو ڈائریکٹرز کا معاوضہ

کمپنی نان ایگزیکٹو ڈائریکٹرز کو کسی قسم کا معاوضہ ادا نہیں کرتی، سوائے اُس ڈائریکٹرز میں سے جو بورڈ اور کمیٹی میٹنگز اور جنرل میٹنگز میں شرکت کے لیے دی جاتی ہے۔

## ایگزیکٹو ڈائریکٹرز کی اضافی ڈائریکٹرشپ

کمپنی کے چیف ایگزیکٹو آفیسر (CEO) کمپنی کی مکمل ذیلی اداروں E&P اور B.V. اور PPL پر E&P لمیٹڈ کے بورڈ میں ڈائریکٹر کے طور پر خدمات انجام دیتے ہیں۔ اس کے علاوہ وہ متعلقہ کمپنیوں مثلاً ریکوڈک انویسٹمنٹ لمیٹڈ، ریکوڈک ہولڈنگز لمیٹڈ، ریکوڈک ماننگ کمپنی (پرائیویٹ) لمیٹڈ اور پاکستان منلز (پرائیویٹ) لمیٹڈ کے بورڈز پر بھی ڈائریکٹر ہیں۔ مزید برآں، وہ PIOL کے CEO اور ڈائریکٹر بھی ہیں اور پیٹرولیم انسٹیٹیوٹ آف پاکستان لمیٹڈ کے بورڈ کے ڈائریکٹر بھی ہیں۔

## غیر ملکی ڈائریکٹرز کی سکیورٹی کلیئرنس

کمپنی کے بورڈ میں کسی غیر ملکی تعینات نہیں کیا گیا۔

## پاکستان سے باہر بورڈ میٹنگز کا انعقاد

کمپنی کا کوئی بورڈ اجلاس پاکستان سے باہر منعقد نہیں ہوا۔

## بورڈ آف ڈائریکٹرز سے متعلق مفادات کا نکلراؤ

بورڈ آف ڈائریکٹرز کے ضابطہ اخلاق کے تحت ہر ڈائریکٹر پر لازم ہے کہ وہ کمپنی، اس کے ماتحت، متعلقہ کمپنیوں اور ذیلی اداروں کے ساتھ کسی قسم کے مفادات کے نکلراؤ سے گریز کرے۔ ڈائریکٹرز پر لازم ہے کہ کسی بھی حقیقی یا ممکنہ مفادات کے نکلراؤ کی صورت میں فوراً کمپنی کو اطلاع دیں۔ کارپوریٹ گورننس کی اچھی روایت کے طور پر، ڈائریکٹرز ہر بورڈ یا بورڈ کمیٹی میٹنگ کے آغاز میں کسی بھی ایجنڈا آئٹم سے متعلق اپنے حقیقی یا ممکنہ مفادات کے نکلراؤ کو ظاہر کرتے ہیں۔

ڈائریکٹرز سے متعلق مفادات کے نکلراؤ کے معاملات کمپنیز ایکٹ 2017، پبلک سیکٹرز کمپنیز (کارپوریٹ گورننس) رولز 2013، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنی کے آرٹیکلز آف ایسوسی ایشن کے متعلقہ تقاضوں کے مطابق حل کیے جاتے ہیں۔



## متعلقہ فریقین کے ساتھ لین دین

کمپنی کی متعلقہ فریقین کے ساتھ لین دین تجارتی بنیادوں پر کی جاتی ہے اور تفصیلات وقتاً فوقتاً بورڈ آڈٹ کمیٹی کے سامنے نظر ثانی اور بورڈ کو منظوری کے لیے سفارش کے طور پر پیش کی جاتی ہے۔ اگر بورڈ کے کسی رکن کا ایسے لین دین میں کوئی مفاد ہو تو وہ کمپنی کے سامنے ظاہر کیا جاتا ہے۔ متعلقہ فریقین کے ساتھ لین دین کی تفصیلات کمپنی کے مالیاتی گوشواروں کے ساتھ نوٹس میں درج کی گئی ہے جو 30 جون 2025 کو ختم ہونے والے سال کے لیے تیار کیے گئے ہیں۔

## اندرونی آڈٹ

کمپنی ایک آزاد اندرونی آڈٹ ڈپارٹمنٹ رکھتی ہے جو براہ راست بورڈ آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ اندرونی آڈٹ کے عمل کو تمام ریکارڈ اور معلومات تک غیر محدود رسائی حاصل ہے تاکہ وہ اپنے فرائض مؤثر طریقے سے انجام دے سکیں۔ اندرونی آڈٹ کے دائرہ کار کو داخلی آڈٹ چارٹر کے ذریعے واضح طور پر بیان کیا گیا ہے، جسے بورڈ نے منظور کیا ہے۔

## اہم پالیسیاں

کمپنی کی اہم پالیسیوں میں درج ذیل شامل ہیں:

- ماحولیاتی، سماجی اور گورننس (ESG) پالیسی
- کاروباری تسلسل کی انتظامی (بزنس کنٹینوٹی مینجمنٹ) پالیسی
- ضابطہ اخلاق (Code of Conduct)
- کارپوریٹ کمیونیکیشن پالیسی
- کارپوریٹ ڈوینشن پالیسی
- انٹرنل کنٹرول میٹنگ پالیسی
- پائیدار ترقی کے لیے ایکسپلوریشن اور فارم ان/فارم آؤٹ اسٹریٹیجی
- ہیومن ریسورس مینجمنٹ پالیسی
- انسٹیٹنٹ رپورٹنگ پالیسی

- انویسٹمنٹ پالیسی
- بیرونی آڈیٹرز کی تعیناتی / دوبارہ تقرری کی پالیسی
- بیرونی آڈیٹرز کی طرف سے اضافی خدمات فراہم کرنے کی پالیسی
- کوالٹی، ہیلتھ، سیفٹی اینڈ انوائرنمنٹ (QHSE) پالیسی
- وسل بلونگ پالیسی (تفصیلات کمپنی کی ویب سائٹ پر موجود ہیں)۔

## شیئر ہولڈرز کی شکایات

کمپنی اپنے شیئر ہولڈرز کی شکایات کو بروقت اور مؤثر طریقے سے حل کرنے کے لیے پرعزم ہے۔ شیئر ہولڈرز کمپنی کی ویب سائٹ پر موجود آن لائن فیڈ بیک اور شکایات فارم کے ذریعے اپنی شکایات یا سوالات جمع کرا سکتے ہیں۔ اس کے علاوہ، شیئر رجسٹرار شیئر ہولڈرز کے لیے بنیادی رابطے کا ذریعہ ہے جہاں خطوط، ای میل، ٹیلی فون، فیکس یا براہ راست درخواستیں وصول کی جاتی ہیں۔

سال کے دوران 644 شیئر ہولڈرز نے رجسٹرار سے رابطہ کر کے اپنے بینک مینڈیٹس اور آئی بی اے این (IBAN) درست کروانے تاکہ واجب الادا منافع کی ادائیگی ہو سکے، جو بعد میں ادا کر دیا گیا۔ اس کے علاوہ 67 شیئر ہولڈرز نے اپنے پوسٹل ایڈریس کی درستگی کے لیے درخواست دی جبکہ 213 شیئر ہولڈرز نے شیئر ٹرانسفر ڈیڈز کی تصدیق کے لیے رجوع کیا۔ مزید برآں، 649 شیئر ہولڈرز نے مختلف امور پر رجسٹرار سے رابطہ کیا، جن میں شیئر سرٹیفکیٹ گمشدگی، زکوٰۃ ڈیکلریشن جمع کرانا، ٹیکس کٹوتی کے لیے شیئر ہولڈنگ تناسب کی وضاحت اور قانونی وارثوں کو شیئرز منتقل کرنے کے لیے دستاویزات کی فراہمی شامل ہیں۔

## اسٹیک ہولڈرز کے ساتھ تعلقات

کمپنی اپنے شیئر ہولڈرز اور دیگر اسٹیک ہولڈرز کی آراء اور خدشات / شکایات کو نہایت اہمیت دیتی ہے۔ سالانہ اجلاس عام (AGMs) میں خصوصی سوال و جواب سیشن رکھے جاتے ہیں تاکہ اسٹیک ہولڈرز اپنے سوالات اٹھا سکیں، جنہیں تفصیل سے جواب دیا جاتا ہے۔ آڈٹ کمیٹی کے چیئر مین AGM میں موجود رہتے ہیں تاکہ کمیٹی کی سرگرمیوں اور دیگر اہم معاملات پر سوالات کے جواب دے سکیں۔

پاکستان اسٹاک ایکسچینج کے تقاضوں کے مطابق ہر سال کارپوریٹ بریفنگ سیشن منعقد کیے جاتے ہیں جن میں مالیاتی اور کاروباری ماہرین شرکت کرتے ہیں اور کمپنی کے معاملات، تکنیکی شکایات اور دیگر سوالات پر وضاحت پیش کی جاتی ہے۔

سالانہ اجلاس عام میں ہونے والی تمام کارروائی اور فیصلے باضابطہ طور پر منٹس کی صورت میں درج کیے جاتے ہیں، جو بعد میں پاکستان اسٹاک ایکسچینج کو بھیجے جاتے ہیں اور سالانہ اجلاس عام کے دوران شیئر ہولڈرز کے لیے مفت دستیاب ہوتے ہیں۔

چونکہ وفاقی حکومت کمپنی کی بڑی شیئر ہولڈر ہے، اس لیے بورڈ بشمول نان ایگزیکٹو ڈائریکٹرز ہمیشہ حکومت کے نقطہ نظر سے باخبر رہتا ہے تاکہ ان خدشات اور ترجیحات کو مؤثر انداز میں انتظامیہ تک پہنچایا جاسکے۔

## کاروباری مہارت

حال ہی میں قائم ہونے والا بزنس ایکسیلنس ڈپارٹمنٹ پورے ادارے میں حکمتِ عملی کے تحت نظم و ضبط اور قدر کی تخلیق کا ایک اہم ستون بن کر ابھر رہا ہے۔ اس ڈپارٹمنٹ کا مقصد منظم سوچ کو فروغ دینا، کارکردگی کے نظام کو مضبوط کرنا اور مسلسل بہتری کے اصولوں کو ادارے میں رائج کرنا ہے تاکہ کمپنی کے طویل المدتی اہداف کو پورا کیا سکے۔

گزشتہ سال کے دوران، اس ڈپارٹمنٹ نے بہترین طریقہ کار کو پوری کمپنی کی سطح پر رائج کرنے اور واضح فیصلہ سازی کو ممکن بنانے میں درج ذیل نمایاں پیش رفت کی:

### ویلیو ایڈیشنز پر ویس/قدر کی یقین دہانی کا عمل:

کمپنی کے تمام بڑے منصوبے ویلیو ایڈیشنز پر ویس سے گزارے گئے تاکہ قدر کو بہتر بنایا جاسکے۔ بزنس ایکسیلنس فنکشن کے تحت چلنے والا یہ پرویس، پراجیکٹ گوننس میں ایک اہم چیک پوائنٹ بن گیا ہے۔

### کاروباری مکالمے کی نشستیں:

کمپنی کے ملازمین کے ساتھ کئی منظم مکالمے کی نشستیں منعقد کی گئیں، جن سے مختلف محکموں میں ہم آہنگی کو فروغ ملا، کاروباری بصیرت سامنے آئی اور تعاون و شفافیت کی روایت کو تقویت ملی۔

### مفروضے کی بنیاد پر جانچ (ہائپوتھیس ٹیسٹنگ) اور بہترین معیار سے موازنہ (بیچ مارکنگ):

مختلف مفروضوں کی بنیاد پر جانچ کی مشقیں (ہائپوتھیس ٹیسٹنگ ایکسرسائزز) کی گئیں تاکہ کلیدی امکانات کی تصدیق ہو سکے اور بہتری کے مواقع کی نشاندہی ہو۔ اس کے ساتھ ساتھ بہترین معیار سے موازنہ (بیچ مارکنگ) اسٹڈیز کے ساتھ مساقتی تجربے بھی انجام دیئے گئے تاکہ اسٹریٹجک پوزیشننگ اور کارکردگی میں اضافہ ہو سکے۔

### کاروباری مہارت کا نظام (بزنس ایکسیلنس فریم ورک):

ایک جامع بزنس ایکسیلنس فریم ورک تیار کیا گیا، جس میں کلیدی ترجیحی شعبے اور گوننس میکنزم شامل ہیں، جو کمپنی کے مہارتوں کے سفر میں رہنمائی کریں گے۔ اس فریم ورک کا بتدریج نفاذ آئندہ سال شروع ہوگا اور یہ ایک مکمل ماڈل کے طور پر کام کرے گا۔

### کارپوریٹ گوننس

PPL کارپوریٹ گوننس کے بلند معیارات پر کاربند ہے، جس کے ذریعے شفافیت، جواب دہی اور اخلاقی برتاؤ کو تمام آپریشنز میں یقینی بنایا جاتا ہے۔ متعلقہ ریگولیٹری تقاضوں کی رہنمائی میں، کمپنی کا گوننس فریم ورک بورڈ آف ڈائریکٹرز کو اس قابل بناتا ہے کہ وہ اسٹریٹجگ نگرانی فراہم کریں، ریگولیٹری تعمیل کو یقینی بنائیں اور اسٹیک ہولڈرز کے مفادات کا تحفظ کریں۔ سال کے دوران، بورڈ نے کمپنی کے نئے وژن اور مشن کو طویل مدتی اہداف کے ساتھ ہم آہنگ کرنے میں کلیدی کردار ادا کیا اور کمپنی کے پائیداری، عملی مہارت اور قدر کی تخلیق کے عزم کو مزید مضبوط کیا۔

### بورڈ کا کردار

بورڈ کمپنی کی حکمتِ عملی کی سمت کو متعین کرنے اور اس کی نگرانی کرنے میں ایک مرکزی حیثیت رکھتا ہے۔ اس کی بنیادی ذمہ داریوں میں طویل المدتی اہداف کا تعین، مجموعی کاروباری کارکردگی کی نگرانی، ریگولیٹری فریم ورک کی تعمیل کو یقینی بنانا، مالی انتظامات پر نظر رکھنا اور اہم خطرات کی بروقت نشاندہی اور ان پر قابو پانا شامل ہیں۔ بنیادی طور پر بورڈ اس بات کو یقینی بناتا ہے کہ کمپنی مؤثر طریقے سے چلائی جائے اور ہمیشہ اپنے وژن، مشن اور حکمتِ عملی کی ترجیحات کے مطابق رہے۔

جون 1950 میں اپنے قیام کے بعد، مالی سال 2024-25 کمپنی کے لیے ایک اہم سنگ میل اور تاریخ ساز لمحہ تھا جب پاکستان پیٹرولیم لمیٹڈ نے اپنی پرقار خدمات کے 75 سال مکمل کئے۔ اس شاندار روایت کو خراج تحسین پیش کرنے اور آئندہ ترقی کی بنیاد رکھنے کے لیے بورڈ نے ایک اسٹریٹجگ اقدام کی منظوری دی جس کے تحت کمپنی کو روایتی ایکسپلوریشن اینڈ پروڈکشن (E&P) بزنس سے ایک متنوع توانائی کمپنی میں تبدیل کیا جا رہا ہے۔ اس تبدیلی کے مطابق، بورڈ نے نیا وژن، مشن، بنیادی اقدار اور کارپوریٹ شناخت کی منظوری دی جو کمپنی کے جدت، پائیداری اور توانائی کے طویل مدتی تحفظ کے عزم کی عکاس ہے۔

پاکستان کی سکیورٹیز اینڈ ایکسچینج کمیشن (SECP) نے حال ہی میں IFRS پائیداری کے اکتشافات کے معیار (IFRS S1) اور (IFRS S2) اپنانے کا حکم دیا ہے، جو مالی سال 2025-26 سے نافذ العمل ہوگا۔ SECP کی ہدایات کے مطابق، بورڈ نے ایک نئی کمیٹی تشکیل دی ہے جس کا نام بورڈ کی ماحولیاتی، سماجی اور گوننس (ESG) کمیٹی ہے۔

ریگولیٹری تقاضوں کے مطابق، بورڈ کے لیے 6 قانونی کمیٹیاں قائم کرنا لازمی ہے۔ تاہم، بورڈ نے سات کمیٹیاں تشکیل دی ہیں، جن میں ایک اضافی کمیٹی بورڈ اسٹریٹجی اینڈ فنانس کمیٹی ہے، تاکہ اپنے فرائض مؤثر طریقے سے سرانجام دے سکے اور فیصلہ سازی کے عمل کو تقویت مل سکے۔ تمام بورڈ کمیٹیاں اپنے کردار کے مطابق کام کرتی ہیں۔

بورڈ نے اپنی کچھ ذمہ داریاں کمیٹیوں کے حوالے کی ہیں، جو بورڈ کے ذیلی گروپ کے طور پر کام کرتی ہیں۔ یہ کمیٹیاں مخصوص معاملات پر وقت اور وسائل صرف کرتی ہیں اور بعض اوقات ماہرین کی رائے بھی لیتی ہیں تاکہ فیصلوں کو بہتر بنایا جاسکے۔ یہ کمیٹیاں بورڈ کو تفصیلی رپورٹس اور سفارشات پیش کرتی ہیں، جس سے باخبر نگرانی ممکن ہوتی ہے۔ ڈائریکٹرز بورڈ اور کمیٹی میٹنگز میں بھرپور وقت دیتے ہیں اور انتظامیہ کے ساتھ رابطے میں رہتے ہیں تاکہ گوننس فریم ورک کی گرفت مضبوط بنائی جاسکے۔

اس کے علاوہ بورڈ نے کمپنی کے روزمرہ آپریشنز کی نگرانی کے لیے CEO اور مینجمنٹ ٹیم کو مخصوص اختیارات تفویض کئے ہیں۔ چیف ایگزیکٹو اور مینجمنٹ کے لیے اختیارات کی واضح حدود باضابطہ طور پر بورڈ نے منظور کی ہیں تاکہ جواب دہی، انتظامی کارکردگی اور مجموعی کارپوریٹ اہداف کے ساتھ ہم آہنگی کو یقینی بنایا جاسکے۔

### بورڈ کی تشکیل

ڈائریکٹرز کے نام اور حیثیت اس سالانہ رپورٹ کے ”کمپنی انفارمیشن“، سیکشن میں درج ہیں۔ مالی سال کے دوران ڈائریکٹر شپ رکھنے والے افراد کے نام اس سالانہ رپورٹ کے ”بورڈ اور کمیٹی میٹنگز میں حاضری“ کے سیکشن میں درج کیے گئے ہیں۔

آزاد ڈائریکٹرز نے اپنی آزادی کی توثیق کا اقرار کیا ہے جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گوننس) ریگولیشنز 2019 کے ریگولیشن 6 کی ذیلی دفعہ (3) کے تحت لازم ہے۔

### بورڈ میں تنوع

کمپنی کا بورڈ مختلف پس منظر رکھنے والے ماہرین پر مشتمل ہے جو بزنس اور انڈسٹری کے مختلف شعبوں میں مہارت رکھتے ہیں۔ مجموعی طور پر ڈائریکٹرز، قیادت، کارپوریٹ گوننس، قانون، مالیات، انجینئرنگ اور دریافت و پیداوار کے میدانوں میں شاندار تجربہ رکھتے ہیں۔ معلومات اور بصیرت کا یہ تنوع مؤثر نگرانی اور کاروباری رہنمائی کو یقینی بناتا ہے۔ سال کے اختتام پر بورڈ پانچ آزاد ڈائریکٹرز، چار نان ایگزیکٹو ڈائریکٹرز اور چیف ایگزیکٹو آفیسر پر مشتمل تھا۔

### بورڈ میں خالی آسامیاں

سال کے دوران بورڈ کو تین خالی آسامیوں کا سامنا کرنا پڑا۔ جناب اولیس منظور سمرہ اور جناب حسن محمود یوسف زئی کے استعفیے کے بعد ان کی جگہ جناب قمر سرور عباسی اور جناب ظفر عباس کو تعینات کیا گیا۔ تاہم، محترمہ خورشید بھائی میاں کے انتقال سے پیدا ہونے والی خالی آسامی تاحال پر نہیں کی جاسکی کیونکہ کمپنی کو اپنے اکثریتی شیئر ہولڈر، حکومت پاکستان کی جانب سے نامزدگی موصول نہیں ہوئی۔

### ڈائریکٹرز کے پروفائل

ڈائریکٹرز کی تفصیلی پروفائلز، جن میں ان کا تعلیمی پس منظر، پیشہ ورانہ تجربہ اور دیگر اداروں میں شمولیت شامل ہے، اس سالانہ رپورٹ کے ”پروفائلز آف دی بورڈ آف ڈائریکٹرز“ سیکشن میں فراہم کی گئی ہیں۔



### چیئر مین اور چیف ایگزیکٹو آفیسر کے کردار

چیئر مین اور چیف ایگزیکٹو آفیسر (CEO) کا کردار اور ذمہ داریاں واضح طور پر علیحدہ سے متعین ہیں تاکہ مؤثر گوننس اور عملی انتظام یقینی بنایا جاسکے۔

چیئر مین بورڈ کی قیادت اور گوننس امور کی نگرانی کے ذمہ دار ہیں۔ اس میں بورڈ میٹنگز کا ایجنڈا طے کرنا، تعمیری مباحثوں کو فروغ دینا، اہم فیصلوں پر اتفاق رائے پیدا کرنا اور ڈائریکٹرز کی فعال شمولیت کو یقینی بنانا شامل ہے۔ چیئر مین اس بات کو یقینی بناتے ہیں کہ بورڈ مؤثر انداز میں کام کرے، اسٹریٹجگ طور پر متوجہ رہے اور اپنے ممبران کی مسلسل ترقی کی حوصلہ افزائی کرے۔ اس کے علاوہ چیئر مین، CEO اور مینجمنٹ کی جانب سے پیش کی جانے والی اہم کاروباری پالیسیوں پر وونگ کرواتے ہیں۔ چیئر مین کی رہنمائی میں بورڈ کمپنی کی منافع بخش، پائیداری اور طویل مدتی ترقیاتی اہداف کی نگرانی کرتا ہے۔

چیف ایگزیکٹو آفیسر (CEO) روزمرہ آپریشنز کے انتظام کے ذمہ دار ہیں۔ CEO بورڈ کی منظور شدہ منصوبہ بندیوں اور پالیسیوں پر عملدرآمد یقینی بناتے ہیں اور کمپنی کے وسائل کا تحفظ کرتے ہیں۔ اس میں یہ امر شامل ہے کہ فنڈز کو مؤثر، کفایتی اور کارآمد طریقے سے استعمال کیا جائے اور تمام قانونی تقاضے پورے ہوں۔

### بورڈ کمیٹیاں

بورڈ کمیٹیوں کے کردار کی اہم خصوصیات اس سالانہ رپورٹ کے ”بورڈ کمیٹی“ کے سیکشن میں فراہم کی گئی ہیں۔ مالی سال کے دوران بورڈ آف ڈائریکٹرز کی 9 میٹنگز ہوئیں، جبکہ بورڈ کمیٹیوں کی 26 میٹنگز منعقد ہوئیں۔ ان میٹنگز میں ڈائریکٹرز کی حاضری کی تفصیلات ”حاضری برائے بورڈ اور کمیٹی میٹنگز“ کے سیکشن میں دی گئی ہیں۔

### سالانہ کارکردگی کا جائزہ

پبلک سیکٹر کمپنیز (کارپوریٹ گوننس) رولز 2013 کے مطابق، بورڈ کی کارکردگی کا جائزہ وفاقی حکومت کی نگرانی میں لیا جاتا ہے۔ ان ہدایات کے تحت، پاکستان انسٹیٹیوٹ آف کارپوریٹ گوننس (PICG) کو مالی سال 2023-24 کے لیے بورڈ اور اس کے ارکان کی کارکردگی کا جائزہ لینے کے لیے شامل کیا گیا۔ سال کے اختتام کے بعد، مالی سال 2024-25 کے لیے بھی بورڈ پر فارمنس ایویلیویشن کا عمل شروع کر دیا گیا ہے۔

سال کے دوران بورڈ نے چیف ایگزیکٹو آفیسر کی کارکردگی کو پہلے سے متعین کردہ آپریشنل ٹیکسیکل اور اسٹریٹجگ اہداف کے نقطہ نظر سے جانچا۔ وفاقی حکومت کو بھی CEO کی کارکردگی کا جائزہ لینے کا اختیار حاصل ہے۔

## کاروباری سماجی ذمہ داری (CSR)

پاکستان پٹرولیم لمیٹڈ میں کاروباری سماجی ذمہ داری، کمپنی کے اس دیرپا عزم کی عکاسی کرتی ہے کہ وہ پاکستان کی مستحق آبادیوں کی سماجی و معاشی ترقی میں کردار ادا کرے۔ ملک کے بڑے کاروباری عطیات دینے والے اداروں میں سے ایک ہونے کے ناطے، PPL آپریشن علاقوں اور شہری مراکز دونوں میں پسماندہ آبادیوں کی بہتری کے ذریعے معیار زندگی بلند کرنے کی کوشش کرتی ہے۔ کمپنی ہر طرح کی مالی اور غیر مالی معاونت فراہم کرتی ہے تاکہ طویل مدتی، ملکی سطح پر چلنے والے فلاحی منصوبے ممکن بن سکیں۔

مالی سال 2024-25 کے دوران، PPL نے CSR اقدامات پر 4.65 ارب روپے خرچ کیے، جن کا بنیادی مقصد نوجوانوں، خواتین اور خصوصی افراد کو بااختیار بنانا تھا۔ یہ کوششیں تعلیم، صحت، بنیادی انفراسٹرکچر کی ترقی، روزگار کے مواقع پیدا کرنے، کھیلوں اور قدرتی آفات کے بعد بحالی جیسے مختلف شعبوں میں کی گئیں۔

## CSR اقدامات اور بورڈ کا عزم

بورڈ آف ڈائریکٹرز نے یہ لازمی قرار دیا ہے کہ سالانہ قبل از نگینس منافع کا کم از کم 1.5 فیصد CSR اقدامات پر خرچ کیا جائے۔ کارپوریٹ سماجی ذمہ داری کو ایک اہم اور مستقل کاروباری فریضے کے طور پر اپنایا گیا ہے، جس میں بورڈ اور انتظامیہ منصوبوں کی تجاویز، ان کے فوائد، نتائج اور طویل مدتی اثرات کا باقاعدہ جائزہ لیتے ہیں۔ یہ طریقہ کار جدت کو فروغ دینے، مقامی اداروں کو مضبوط کرنے اور آپریشن علاقوں اور پورے معاشرے میں پائیدار ترقی کو یقینی بناتا ہے۔

PPL کے لیے CSR کوئی وقتی امداد نہیں بلکہ کمپنی کی حکمت عملی پر اساس کرتے ہوئے طویل المدتی عمل ہے جو پسماندہ طبقے کو قابل قدر فوائد فراہم کرنے کے لیے ترتیب دیا گیا ہے۔

## ترجیحی شعبے اور اسٹیک ہولڈرز کے ساتھ تعلق

پی پی ایل کا CSR پروگرام زیادہ تر ان آبادیوں کو ترجیح دیتا ہے جو نظر انداز کی جاتی ہیں، خاص طور پر وہ علاقے جو سندھ، بلوچستان اور پنجاب میں آپریشنل سائٹس کے قریب ہیں، جبکہ بڑے شہری مراکز کے ساتھ بھی تعاون کیا جاتا ہے۔

## رضا کارانہ اقدامات

PPL مقامی کمیونٹیز، عوامی نمائندوں، سرکاری حکام، جوائنٹ ونچر پارٹنرز اور سول سوسائٹی اداروں کے ساتھ مل کر ایسے منصوبے ڈیزائن اور نافذ کرتی ہے جو مقامی ضروریات سے ہم آہنگ ہوں۔ پائیداری، اثر اور شفافیت کو یقینی بنانے کے لیے باقاعدہ جائزے اور مانیٹرنگ کی جاتی ہے۔

## لازمی اقدامات

سماجی بہبود کی لازمی اکیسوں کے لیے PPL ریگولیشنز رہنما اصولوں پر سختی سے عمل کرتی ہے، ساتھ ہی داخلی انتظامات بھی کرتی ہے تاکہ فنڈز کا بروقت اور موثر استعمال یقینی بنایا جاسکے۔ اس دوہری حکمت عملی کے ذریعے PPL نہ صرف اپنے قانونی فرائض پورے کرتی ہے بلکہ مقامی کمیونٹیز کے مفادات کا بھی تحفظ کرتی ہے اور اپنے CSR پروگرام کی طویل مدتی کامیابی کو یقینی بناتی ہے۔

کمپنی کی CSR سرگرمیوں کی تفصیلات اس سالانہ رپورٹ کے ”کارپوریٹ سوشل ریپسٹبلٹی“ سیکشن میں فراہم کی گئی ہیں۔

## انفارمیشن ٹیکنالوجی گورننس

انفارمیشن ٹیکنالوجی (IT) ڈیپارٹمنٹ نے PPL کے ڈیجیٹل ٹرانسفارمیشن ایجنڈے کو آگے بڑھانے میں کلیدی کردار ادا کیا، اور ایسے اسٹریٹجک اقدامات اٹھائے جن سے کاروباری قدر میں زبردست اضافہ ہوا۔ جدت، پائیداری اور عملی مہارت کے وژن کے تحت، اس ڈیپارٹمنٹ نے انفراسٹرکچر اپ گریڈز، پروسیس آٹومیشن اور ٹیکنالوجی کی فراہمی کے ذریعے زیادہ بہتر، تیز اور محفوظ آپریشنز کو فروغ دیا، جو بدلتی ہوئی کاروباری ضروریات کے عین مطابق ہیں۔

سال کے دوران جدید ڈیجیٹل ٹولز اور پلیٹ فارمز کو پورے ادارے میں اپنانے پر توجہ مرکوز رہی، جس سے انتظامی کارکردگی، صارف کے تجربے اور گورننس میں بہتری آئی۔ نئے سلوشنز کا بروقت انضمام سخت تعلیم اور رسک مینجمنٹ کے معیارات کو برقرار رکھتے ہوئے کیا گیا۔

مالی سال کے اختتام کے بعد، 6 اگست 2025 کو PPL کو ایک سائبر سیکیورٹی واقعے کا سامنا کرنا پڑا۔ کمپنی کے رسپانس پروڈکول فوراً فعال کر دیے گئے اور بیرونی ماہرین کے تعاون سے صورتحال کو جلد قابو کر لیا گیا۔ پیداواری امور متاثر نہیں ہوئے، کلائنٹ سروسز معمول کے مطابق چلتی رہیں، جبکہ آن پریمنس IT سروسز کو محفوظ رکھنے کے لیے فوری طور پر آف لائن کر دیا گیا۔ بعد ازاں تمام IT سروسز بحال کر دی گئیں اور معاملے کی اطلاع متعلقہ حکام کو دے دی گئی۔ سائبر پائیداری کو مضبوط کرنے کے لیے ایک فرانزک ریویو بھی جاری ہے۔ IT گورننس پر مزید تفصیلات اس سالانہ رپورٹ کے متعلقہ سیکشن میں ملاحظہ کریں۔

DIGITAL TRANSFORMATION & INNOVATION	CYBERSECURITY & GOVERNANCE	IT INFRASTRUCTURE & CONNECTIVITY	SUSTAINABILITY & ESG
<ul style="list-style-type: none"> <li>50 SAP Fiori apps deployed across Finance, HCM and Procurement</li> <li>AI/ML integration in seismic data processing</li> </ul>	<ul style="list-style-type: none"> <li>ISO 27001 Certification - first in the energy sector</li> <li>Air-gapped cyber recovery solution implemented</li> </ul>	<ul style="list-style-type: none"> <li>GPU-based Virtual Desktop Infrastructure (VDI) for high-performance apps</li> <li>99%+ services uptime and 98% SLA compliance for IT services</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to carbon footprint reduction, digitization, and cyber security</li> <li>Alignment with global sustainability benchmarks</li> </ul>

## برنس کنٹینوٹی مینجمنٹ سسٹم (BCMS) / کاروباری تسلسل

### جاری رکھنے کا نظام

کمپنی کا کاروباری تسلسل جاری رکھنے کا نظام ISO معیارات اور برطانیہ کے برنس کنٹینوٹی انشٹیٹیوٹ کی گائیڈ لائنز کے مطابق ہے۔ اس فریم ورک کے کلیدی اجزاء میں برنس ایمپلیکٹ اینالسس (BIA)، رسک اسسمنٹ، برنس کنٹینوٹی اسٹریٹیجی ڈیولپمنٹ، برنس ریزیمیشن پلانز (BRPs)، اور ایکسرسائیز وٹیسٹنگ شامل ہیں۔

سال کے دوران کمپنی نے اپنے BCM فریم ورک کو مزید مضبوط کیا تاکہ آپریشنز میں پائیداری اور تیاری کو بڑھایا جاسکے۔ ادارے بھر میں آگاہی سیشنز منعقد کیے گئے تاکہ کاروباری تسلسل کے اصولوں کو کارپوریٹ کلچر کا حصہ بنایا جاسکے۔ اکتوبر 2024 میں بورڈ کی منظوری کے بعد BCM پالیسی باضابطہ طور پر نافذ کی گئی، تاکہ غیر متوقع رکاوٹوں کا سامنا کرنے اور اہم امور کے تسلسل کو یقینی بنانے کے لیے رہنمائی فراہم کی جاسکے۔



کمپنی نے 42 پارٹنرس اور مقامات پر جامع برنس ایمپلیکٹ اینالسس (BIA) مکمل کیا، جس میں 142 اہم پروسیسز کی نشاندہی کی گئی اور کلیدی بیرونی میٹرز وضع کیے گئے جس میں زیادہ سے زیادہ قابل برداشت مدت (MTPD)، بحالی کے وقت کا مقصد (RTO) اور بحالی کے پوائنٹ کا مقصد (RPO) شامل ہیں۔ ان نتائج کی بنیاد پر ہنگامی منصوبہ بندی اور وسائل کے منصوبے تیار کیے گئے، جس کے نتیجے میں 70 فیصد کاروباری بحالی کی منصوبہ بندی (BRPs) کو از سر نو مرتب کیا گیا جبکہ باقی آئندہ سال مکمل ہوں گے۔ تیاری کو جانچنے کے لیے آفس ٹائمنگ کے بعد کال ٹری مشق کی گئی، جبکہ کاروباری تسلسل کے لئے ہمیں تشکیل دی گئیں جن کے واضح کردار متعین کیے گئے تاکہ ادارے کی پائیداری کو مزید مضبوط کیا جاسکے۔

مجموعی طور پر، یہ تمام اقدامات اس بات کی تصدیق کرتے ہیں کہ PPL اپنی خدمات کے بلا تعطل تسلسل کو یقینی بنانے کے لیے پرعزم ہے، ساتھ ہی آپریشنل سالمیت اور ممکنہ رکاوٹوں کے مقابلے میں تیاری کو بھی محفوظ بناتے ہیں۔

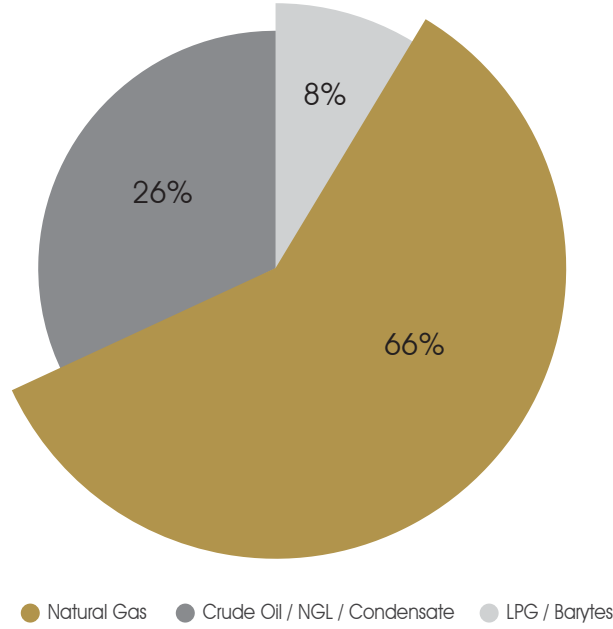


The product-wise and field-wise sales revenue is analysed below:

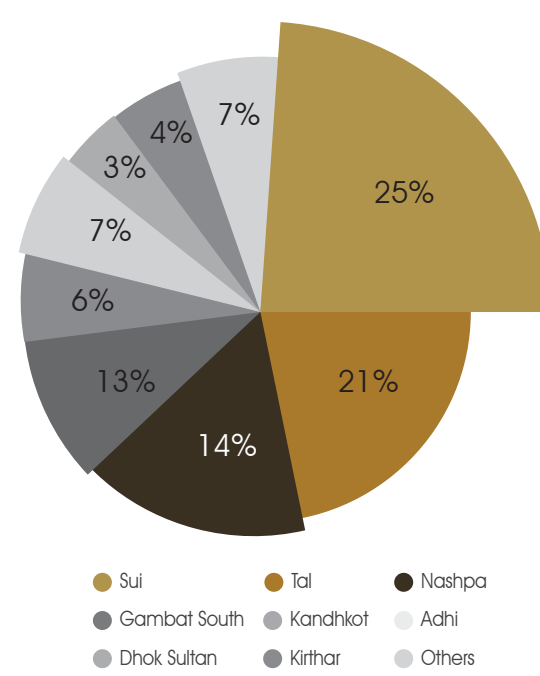
## مالی جائزہ (Financial Overview)

ڈائریکٹر موجودہ سال کے لیے درج ذیل منافع کی تفصیلات تجویز کرتے ہیں:

Product-wise Sales Revenue (2024-25)



Field-wise Sales Revenue (2024-25)



Unit Sales Volumes	Unit	Year ended June 30, 2025	Year ended June 30, 2024
Natural Gas	MMscf	171,218	194,893
Crude Oil / NGL / Condensate	BBL	3,681,519	4,144,866
LPG	Metric Tonnes	97,196	113,504
Barytes *	Metric Tonnes	96,459	87,352

\* Total gross sales volume of baryte powder and baryte ore, sold by BME aggregated to 201,477 metric tonnes during the year. After eliminating the sales made by BME to PPL and applying 50% share of PPL, net volume is reported as 96,459 metric tonnes.

### منافع کی صورتحال

کمپنی کے بعد از ٹیکس منافع اور قبل از ٹیکس منافع میں بالترتیب تقریباً 19 فیصد اور 13 فیصد کمی واقع ہوئی، جو بنیادی طور پر فروخت میں 16 فیصد کمی (جیسا کہ اوپر وضاحت کی گئی ہے) کی وجہ سے ہے۔

ویل ہیڈ ویلیو پر ڈیپیلیشن الاؤنس کے حساب کتاب کے سلسلے میں سپریم کورٹ آف پاکستان کے مثبت فیصلے کے نتیجے میں گذشتہ سال کے دوران تسلیم شدہ 14,335 ملین روپے کی رقم کی فراہمی کو تبدیل کرنے کی وجہ سے ٹیکس چارج پچھلے سال کے مقابلے میں زیادہ ہے۔

منافع میں کمی کو جزوی طور پر غیر ملکی کرنسی پر زرمبادلہ کے نقصان میں کمی اور دیگر آمدنی میں اضافے کی وجہ سے پورا کیا گیا، جس کی بنیادی وجہ PPLA اور بیمہ دعویٰ کی وصولی ہے۔

### ڈیویڈنڈ پالیسی

کمپنی اپنے شیئر ہولڈرز کو بہتر قدر فراہم کرنے کے لیے پرعزم ہے۔ اس مقصد کے لیے کمپنی ایک متوازن ڈیویڈنڈ پالیسی اپناتی ہے جو اس کی منافع بخشی، لیکویڈٹی کی پوزیشن اور طویل مدتی ترقی کے عزائم سے ہم آہنگ ہو۔

Profit before Taxation	139,082.519	159,782.150
Taxation	(47,055.069)	(45,473.073)
Profit after Taxation	92,027.450	114,309.077
Unappropriated profit as at July 1, 2024 / 2023	537,603.199	437,545.461
Dividend Equalisation Reserve as at June 30, 2025 / 2024	2,535.354	2,535.354

### Appropriations during the year

Final dividend for the year 2023-24 on ordinary shares @ 25% (2022-23: ordinary and preference shares @ 15%)

First interim dividend for the year 2024-25 on ordinary and preference shares @20% (2023-24: 25%)

Second interim dividend for the year 2024-25 on ordinary shares @ 20% and preference shares @ 10% (2023-24: ordinary shares @ 10% and preference shares @ 5%)

Third interim dividend for the year 2024-25 on ordinary shares @ 10% (2023-24: Nil)

### Other Comprehensive Loss

Balance as at June 30, 2025/2024

### Subsequent Effects

The Board of Directors of the Company in its meeting held on September 19, 2025, proposed the following:

Final dividend on ordinary shares @ 25% (2023-24: 25%)

	2024-25 Rs. Million	2023-24 Rs. Million
Profit before Taxation	139,082.519	159,782.150
Taxation	(47,055.069)	(45,473.073)
Profit after Taxation	92,027.450	114,309.077
Unappropriated profit as at July 1, 2024 / 2023	537,603.199	437,545.461
Dividend Equalisation Reserve as at June 30, 2025 / 2024	2,535.354	2,535.354
	632,166.003	554,389.892
Final dividend for the year 2023-24 on ordinary shares @ 25% (2022-23: ordinary and preference shares @ 15%)	(6,802.433)	(4,081.476)
First interim dividend for the year 2024-25 on ordinary and preference shares @20% (2023-24: 25%)	(5,441.967)	(6,802.459)
Second interim dividend for the year 2024-25 on ordinary shares @ 20% and preference shares @ 10% (2023-24: ordinary shares @ 10% and preference shares @ 5%)	(5,441.956)	(2,720.978)
Third interim dividend for the year 2024-25 on ordinary shares @ 10% (2023-24: Nil)	(2,720.973)	-
Other Comprehensive Loss	(1,555.836)	(646.426)
Balance as at June 30, 2025/2024	610,202.838	540,138.553
	6,802.433	6,802.433
	6,802.433	6,802.433

### فروخت سے آمدنی

رواں سال کے دوران فروخت سے آمدنی میں پچھلے سال کے مقابلے میں 46,281 ملین روپے کی کمی ہوئی۔ یہ کمی بنیادی طور پر 33,317 روپے حجم کی کم مقدار اور 12,964 ملین روپے قیمت فروخت میں کمی کی وجہ سے سامنے آئی۔

فروخت کی مقدار میں کمی کی بنیادی وجہ سوئی، کندھ کوٹ، تال، ناچہ اور لطیف فیلڈز سے فروخت کے حجم میں کمی ہے۔ یہ فرق قدرتی تنزل ساتھ ساتھ SNGPL کی جانب سے گیس فروخت میں کمی (سوئی، تال اور ناچہ) اور GENCO-II (کندھ کوٹ) کی جانب سے کم طلب کے باعث پیدا ہوا۔ اس کمی کو جزوی طور پر نئے دریا فنی کنوؤں سے پیداوار کے آغاز کی بدولت پورا کیا گیا، ان میں شاہ بندر، گمبٹ ساؤتھ، کیرتھر فیلڈز اور ہالا فیلڈ میں ایک ان فل ویل شامل ہیں۔

قیمت میں کمی کی وجہ پاکستانی روپے کی امریکی ڈالر کے مقابلے میں قدر میں اضافہ ہے (موجودہ سال کا اوسط ایکسچینج ریٹ 279 روپے رہا جبکہ گذشتہ سال 283 روپے تھا)۔ اس کے ساتھ ساتھ، کروڈ آئل کی اوسط عالمی قیمتوں میں بھی کمی ہوئی، جو گذشتہ سال 85 امریکی ڈالر فی بیرل تھی اور موجودہ سال 74 امریکی ڈالر فی بیرل رہی۔



## معیار، صحت، تحفظ اور ماحول (QHSE)

پی پی ایل کے QHSE فنکشن میں ماہر پیشہ و افراد شامل ہیں جو QHSE کی حکمت عملیوں، طریقہ کار اور طویل مدتی منصوبوں کی ترقی اور نفاذ کی رہنمائی کرتے ہیں۔ یہ تمام آپریٹنگ اثاثوں میں داخلی تصریحات اور صنعت کے معیارات کے ساتھ آپریٹنگ تعمیل کی نگرانی کرتا ہے اور انتظام کے تمام سطحوں کو تکنیکی رہنمائی اور غیر جانبدارانہ جائزے فراہم کرتا ہے۔

یہ فنکشن پائپ لائنوں، ٹینکوں، سامان اٹھانے، HAZOP اسٹڈیز، ماحولیاتی نگرانی اور دیگر اہم حفاظتی جائزوں کے لیے تیسرے فریق کے معائنے کی سہولت بھی فراہم کرتا ہے۔

## پالیسی اور گورننس فریم ورک

پی پی ایل اپنے آپریٹنگ کے تمام پہلوؤں میں QHSE کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پوری طرح پر عزم ہے۔ ایک مایہ ناز E&P کمپنی کے طور پر، ہم اپنے کاروبار کے ہر پہلو میں QHSE اقدار کو اپناتے ہوئے، عملے کی حفاظت، ماحولیات کے تحفظ اور ان کمیونٹی کی فلاح و بہبود کو یقینی بناتے ہیں جہاں ہم کام کرتے ہیں۔

مربوط کیو ایچ ایس ای پالیسی اور پی پی ایل کی بنیادی اقدار کو ویب سائٹ <https://www.ppl.com.pk/> سے ملاحظہ کیا جاسکتا ہے۔



## پیشہ ورانہ حفاظت اور صحت

پیشہ ورانہ صحت اور حفاظت (PPL OHS) میں ایک اولین ترجیح ہے، جو کاروباری منصوبہ بندی، فیصلہ سازی اور ہدف کے حصول سے مربوط ہے۔ آپریٹنگ سرگرمیوں میں حفاظتی کلچر کو فروغ دینے کے لیے ملازم اور اسٹیک ہولڈر کی شمولیت کے ساتھ خطرات کو منظم طریقے سے شناخت اور کم کیا جاتا ہے۔

کارکردگی کی نگرانی مناسب اسکور کارڈز، ماہانہ انتظامی جائزہ میٹنگز اور HSE نگرانی کے طریقہ کار کے ذریعے کی جاتی ہے۔ باقاعدہ QHSE ایپس، حفاظتی آگے اور ترقی پروگرام (مثلاً اونچائی پر کام کرنا، ابتدائی طبی امداد، دفاعی ڈرائیونگ) ادارے کے حفاظتی کلچر اور کارکردگی کو مزید تقویت دیتے ہیں۔

## پائیداری

بورڈ آف ڈائریکٹرز پی پی ایل کے سٹریٹجک اور آپریٹنگ فریم ورک میں ماحولیاتی، سماجی، اور گورننس (ESG) اصولوں کو اپنانے کے لیے پختہ عزم پر قائم ہے۔ سال کے دوران، پائیداری سے متعلق پہلوؤں کی نگرانی کے لیے ایک نئی بورڈ کمیٹی، یعنی بورڈ ماحولیاتی، سماجی اور گورننس کمیٹی تشکیل دی گئی ہے۔ ہم ESG انتظام کو طویل مدتی چلک، پائیدار قدر کی تخلیق اور معاشرے میں باہمی شراکت کے لیے ضروری سمجھتے ہیں۔

ماحولیات کے حوالے سے، پی پی ایل وسائل کے موثر استعمال، پائیدار طریقوں کو اپنانے اور عالمی موسمیاتی حالات کے مطابق ماحولیاتی ذمہ داری کو فروغ دینے والی اختراعات کے لیے تعاون کے ذریعے اپنے اثر کو کم کرنے کے لیے کام کر رہی ہے۔ آب و ہوا سے متعلق خطرات اور مواقع کو منظم طریقے سے ہماری حکمت عملی کے تحت منصوبہ بندی میں شامل کیا جاتا ہے۔

سماجی نقطہ نظر سے، ہم ایک متنوع، جامع اور مساوی کام کی جگہ کو فروغ دینے کے لیے وقت ہیں جو منصفانہ صحت کے طریقوں، انسانی حقوق کے تحفظ اور کمیونٹی کی ترقی پر مبنی ہے۔ ہمیں یقین ہے کہ یہ وعدے ہمارے کاروباری کلچر کو بڑھاتے ہیں اور شراکت داروں کے اعتماد کو مزید گہرا کرتے ہیں۔

شفافیت، جوابدہی اور اخلاقی برتاؤ کے ساتھ فیصلہ سازی کی رہنمائی سے مضبوط حکمرانی ہمارے نقطہ نظر کو تقویت دیتی ہے۔ ESG کے تحفظات کو ہمارے اثر پرائز رسک مینجمنٹ فریم ورک میں ضم کر دیا گیا ہے، جو ابھرتے ہوئے چیلنجز کے لیے تیاری کو یقینی بناتا ہے۔

PPL بین الاقوامی بہترین طریقوں اور اسٹیک ہولڈر کی توقعات کے مطابق اپنی ESG حکمت عملی کی تیاری جاری رکھے گی۔ پائیدار کارکردگی کو آگے بڑھا کر، جامع ترقی اور سخت حکمرانی کے معیارات کو برقرار رکھتے ہوئے، ہمارا مقصد ایک چلدار اور ذمہ دار ادارہ بنانا ہے۔ PPL کی ESG پالیسیوں، اقدامات اور رسک مینجمنٹ کے طریقوں کے بارے میں جامع تفصیلات اس سالانہ رپورٹ کے ESG اور پائیداری، CSR، اور QHSE سیکشنز میں فراہم کی گئی ہیں، ڈائریکٹرز کی رپورٹ میں گورننس کے پہلوؤں کا احاطہ کیا گیا ہے۔

اس کے علاوہ، پہلی بار، کمپنی 2024-25 کے لیے الگ سے پائیداری رپورٹ جاری کر رہی ہے۔



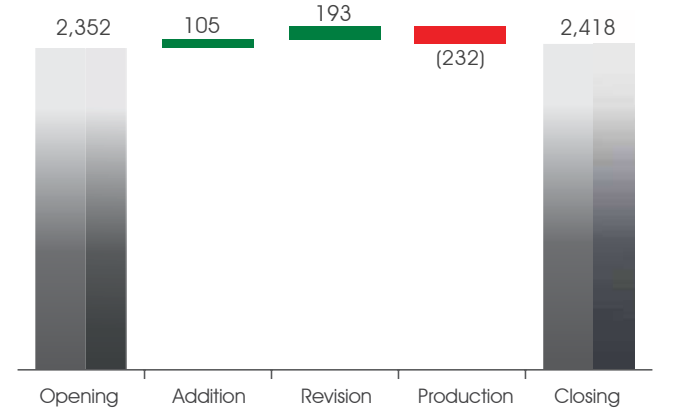
## ریزروائر ماڈلنگ گروپ

ریزروائر ماڈلنگ گروپ بنیادی طور پر 3D ریزروائر سمولیشن کا استعمال کرتے ہوئے مربوط ریزر میں ذخائر کے مطالعے پر توجہ مرکوز کرتا ہے۔ حاتم فیض اور جیم پیٹی فیلڈز کے لئے ان ہاؤس اسٹڈیز مکمل کر لی گئی ہیں جبکہ آدھی اور آدم فیلڈز کے لئے کام جاری ہے۔ یہ اسٹڈیز ذخائر کی کارکردگی کی سمجھ میں اضافہ کرتے ہیں، پیداوار کی اصلاح میں معاونت کرتے ہیں، اور ذخائر میں اضافے کے مواقع کی نشاندہی کرتے ہیں۔ اس میں اپنے عملے کی مہارت سے فائدہ اٹھانے سے لاگت میں بھی نمایاں بچت ہوئی ہے۔

## ریزرو مینجمنٹ (ذخائر کی انتظام کاری)

سال کے دوران ہائڈرو کاربن کے ذخائر پر نظر ثانی، اضافے اور پیداوار کی بنیاد پر، کمپنی کا 2P ریزرو مینجمنٹ ریشو (RRR) 129%~ ہے، جو اس بات کی نشاندہی کرتا ہے کہ پیداوار کو 2P ذخائر کی بنیاد میں مکمل طور پر تبدیل کر دیا گیا ہے۔

MOVEMENT IN PPL NET PROVED (2P) RESERVES IN BCFe DURING 2024-25

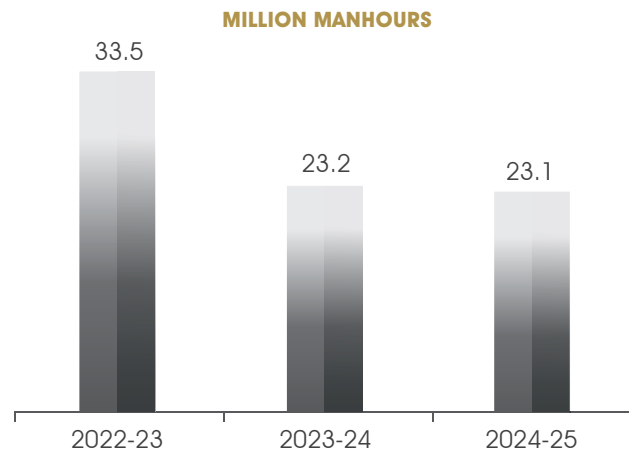


اضافے اور نظر ثانی کی بدولت 2P ذخائر میں 298 BCFe~ کا اضافہ کیا، جس سے ذخائر کے ابتدائی توازن میں اضافہ ہوا۔ اہم اضافے پیٹی X-1 (شاہ بندر) اور آدم-2 (ہالہ) میں آپریٹنگ کنوے کی دریافتوں کے ساتھ ساتھ پارٹنر آپریٹنگ منصوبوں بشمول تور (لطیف)، رازگیر (تل)، اور کمری (کوٹری شالی) میں دریافت سے عیاں ہوئے ہیں۔ اضافوں میں ابونہبی میں آف شور بلاک 5 میں پہلے سے موجود تین دریافتوں کے لیے تشخیصی امور کی تکمیل کے نتیجے میں بک کیے گئے ذخائر بھی شامل ہیں جبکہ نظر ثانی بنیادی طور پر شہداد پور اور ساون بلاکس میں کی گئی، جس سے ذخائر کے پورٹ فولیو کو مزید تقویت ملی۔

اس کے علاوہ، کمپنی کے پاس 695 BCFe~ کے متاثر کن ہنگامی وسائل ہیں، جنہیں وہ اپنی طویل مدتی ترقی کی حکمت عملی کو تقویت دیتے ہوئے ذخائر میں تبدیل کرنے کے لیے کوشش جاری رکھے ہوئے ہے۔

کی پرفارمنس انڈیکیٹرز (KPIs)/کلیدی کارکردگی کے اشاریے سال کے دوران، PPL نے اکتوبر 2022 میں آخری LTI کے بعد سے اپنی آپریٹنگ سائنس پر بغیر کسی لاسٹ ٹائم انجری (LTI) یا ہلاکت کے 70 ملین سے زیادہ محفوظ اوقات کار کامیابی کے ساتھ مکمل کئے ہیں۔ کمپنی کے ملازمین اور ٹھیکیدار کے عملے دونوں کے لیے محفوظ اوقات کار کو ٹریک کیا جاتا ہے، واقعات کی تحقیقات سے حاصل ہونے والے اسباق کو روزانہ کی کارروائیوں میں منظم طریقے سے اپنایا جاتا ہے۔ مالی سال کے دوران، اسٹاف اور کنٹریکٹرز نے 1,900 سے زیادہ غیر محفوظ کارروائیوں اور حالات کی اطلاع دی۔ خاص طور پر، رپورٹنگ کی مدت کے دوران لاسٹ ٹائم انجری کی فریکوئنسی (LTIF) اور ٹوٹل ریکارڈ ایبل انجری ریٹ (TRIR) دونوں کو کم کر کے صفر پر پہنچایا گیا ہے جو کہ PPL کے لیے ایک بے مثال کامیابی ہے۔

پلانٹ سائنس کے علاوہ، گاڑیوں کے حادثات کی موثر نگرانی کی جاتی ہے، سخت روڈ ٹرانسپورٹ سیفٹی معیارات کی وجہ سے رواں سال کے دوران حادثات کی شرح صفر پر رہی۔ اسی طرح، کوئی قابل ذکر ماحولیاتی خلاف ورزی سامنے نہیں آئی جو کمپنی کی مضبوط حفاظت اور ماحولیاتی کارکردگی کو مزید واضح کرتی ہے۔



## کمپنی کی ذیلی اور ایسوسی ایٹ کمپنیاں پی پی ایل یورپ E&P لمیٹڈ (ذیلی کمپنی)

بلاک 3- یمن	• اپریل 2015 سے یمن میں سنگین سکیورٹی صورتحال کے سبب بلاک مجبوراً بند ہے۔
زیارت آپریٹر: MEL	• 228 مربع کلومیٹر 3D سائزنگ ڈیٹا کی ری پروسیسنگ مکمل ہوئی۔ G&G ڈیٹا کی وضاحت، نقشہ سازی اور انضمام جاری ہے۔ • پیداواری (ڈیولپمنٹ) کنواں بولان ایسٹ کی کھدائی کا آغاز 2 فروری 2025 کو ہوا جو بعد میں مکمل کر لیا گیا۔ کنوئیں کو پیداواری نمٹ ورک سے منسلک کر دیا گیا ہے، تاہم کمپیننگ جاری ہے۔ • دوران سال دریافتی کنوئیں بولان ایسٹ 1 سے عارضی پیداوار (EWT) چلتن فارمیشن سے جاری رہی۔ کمرشل حیثیت کا اعلان، FDP، اور D&PL کی درخواست منظوری کے لیے متعلقہ حکام کو جمع کروادی گئی ہے۔ • بولان ویسٹ 1 پر کام مئی 2025 میں شروع ہوا، مگر غیر تسلی بخش نتائج کے باعث کنواں ترک (P&A) کر دیا گیا۔ • مستقبل کے امکانات کی تصدیق کے لیے G&G اسٹڈیز جاری ہیں۔
ہرنائی آپریٹر: MEL	• سروے ایریا میں سکیورٹی صورتحال کے باعث G&M ڈیٹا حاصل کرنے کے معاہدے میں تاخیر ہو رہی ہے۔ • دیگر G&G تجزیے جاری ہیں۔

### PPL ایسٹیا E&P.V (ذیلی کمپنی)

بلاک 8، عراق	• ایکسپلوریشن، ڈیولپمنٹ، اور پروڈکشن سروں کنٹریکٹ (EDPSC) کے سٹیلمنٹ کا عمل کامیابی سے مکمل ہوا۔ • معاہدے کے تحت PPL ایسٹیا کو 6 ملین امریکی ڈالر کا نمٹ سٹیلمنٹ حاصل ہوا اور بلاک سے متعلق تمام کلیم اور معاہدے کی ذمہ داریاں ختم ہو گئیں۔
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### پاکستان انٹرنیشنل آئل لمیٹڈ (ایسوسی ایٹ)

آف شور بلاک 5، ابوظہبی	• تین دریافتی ذخائر (بودانہ، البطین اور المنہل) کے لیے FDP اپریل 2025 میں ADNOC کی جانب سے منظور ہوا۔ بعد ازاں PCA پر ابوظہبی حکومت کی جانب سے سپریم کونسل فار فنانشل اینڈ آکٹا کمب افیئرز (SCFEA)، ابوظہبی نیشنل آئل کمپنی (ADNOC)، اور PIOL کے مابین جون 2025 میں دستخط ہوئے۔ • کھدائی کی پہلی مہم جس کا آغاز اپریل 2024 میں ہوا تھا مارچ 2025 میں مکمل ہوئی۔ اس میں تین تجزیاتی اور ایک دریافتی کنوئیں کی کھدائی شامل تھی۔ جس میں ساختی توثیق اور حجم کی تشخیص کے لئے اہم تکنیکی ڈیٹا حاصل ہوا۔ • سب سرفیس G&G تجزیے اور فرہنگی اسٹڈیز جاری ہیں تاکہ آف شور بلاک 5 کی مکمل صلاحیت کو جانچا جاسکے۔
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### پاکستان منرلز پرائیویٹ لمیٹڈ (ایسوسی ایٹ)

ریکوڈک پراجیکٹ	• کمپنی، OGDCL اور GHPL (مجموعی طور پر SOEs)، ریکوڈک پراجیکٹ میں 25% ہالڈنگ حاصل رکھتی ہیں (ہر ایک کا حصہ 8.33%)۔ • دوران سال فرہنگی اسٹڈیز مکمل ہوئی، جس سے ذخائر کے سائز کی تصدیق اور اضافی امکانات کی نشاندہی ہوئی۔ ابتدائی تعمیراتی کام جاری ہیں، جبکہ 2025 میں متوقع فنانشل کلوز کے بعد اہم ترقیاتی (پیداواری) سرگرمیاں شروع کرنے کی منصوبہ بندی کی گئی ہے۔ • تازہ ترین فرہنگی اسٹڈیز کے تحت پراجیکٹ کی لاگت میں اضافہ ہوا، تاہم تازے اوسرو نے قیمتوں میں اضافے سے لاگت کا پائڈزائل ہو جائے گا۔ • SOEs کی کریڈٹ قبولیت کا مسئلہ حل ہو گیا اور فنانسنگ کا انتظام آخری مراحل میں ہے۔ • فنانشل کلوز کے بعد، کمپنی کو OGDCL اور GHPL کے ساتھ قرض دہندگان کو ایک مشترکہ اور متعدد تکنیکی گارنٹی دینے کی ضرورت ہوگی جو اس وقت تک موثر رہے گی جب تک پراجیکٹ کی مالی تکمیل نہ ہو جائے۔ 10 ستمبر 2025 کو، کمپنی نے غیر معمولی اجلاس عام کے ذریعے، شیئر ہولڈرز کی منظوری حاصل کی تاکہ فیروزا میں سرمایہ کاری کی اجازت دی جاسکے، جیسا کہ کمپنی ایکٹ 2017 کی دفعہ 199 اور متعلقہ ضوابط کے تحت درکار ہے۔
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- اس کے علاوہ SOEs کو مجموعی طور پر اپنے حصص کی موجودہ شیئر ہولڈنگ برقرار رکھنی ہوگی۔
- پروجیکٹ کی کمرشل پیداوار کا آغاز مالی سال 2028-29 کے آخر میں متوقع ہے۔

### آمدنی کے متبادل ذرائع کی ترقی اور پھیلاؤ

کمپنی اپنی حکمت عملی کے تحت منرل پورٹ فولیو کو وسعت دینے کے لیے پرعزم ہے۔ سال کے دوران کلیدی پیش رفت درج ذیل ہیں:

#### معدنیات

- بارائنٹ لیڈز تک (BLZ) منصوبے کے لیے آپریٹنگ معاہدے پر دستخط ہو چکے ہیں۔ پروجیکٹ مینجمنٹ کنسلٹنٹ اور EPC کنٹریکٹ کی نیلامی کی تیاری جاری ہے۔
- ریکوڈک پراجیکٹ شیڈول کے مطابق ہے اور پیداوار کا آغاز مالی سال 2028-29 میں متوقع ہے۔ مزید تفصیلات PMPL کے سیکشن میں درج ہے۔
- ڈیگان ایکسپلوریشن ورکس کے تحت EL-207 میں ایکسپلوریشن اسٹڈیز جاری ہیں۔
- چاغی میں نئی لائسنسنگ کی درخواستیں جمع ہیں مگر انٹولی کا شکار ہیں۔

### اہم منصوبے اور توسیع

متعلقہ کمپنیوں اور جوائنٹ وینچر کے ذریعے شروع کیے گئے کلیدی منصوبے، بشمول ریکوڈک پروجیکٹ، آف شور بلاک 5، ابوظہبی اور EL-207 میں ریسرچ اسٹڈیز جاری ہیں۔ آف شور بلاک 5 کے لیے، پی سی اے کے نفاذ کے بعد، ADNOC آف شور کے ذریعے فیلڈز کو پیداوار میں لانے کی کوششیں جاری ہیں۔ ریکوڈک میں، ابتدائی کام کئے گئے ہیں، جبکہ پراجیکٹ کی فنانسنگ آخری مراحل میں ہے اور 2025 میں فنانشل کلوز متوقع ہے۔ امکانات کی تصدیق کے لیے EL-207 میں ریسرچ اسٹڈیز بھی جاری ہیں۔ اس کے علاوہ، سال کے دوران خضدار میں BLZ پروجیکٹ کی ترقی کے لیے آپریٹنگ ایگریمنٹ کو حتمی شکل دی گئی۔

تنوع کے ان اقدامات کے ساتھ ساتھ، کمپنی نے تیل اور گیس کی تلاش اور پیداواری کاروبار میں نمایاں سرمایہ کاری کی ہے جیسا کہ ایکسپلوریشن اور پروڈکشن اثاثوں کے سیکشن میں تفصیل سے بتایا گیا ہے۔ اس میں گمبٹ ساؤتھ میں ٹافر/ GPF-III کی تنصیب اور شاہ بندر میں گیس پروسیسنگ کو بڑھانا شامل ہے۔

### سب سرفیس ٹیکنالوجی اور معاون سروسز

سال کے دوران، پی پی ایل کے سائزنگ ڈیٹا پروسیسنگ سینٹر (SDPC) نے 656 مربع کلومیٹر 3D اور 260 لائن کلومیٹر 2D سائزنگ ڈیٹا پر کارروائی کی۔ اپنی صلاحیتوں کو مزید بڑھانے کے لیے، SDPC پروسیسنگ ہارڈویئر اور سافٹ ویئر کے ایک بڑے اپ گریڈ سے گزر رہا ہے، تاکہ آنے والے آن شور اور آف شور پروڈکشن کی بڑھتی ہوئی ضروریات کو موثر طریقے سے پورا کیا جاسکے۔ اس کے نتیجے میں، پروسیسنگ کی صلاحیت موجودہ 500 مربع کلومیٹر سے بڑھ کر 3,000 سے 4,000 مربع کلومیٹر کے درمیان ہو جائے گی، جس سے تکنیکی صلاحیتوں کو نمایاں طور پر تقویت ملے گی۔

اس کے ساتھ، بنیادی اور جیو کیمیکل تجزیہ کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے پی پی ایل کی ان ہاؤس کور اور اینالائٹیکل لیبارٹری کو جدید آلات سے لیس کیا گیا ہے۔

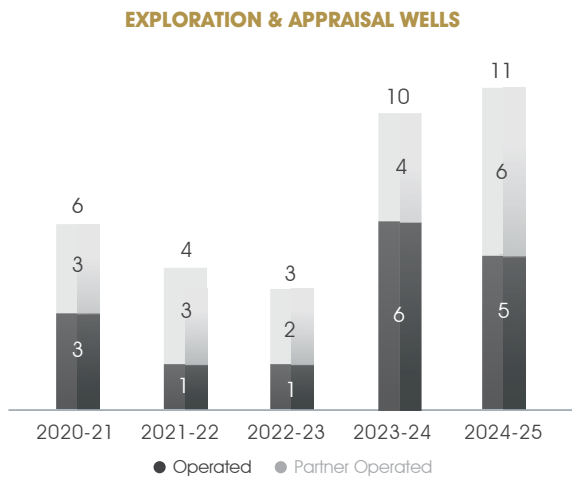


## تلاش و دریافت (Exploration)

### اہم جھلکیاں

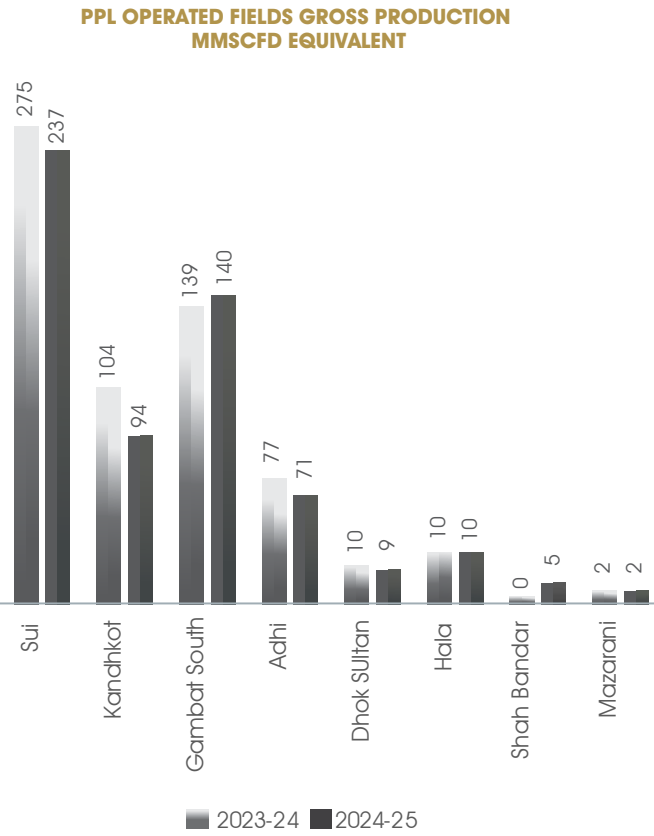
- آپریٹڈ اور پارٹنر آپریٹڈ بلاکس میں کل گیارہ (11) دریافتی اور تجزیاتی کنوئیں کھودے گئے۔
- سال کے دوران کل آٹھ (8) ہائیڈروکاربن دریافتیں ہوئیں جن میں دو (2) کمپنی کے آپریٹڈ علاقوں میں اور چھ (6) پارٹنر آپریٹڈ بلاکس میں مکمل ہوئیں۔
- کمپنی آپریٹڈ خضدار بلاک میں 67 لائن کلومیٹر 2D سائزنگ ڈیٹا حاصل کیا گیا جبکہ پارٹنر آپریٹڈ سلیمان، باران اور کوہان بلاکس میں تقریباً 483 لائن کلومیٹر 2D سائزنگ ڈیٹا حاصل کیا گیا۔
- کمپنی آپریٹڈ بلاک قلات ویسٹ میں 2,832 لائن کلومیٹر گریوٹی اور میکینیک ڈیٹا حاصل کیا گیا۔
- کمپنی نے اپنے وسائل کو بروئے کار لاتے ہوئے 260 لائن کلومیٹر 2D اور 656 مربع کلومیٹر 3D سائزنگ ڈیٹا کی پروسیسنگ مکمل کی۔
- پاکستان نے آن شور بولی کے مرحلے 2025 میں شرکت کی، جس میں قلات ساؤتھ بلاک بطور آپریٹر، OGDCL اور ماڈرن انرجیز کے ساتھ شراکت داری میں اور زیارت نارتھ بلاک بطور پارٹنر جس میں ماڈرن انرجیز آپریٹر ہے اور دیگر شراکت داروں میں OGDCL، ترکش پیٹرولیم اور سیز کمپنی اور GHPL شامل ہیں، حاصل کئے۔
- کمپنی نے رواں سال میران بلاک لیا، جس میں OGDCL آپریٹر جبکہ دیگر شراکت داروں میں GHPL اور KPOGCL شامل ہیں۔ اس کے علاوہ، کمپنی نے کوہان بلاک میں 12.5 فیصد حصہ GHPL کو تفویض کر دیا۔

آپریٹڈ اور پارٹنر آپریٹڈ بلاکس میں دریافت کے اہم پروگراموں اور فارم ان اور فارم آؤٹ سرگرمیوں کی بلاک وار تفصیلات اس سالانہ رپورٹ کے ”دریافتی سرگرمیوں“ کے سیکشن میں شامل کی گئی ہیں۔



## اہم جھلکیاں: پیداواری فیلڈز

- سوئی فیلڈ میں پیداواری کی بنیادی طور پر SNGPL کے نیٹ ورک میں LNG کے زیادہ حجم اور ذخائر کی قدرتی کمی کے باعث بیک پریشر کی وجہ سے ہوئی۔ جنہیں درستی کے اقدامات کی ایک سیریز کے ذریعے کم کیا جا رہا ہے جن میں کپریسمر کی مرمت، سطحی رکاوٹوں کا خاتمہ اور کنوئوں کی مرمت جیسے اقدامات شامل ہیں۔
  - کندھ کوٹ فیلڈ میں پیداواری میں کمی کی وجہ Genco-II کی جانب سے گیس طلب میں کمی رہی۔
  - گمبٹ ساؤتھ کے شہداد X-1 کنوئیں میں پانی کو روکنے کا کام کامیابی سے مکمل کیا گیا جس سے پیداوار بہتر ہوئی۔
  - آدہی فیلڈ میں قدرتی کمی کو کم کرنے کے لیے دو پیداواری کنوئوں کو منسلک کیا گیا اور پانچ پیداواری کنوئوں پر مصنوعی گیس لفٹ نصب کی گئی۔
  - شاہ بندر بلاک میں حجم ایسٹ اور پانچ X-1 دریافتوں کی قبل از وقت مونٹائزیشن حاصل کی گئی۔
- مزید تفصیلات کے لیے اس سالانہ رپورٹ کا ”پیداواری سرگرمیوں“ کا سیکشن ملاحظہ کریں۔



موجودہ سال کی پیداوار کا گزشتہ سال سے تقابلی جائزہ (PPL کا حصہ)

	2024-25	2023-24
Natural Gas (MMscf)	204,853	231,574
Crude Oil / NGL / Condensate (Thousand Barrels)	3,692	4,188
LPG (Metric Tonnes)	97,067	113,104

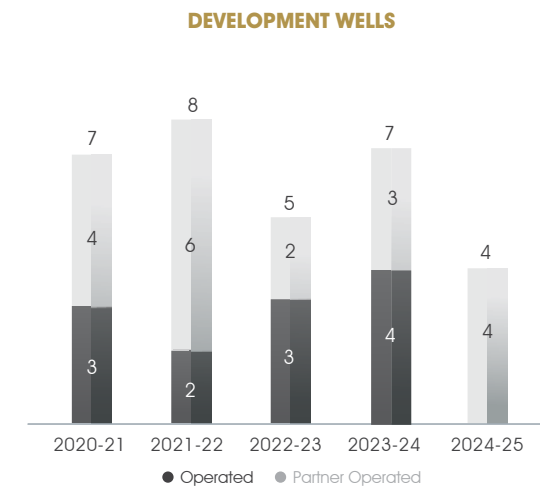
زیر جائزہ سال کے دوران، جو انٹ آپریشنز سمیت، کمپنی کی اوسط پیداوار قدرتی گیس یومیہ تقریباً 561MMscf، تیل یومیہ 115، 10 بیرل اور ایل پی جی یومیہ 266 میٹرک ٹن حاصل ہوئی۔

کمپنی کے بڑے صارفین میں سوئی سدرن گیس کمپنی لمیٹڈ، سوئی نارڈن گیس پائپ لائنز لمیٹڈ، سینٹرل پاور جزییشن کمپنی لمیٹڈ اور اٹک ریفاٹری لمیٹڈ شامل ہیں۔



## پیداواری (ڈیولپمنٹ) کنوئیں

کمپنی نے مالی سال کے دوران چار پیداواری کنوئیں کھودے، جوٹال، میانو، زیارت، قادری پور کے پارٹنر آپریٹڈ علاقوں میں واقع تھے۔ ان سرگرمیوں سے پیداواری فیلڈز کی صلاحیت بہتر ہوئی اور پیداواری میں قدرتی تنزل پر قابو پانے میں مدد ملی۔



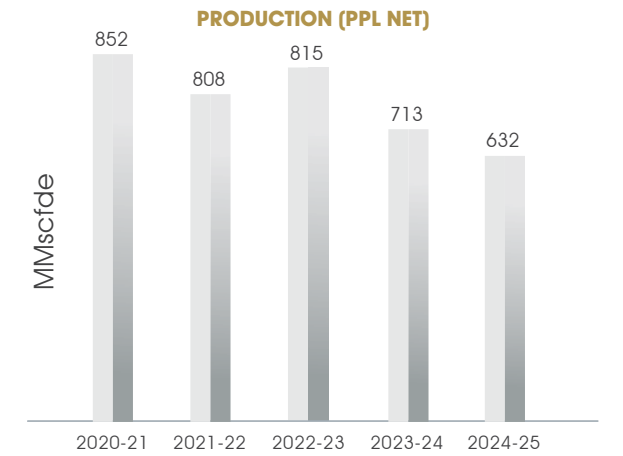
زیر جائزہ رپورٹ کی مدت کے دوران، کمپنی کے آپریٹڈ اثاثہ جات میں نمایاں فیلڈ انٹرویوشنز کی گئیں، جنہیں تنصیبات کی بہتری اور پیداواری میں بہتری کے لیے حکمت عملیوں کے نفاذ سے تقویت دی گئی۔ ان اقدامات نے قدرتی طور پر پانے ذخائر میں پیداواری کمی کو کم کرنے میں مدد دی۔ اس کے علاوہ، دریافت اور کنوئوں کی بحالی کی سرگرمیوں نے بھی ذخائر کی قدرتی کمی کی رفتار کو سست کرنے میں اہم کردار ادا کیا۔ تاہم، SNGPL کے نیٹ ورک میں درآمدی LNG کی فراہمی کے باعث مقامی گیس کی مقدار میں کمی نے مجموعی پیداوار پر منفی اثر ڈالا۔ بولان مائننگ انٹریٹرز نے سیوریٹی اور انفراسٹرکچر کے مسائل کے باوجود اپنی تاریخی بلند ترین فروخت حاصل کی۔

PIOL نے تین تجزیاتی اور ایک دریافتی کنوئیں کی ابتدائی کھدائی مکمل کی، جبکہ فیلڈ ڈیولپمنٹ پلان (FDP) کی منظوری اور پروڈکشن کنٹینیشن ایگریمنٹ (PCA) پر دستخط کیے گئے۔ PPL یورپ کے اثاثوں میں سوائے ہرنائی اور یمن بلاک 3 کے، تلاش اور ترقی کی سرگرمیاں جاری رہیں جہاں سیوریٹی خدشات نے آپریشنز کو محدود رکھا۔

## پیداوار کے اعداد و شمار

مالی سال کے دوران کمپنی کی مجموعی پیداوار میں گزشتہ سال کے مقابلے میں تقریباً 11% کمی واقع ہوئی۔ اس کی بنیادی وجوہات میں SNGPL نیٹ ورک پر LNG کی آمد کے باعث گیس کی مقدار میں کمی، Genco-II کی جانب سے گیس کی کم طلب اور پانے ذخائر میں قدرتی کمی شامل ہے۔ تاہم کمپنی نے ان چیلنجز کا مقابلہ کرنے کے لیے درج ذیل سمیت کئی اقدامات اٹھائے، جن سے تقریباً 35MMscfde اضافی پیداوار ممکن ہوئی:

- شاہ بندر، آدہی اور دیگر پارٹنر آپریٹڈ علاقوں میں نئے کنوئوں سے پیداوار کا آغاز
- پانی کے رساؤ کو روکنے کے کام
- سوئی میں SML کپریسمر کی مرمت کا سال بھر جائزہ اور دیگر کام
- سطحی رکاوٹوں کا خاتمہ
- آدہی میں مصنوعی گیس لفٹ
- کنوئوں پر رگ کے بغیر دیگر رامور



**12** ریکوڈک منصوبہ: ریکوڈک منصوبے کے لئے تازہ ترین معلومات پر مبنی فزہیلٹی اسٹڈی مکمل ہوئی اور SOEs کی کریڈٹ کیسٹی (قرض کی ادائیگی کی صلاحیت) کو بین الاقوامی قرض دہندگان نے تسلیم کیا۔

**13** عراق میں تصفیہ: PPL ایشیا کے ذریعے ڈیلینڈ اسٹل کمپنی، عراق کے ساتھ 6 بلین امریکی ڈالر کا کامیاب تصفیہ عمل میں آیا۔

**14** بہترین کاروباری و پائیداری رپورٹ ایوارڈ: بی پی ایل نے اپنے 2023 کے سالانہ رپورٹ پر آئی کیپ (ICAP) اور آئی سی ایم اے پی (ICMAP) کی جانب سے منعقدہ ”بہترین کاروباری و پائیداری رپورٹ (BCSR) ایوارڈ“ میں ایندھن و توانائی کے ڈمرے میں تیسری پوزیشن حاصل کی۔

**15** SAFA ایوارڈ: پاکستان پیٹرولیم لمیٹڈ نے اپنی 2023 کی سالانہ رپورٹ پر ساؤتھ ایشین فیڈریشن آف اکانٹمنٹس (SAFA) کی جانب سے پبلک سیکٹر اداروں کے ڈمرے میں سلور ایوارڈ حاصل کیا۔

**16** MAP ایوارڈ: مینجمنٹ ایسوسی ایشن آف پاکستان (MAP) نے کاروباری انتظام کاری میں بہترین کارکردگی کے اعتراف میں PPL کو سرٹیفکیٹ آف ایکسیلنس سے نوازا۔

**17** کارپوریٹ سماجی ذمہ داری (CSR): PPL نے مسلسل 19 ویں سال کے لیے کارپوریٹ فیلن تھرانی ایوارڈ حاصل کیا اس طرح کاروباری شعبے میں پاکستان کے سب سے زیادہ عطیات دینے والے بڑے اداروں میں شمار ہونا ثابت ہوا۔

## کاروباری ماحول

عالمی توانائی کا منظر نامہ اب بھی علاقائی سیاسی تنازعات، معاشی غیر یقینی صورتحال اور قابل تجدید ذرائع کی جانب بتدریج منتقلی سے متاثر ہے۔ یوکرین اور مشرق وسطیٰ میں جاری جنگوں نے توانائی کی فراہمی کو متاثر کئے رکھا، جبکہ اوپیک پلس کی جانب سے پیداوار میں کمی کو بتدریج نرم کرنے سے سہلائی میں استحکام اور قیمتوں میں اتار چڑھاؤ کو قابو میں رکھنے میں مدد ملی۔

ملکی سطح پر، اگرچہ معاشی استحکام کی ابتدائی علامات ظاہر ہو رہی ہیں، لیکن درآمدی ہائیڈروکاربنز پر انحصار نے مقامی صارفین اور توانائی کی سلامتی پر دباؤ برقرار رکھا ہوا ہے۔ دوسری جانب، عالمی سطح پر قابل تجدید ذرائع کی قبولیت میں اضافہ ہو رہا ہے، جسے کم ہوتی لاگت، بڑھتی آگاہی اور بہتر افادیت فروغ دے رہی ہے۔ تاہم، قابل تجدید ذرائع کے لیے ابتدائی سرمایہ کاری کی زیادہ ضرورت اور توانائی کی بڑھتی ہوئی طلب کے پیش نظر، روایتی ایندھن (فوسل فیولز) آئندہ کئی برسوں تک توانائی کی ضروریات کو پورا کرنے میں مرکزی کردار ادا کرتے رہیں گے۔

پاکستان میں حکومت کی جانب سے توانائی کے شعبے کو مضبوط بنانے کے لیے مختلف اقدامات کیے گئے ہیں، جیسے کہ ٹائٹ گیس پالیسی 2024، جس کے تحت 40 فیصد قیمت کا پریمیم دیا گیا ہے، اور گیس کی قیمتوں میں اضافہ، جس کا مقصد گردش قرضے میں کمی لانا ہے۔ اگرچہ بین الاقوامی کمپنیوں کے انخلا سے شعبے کی ترقی کی رفتار سست ہوئی ہے، لیکن اس کے نتیجے میں مقامی تلاش و پیداوار (E&P) کی کمپنیوں کے لیے توسیع کے مواقع پیدا

ہوئے ہیں۔ تاہم، یہ صنعت اب بھی کئی چیلنجز کا سامنا کر رہی ہے، جن میں ادائیگیوں میں تاخیر، سیکورٹی کے خدشات اور قدرتی ذخائر کی تیزی سے کمی شامل ہیں۔

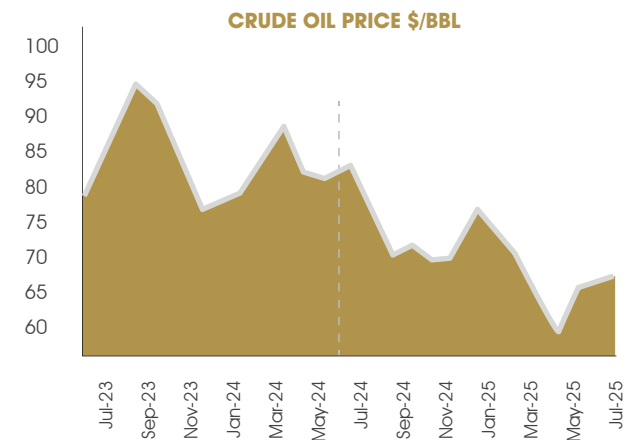
طویل مدتی LNG درآمدی معاہدے توانائی کی مسلسل فراہمی کو یقینی بنانے کے لیے کیے گئے، لیکن گیس کی زائد قیمت اور تیزی توانائی کی جانب صارفین کی منتقلی نے گیس کی طلب میں کمی پیدا کی، جس کے نتیجے میں مقامی پیداوار میں کمی اور کمپنیوں کی آمدنی پر منفی اثر پڑا۔ پاکستان کے لیے توانائی کی طویل مدتی سلامتی کو یقینی بنانے کے لیے ضروری ہے کہ ہائیڈروکاربنز کی دریافت اور پیداوار کو جاری رکھا جائے، معدنیات اور قابل تجدید توانائی کے شعبوں کو وسعت دی جائے اور سرمایہ کار دوست ریگولیری طریقہ کار نافذ کیا جائے۔

## بیرونی عوامل

ملکی تیل و گیس کے آپ اسٹریٹ سیکٹر پر اثر انداز ہونے والے اہم عوامل درج ذیل ہیں:

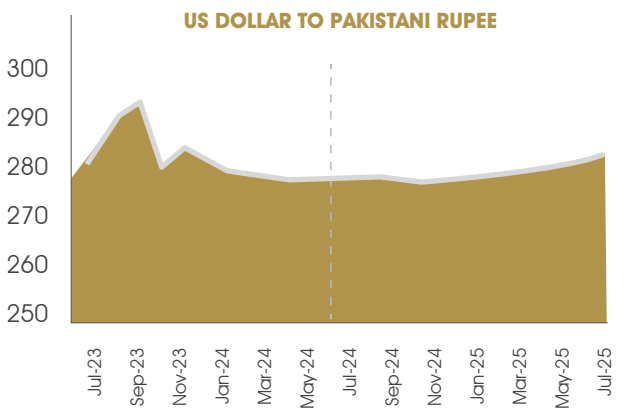
## کروڈ اسٹل کی قیمتیں

مالی سال 2024-25 کے دوران طلب و رسد، OPEC+ کی پیداوار میں کٹوتی اور جغرافیائی سیاسی صورتحال کے سبب قیمتوں میں مناسب اتار چڑھاؤ دیکھنے میں آیا۔ 2025 کے اوائل میں OPEC+ کی جانب سے پیداوار میں کمی اور موسمی طلب نے خصوصاً ایشیا اور امریکہ کی قیمتوں کو سہارا دیا، مگر سال کے وسط تک چین کی جانب سے کمزور طلب، امریکہ میں شیل اسٹل کی زیادہ پیداوار اور OPEC+ کی طرف سے پیداوار میں نرمی نے قیمتوں میں کمی کا رجحان پیدا کیا۔ جون 2025 میں جغرافیائی کشیدگی کے باعث وقتی اضافہ دیکھنے میں آیا، مگر مجموعی طور پر سال میں اضافی رسد اور سست طلب، واقعات کی وجہ سے قیمتوں میں عارضی اضافے کے باعث قیمتوں میں کمی کا رجحان غالب رہا۔



## زرمبادلہ میں اتار چڑھاؤ

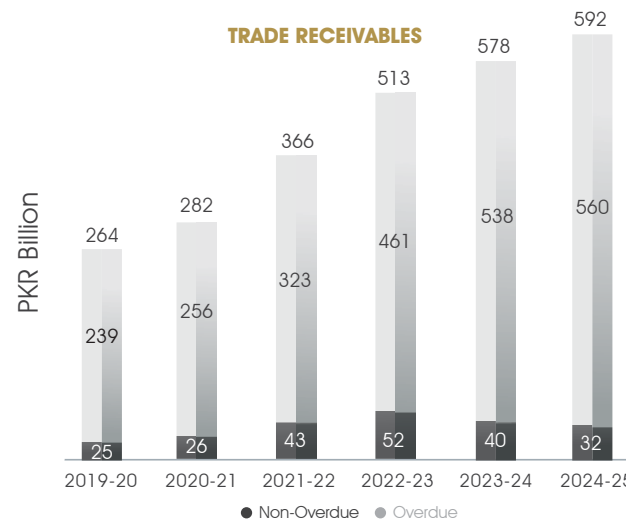
2024-25 کے دوران اسٹیٹ بینک کی متحرک پالیسی اور ماہیاری اقدامات کے نتیجے میں پاکستانی روپیہ مجموعی طور پر مستحکم رہا۔ اگرچہ ملک کی معیشت اب بھی درآمدات پر انحصار (خصوصاً تیل، خوراک اور توانائی) اور قرضوں کی ادائیگی کے دباؤ سے دوچار ہے، لیکن ایکٹیو ریٹ کو فعال لیکویڈیٹی مینجمنٹ، درآمدی پابندیوں اور ترسیلات زر کی حوصلہ افزائی کے ذریعے متوازن رکھا گیا۔ مستقبل میں کرنسی کی مضبوطی سیاسی استحکام اور برآمدات میں مسلسل بہتری سے مشروط ہوگی۔



## تجارتی وصولیاں (Trade Receivables)

مالی سال 2025 میں کمپنی نے گزشتہ سال کے 81% کے مقابلے میں 91% کلیکشن ریٹ حاصل کر کے نمایاں بہتری دکھائی۔ اس بہتری کی بڑی وجوہات میں گیس قیمتوں میں بروقت ترامیم اور کسٹمر انگیجمنٹ شامل ہیں۔ تاہم، تیسری سہ ماہی میں کچھ سست روی کے بعد آخری سہ ماہی میں دوبارہ بہتری دیکھنے میں آئی۔

مجموعی طور پر 266 ارب روپے کی کیش وصولیاں ہوئیں، جو کہ مالی سال 2024 کے 276 ارب روپے کے مقابلے میں کچھ کم ہیں، جس کی بنیادی وجہ فروخت میں کمی ہے۔ اہم بات یہ ہے کہ تجارتی واجبات کے جمع ہونے کی رفتار میں نمایاں کمی آئی جو مالی سال



2024 میں 5.4 ارب روپے ماہانہ تھی اور اب 1.2 ارب روپے ماہانہ ہو گئی ہے۔ یہ مالی نظم و ضبط کی بہتری کو ظاہر کرتا ہے۔ IMF کے اصلاحاتی ایجنڈے میں گیس سیکٹر کے گردش قرضوں کے سنبھلنے کو شامل کرنے، خام تیل کی قیمتوں میں جاری کمی اور روپے کی قدر میں پائیداری کے ساتھ، کمپنی مضبوط وصولی کی توقع کرتی ہے۔ وصولیوں میں مسلسل بہتری کا انحصار ڈسٹری بیوشن کمپنیوں کی طرف سے اٹھائے جانے والے پروکیورمنٹ اخراجات کے پیش نظر صارفین کے ٹیرف کی فوری ایڈجسٹمنٹ پر ہوگا۔

مزید برآں، حکومت تاریخی گردش قرضے کے دیرینہ مسئلے سے نمٹنے کے لیے مختلف آپشنز تلاش کر رہی ہے، جو اس شعبے کے مالیاتی معاملات کو بہتر بنانے کے لیے بہت اہم ہے۔ اس حوالے سے پیشرفت مقامی ایکسپلوریشن اور پروڈکشن کمپنیوں کو نئے پرائیکٹس میں سرمایہ کاری کرنے، آپریشنز کو بڑھانے اور بہتر منافع فراہم کرنے میں مدد دے گی۔ کمپنی فوری لیکویڈیٹی چیلنجز سے نمٹنے اور طویل مدتی حل کی تلاش کے لیے حکومتی وزارتوں، گیس ڈسٹری بیوٹرز اور بجلی پیدا کرنے والوں کے ساتھ مل کر کام کر رہی ہے۔ یہ اقدامات مالیاتی نظم و ضبط اور توانائی کے شعبے کی پائیدار ترقی کے لیے بھرپور عزم کی عکاسی کرتے ہیں۔

## امن و امان کی صورتحال

کمپنی کئی حساس اور سیوریٹی کے لحاظ سے ہائی رسک علاقوں میں کام کرتی ہے، خصوصاً خیبر پختونخواہ کے سرحدی علاقے اور بلوچستان کے کچھ حصے، جہاں غیر یقینی حالات اور خطرات مسلسل موجود رہتے ہیں۔

کمپنی نے حفاظتی تدابیر پر مبنی ایک فعال حکمت عملی اپنا رکھی ہے اور سیوریٹی اداروں کے ساتھ قریبی ہم آہنگی میں کام کرتی ہے۔ سائبر سروس اور کنوژوں کے آپریشنز صرف متعلقہ اہلکاروں کی منظوری کے بعد کی جاتی ہے۔ یہ طریقہ کار اگرچہ آپریشنل خطرات کو کم کرتا ہے، تاہم اس سے سیوریٹی اخراجات میں اضافہ ہوتا ہے، جنہیں منصوبہ بندی اور نفاذ کے مرحلے میں شامل کر لیا جاتا ہے۔

## ہماری کارکردگی

### پیداواری سرگرمیاں

کمپنی اس وقت درج ذیل 9 پیداواری اثاثہ جات سوئی، کندھ کوٹ، آدھی، ڈھوک سلطان، مزارانی، چاچڑ، ہالا، گمبٹ ساؤتھ اور شاہ بندر آپریٹ کر رہی ہے اس کے علاوہ کمپنی 12 پارٹنر آپریٹڈ فیلڈز میں بھی کاروباری حصہ داری رکھتی ہے۔ توانائی کی ضروریات کو پورا کرنے کے قومی مقصد کے تحت، کمپنی نے جدید ٹیکنالوجی، فیلڈ آپٹیمائزیشن اور دیگر متعلقہ اقدامات کے ذریعے پیداوار میں بہتری کے لیے کوششیں جاری رکھیں۔ اس کے ساتھ کمپنی کے پاس حکومت بلوچستان کے ساتھ شراکت داری میں بولان مائننگ انٹرپرائزز (BME) میں انتظامی کاروباری حصہ داری رکھتی ہے۔

# ڈائریکٹرز کی رپورٹ مالی سال 2024-25

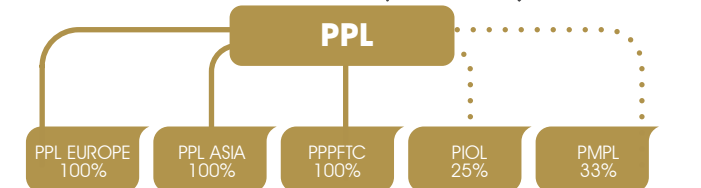
ہمیں 30 جون 2025 کو ختم شدہ سال کے لیے آپ کی کمپنی کی ڈائریکٹرز رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز رپورٹ کے ساتھ پیش کرتے ہوئے خوشی ہو رہی ہے۔ سال کے دوران کمپنی کی کاروباری کارکردگی اور اہم جھلکیاں درج ذیل پیراگراف میں پیش کی جا رہی ہیں:

## تعارف

پاکستان پیٹرولیم لمیٹڈ (PPL) پاکستان کی معروف ترین تیل و گیس کی تلاش اور پیداوار کی کمپنیوں میں شامل ہے جو 1950 کی دہائی کے اوائل سے ملک کی توانائی کی ضروریات کو پورا کرنے میں نمایاں کردار ادا کر رہی ہے۔ کمپنی کی سرگرمیاں پاکستان کے مختلف علاقوں میں پھیلی ہوئی ہیں اور عالمی سطح پر کمپنی متحدہ عرب امارات اور بحرین میں بھی کاروباری امور جاری رکھے ہوئے ہے۔ اپنے بنیادی تیل و گیس کی تلاش اور پیداوار پر مشتمل کاروبار کے علاوہ، PPL توانائی کے متعلق دیگر شعبوں اور کان کنی میں بھی توسیع کے لیے کوشاں ہے۔ کمپنی نے بلوچستان میں حکومت بلوچستان اور ڈیگان ایکسپلوریشن ورکس کے ساتھ شراکت داری کے ذریعے معدنیات کی تلاش اور پیداوار کے حقوق حاصل کر رکھے ہیں۔ اس کے علاوہ، کمپنی پاکستان منرلز (پرائیویٹ) لمیٹڈ میں بھی شراکت دار ہے جس کے تحت بلوچستان میں ریکوڈک منصوبے میں بالواسطہ، نان آپریٹنگ کاروباری شراکت رکھتی ہے۔

## گروپ کی ساخت

کمپنی کی تین مکمل ملکیتی ذیلی کمپنیاں ہیں۔ جن کے نام پی پی ایل یورپ E&P لمیٹڈ (PPLE)، پی پی ایل ایشیا ای اینڈ پی پی وی (PPLA) اور پاکستان پیٹرولیم پروڈیونٹ فنڈزرسٹ کمپنی (پرائیویٹ) لمیٹڈ (PPPFTC) ہیں۔ پی پی ایل سمیت یہ تمام کمپنیاں مجموعی طور پر ”گروپ“ کہلاتی ہیں۔ کمپنی کی ابوظہبی، متحدہ عرب امارات میں قائم ایک ایبوسی ایٹ کمپنی پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) میں 25% حصہ داری ہے۔ مذکورہ تمام کمپنیاں (PPPFTC) کے علاوہ بنیادی طور پر تیل، قدرتی گیس اور معدنی وسائل کی تلاش، دریافت، ترقی اور پیداوار کے شعبے میں سرگرم عمل ہیں۔ کمپنی کے پاس پاکستان منرلز (پرائیویٹ) لمیٹڈ (PMPL) میں بھی 33.33% حصہ داری ہے، جو سونے اور تانبے کی کان کنی والے ریکوڈک پروجیکٹ میں 25% نان آپریٹنگ شیئر رکھتی ہے۔



## کاروباری حکمت عملی

سال کے دوران، PPL نے اپنی وژن اور مشن کوئی جہت دی، جس کا مقصد کمپنی کو ایک متحرک توانائی اور معدنیات کی کمپنی میں تبدیل کرنا ہے۔ اس نئی سمت کے تحت کمپنی کی حکمت عملی، دریافتی و پیداواری سرگرمیوں کو از سر نو متحرک کرنا، معدنی وسائل میں وسعت پیدا کرنا اور ملکی و بین الاقوامی سطح پر دریافتوں کے ذریعے پائیدار ترقی کو یقینی بنانا شامل ہے۔

نئے وژن اور مشن کی رو نمائی کمپنی کے تازہ ترین اور جاذب نظر لوگو کے تعارف سے کی گئی، جو کمپنی کے سفر میں ایک نئے باب میں اضافے کی علامت ہے۔ یہ نیا لوگو ٹیولپ (Tulip) کے پھول سے متاثر ہو کر ڈیزائن کیا گیا ہے، جو نئے پن، پائیداری اور نئے مواقع کی بہار کی علامت ہے۔ یہ لوگو کمپنی کی مستقبل سے آشنائی اور ترقی پسند سوچ کو ظاہر کرنے کے ساتھ اس کی تاریخی وراثت کو بھی خراج تحسین پیش کرتا ہے۔

PPL کی کوشش ہے کہ ایک متوازن اور مستحکم پورٹ فولیو برقرار رکھا جائے جو پیداواری اثاثوں اور دریافتوں کا مجموعہ ہو، خاص طور پر ایسے منصوبے جن کے خطرات کم اور امکانات زیادہ ہوں۔ کمپنی اس مقصد کے لیے شراکت داری، جدید ٹیکنیک، ڈیجیٹل ٹولز اور ڈیٹا اینالٹکس سے بھی فائدہ اٹھا رہی ہے تاکہ پیداوار میں بہتری اور ماحولیاتی حفاظت ممکن بنائی جاسکے۔

پائیدار ترقی کو جاری رکھنے کے لیے، پی پی ایل نئی دریافتوں کے ذریعے آرگینک ترقی کے ساتھ ساتھ ساتھ انضمام، حصول، اور شراکت داری کے ذریعے ان آرگینک ترقی کو وسعت دینے پر توجہ مرکوز کر رہی ہے۔ معدنیات کی تلاش میں بھی تیزی لائی گئی ہے جس میں لائسنس کا حصول، فزیکل اسٹڈیز اور جیوسائنس کی مہارت کا استعمال شامل ہے تاکہ ہائیڈروکاربن کے علاوہ معدنی شعبے میں بھی اپنی بھرپور موجودگی کو یقینی بنایا جائے۔

مستقبل کی ضروریات کو مد نظر رکھتے ہوئے، PPL ماحول دوست حل تلاش کرنے پر بھی غور کر رہی ہے تاکہ عالمی توانائی کی تبدیلی کے رجحانات سے ہم آہنگ ہونے کے ساتھ لاگت میں کمی، مالی نظم و ضبط اور آپریشنل مہارت کو بھی برقرار رکھا جائے۔ انسانی وسائل کی ترقی، جدت اور مضبوط QHSE کلچر بھی اس حکمت عملی کے اہم ستون ہیں۔

کمپنی اپنے تازہ وژن ”توانائی کے مریوطہ حل اور اس سے آگے پائیدار ترقی کو ممکن بنانا“ اور ”جدت اور اسٹریٹجی توسیع پر مرکوز ایک متحرک انرجی اور منرلز کی کمپنی میں تبدیلی“ کے مشن کے مطابق اپنی سرگرمیوں کو منظم کر رہی ہے، تاکہ شراکت داروں کے لیے پائیدار قدر پیدا کی جاسکے اور عالمی توانائی منظر نامے میں نمایاں کردار ادا کیا جاسکے۔

## اہم جھلکیاں

مشکل حالات کے باوجود، پی پی ایل نے مالی سال 2024-25 کے دوران بھرپور ثابت قدمی اور حکمت عملی کا مظاہرہ کیا۔ قدرتی ذخائر کے ختم ہونے، سیکورٹی کے مسائل اور گیس کی پیداوار میں کمی جیسے دباؤ کے باوجود، کمپنی نے عملی کارکردگی، موثر انتظام اور مالی بصیرت میں نمایاں کارکردگی کا مظاہرہ کیا۔

سال کی اہم کامیابیاں درج ذیل ہیں:

- 1 تحفظ میں کامیابی: کام کے دوران حفاظت سے متعلق اپنے عزم کی بدولت سال بھر کے دوران PPL نے زیرو لاسٹ ٹائم انجری فریکوئنسی (LTIF) حاصل کی اور کوئی ٹیئر 1 پرائیس سیفٹی ایونٹ (PSE) رپورٹ نہیں ہوا۔
- 2 دریافتوں میں کامیابی: کل آٹھ دریافتیں کی گئیں، جن میں دو PPL آپریٹڈ اور 6 پارٹنر آپریٹڈ علاقوں میں تھیں، جن میں PPL کا خالص حصہ تقریباً یومیہ 37.6MMscfde بنتا ہے۔
- 3 خریداروں سے وصولی: کمپنی خریداروں سے وصولی میں بہتری لانے میں کامیاب رہی، نتیجتاً یہ وصولیاں گزشتہ سال کے 81% سے بڑھ کر تقریباً 91% تک پہنچ گئیں۔
- 4 آپریشنل مہارت: پیداوار میں بہتری کی مختلف سرگرمیوں سے کمپنی نے یومیہ 35MMscfde کا اضافہ حاصل کیا۔
- 5 بین الاقوامی سطح پر توسیع: آف شور بلاک 15 ابوظہبی میں پہلے سے دریافت شدہ تین ذخائر کی ترقی کے لیے پروڈکشن کنٹینر ایگریمنٹ (PCA) پر سپریم کونسل فار فنانٹشل اینڈ اکنامک افیئرز، ابوظہبی نیشنل آئل کمپنی اور PIOL کے درمیان دستخط کیے گئے۔
- 6 کھدائی کی سرگرمیاں: 11 دریافتی و تجزیاتی کنوؤں سمیت 4 پیداواری کنوئیں کھودے گئے۔
- 7 D&PL: سوئی فیلڈ کے لیے طویل عرصے سے زیر التوا ڈیولپمنٹ اینڈ پروڈکشن لیز (D&PL) پر دستخط ہوئے۔
- 8 دریافتی بلاکس کا اجراء: پی پی ایل کو بلوچستان میں 2025 کی بولی کے تحت 2 نئے دریافتی بلاکس فلات ساؤتھ (بلور آپریٹر) اور زیارت ناتھ (بلور پارٹنر) میں شراکت داری حاصل ہوئی۔
- 9 سائزک ڈیٹا کا حصول: سیکورٹی مسائل کے باوجود PPL نے اپنے علاقوں میں 67 لائن کلومیٹر 2D سائزک ڈیٹا اور پارٹنر آپریٹڈ علاقوں میں 483 لائن کلومیٹر 2D سائزک ڈیٹا حاصل کیا۔
- 10 سائزک ڈیٹا پروسیسنگ: کمپنی کے وسائل کو بروئے کار لاتے ہوئے 260 لائن کلومیٹر 2D اور 656 مربع کلومیٹر 3D سائزک ڈیٹا کی پروسیسنگ مکمل کی گئی، جس سے لاگت میں خاطر خواہ بچت ہوئی۔
- 11 کاروباری سنگ میل: پی پی ایل نے اپنی شاندار کارکردگی کے 75 سال مکمل ہونے پر نئے وژن، مشن اور کاروباری شناخت کی رو نمائی کے ساتھ جشن منایا، جو کہ کمپنی کی مستقبل سے ہم آہنگ حکمت عملی کو مزید مضبوط بناتا ہے۔

# NOTICE OF 74<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 74<sup>th</sup> Annual General Meeting of the Company will be held on Monday, 27<sup>th</sup> October 2025 at 11:00 A.M. at Pearl Continental Hotel, Karachi, as well as via video link facility (Zoom Cloud Meetings), for transacting the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the year ended 30<sup>th</sup> June 2025, together with the auditor's report thereon.
2. To approve and declare a final cash dividend of Rs. 2.50 per share (25%) on Ordinary Shares for the financial year ended 30<sup>th</sup> June 2025, as recommended by the Board of Directors at its meeting held on 19<sup>th</sup> September 2025.
3. To appoint auditors of the Company and fix their audit fee for the financial year 2025-26.

## BY THE ORDER OF THE BOARD

### ALI JAFFAR

COMPANY SECRETARY

6<sup>th</sup> October 2025, Karachi

## NOTES:

### 1. CIRCULATION OF ANNUAL REPORT THROUGH QR CODE AND WEBLINK

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP's SRO 389(I)/2023 dated 21<sup>st</sup> March 2023, the Annual Report of the Company is available through following QR Code and Weblink:

<https://www.ppl.com.pk/sites/default/files/2024-10/PPL%20AR%202025.pdf>

OR

<https://www.ppl.com.pk/content/reports-and-accounts>

### 2. VIDEO LINK FACILITY FOR ATTENDING THE MEETING

The AGM shall also be convened electronically through zoom cloud meetings. Members interested in attending the AGM online are requested to register for participation in the AGM via video link, latest by close of business on Friday, 24<sup>th</sup> October 2025, by providing the following information at [agm@ppl.com.pk](mailto:agm@ppl.com.pk). If the information is couriered, it should reach the Company's registered office latest by the close of business on Friday, 24<sup>th</sup> October 2025.

Full Name	CNIC Number	Folio / CDC Account Number	Email Address	Cell Number

The Company Secretary, Pakistan Petroleum Limited, 4<sup>th</sup> Floor, PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Telephone: +(92 21) 111 568 568, Fax: +(92 21) 35680005, 35682125 Email: [agm@ppl.com.pk](mailto:agm@ppl.com.pk)

The video link and login details for attending the Meeting will be emailed to the interested members accordingly.

### 3. CLOSURE OF SHARE TRANSFER BOOKS

The register of members and the share transfer books of the Company will remain closed as of 21<sup>st</sup> October 2025 until 27<sup>th</sup> October 2025 (both days inclusive). Only persons whose names appear in the register of members of the Company as at close of business on Monday, 20<sup>th</sup> October 2025 shall be entitled to attend and participate at the Meeting.

A member entitled to attend and vote at the Meeting may appoint another member as proxy to attend, participate in, and vote on his / her behalf at the Meeting. Proxies must be received at the registered office of the Company not later than 48 hours before the time for holding the Meeting. A form of proxy may be downloaded from the Company's website: [www.ppl.com.pk](http://www.ppl.com.pk)

### 4. GUIDELINES FOR CDC ACCOUNT HOLDERS

CDC account holders should comply with the following guidelines of the Securities and Exchange Commission of Pakistan:

#### A FOR ATTENDANCE AT AGM:

- a) Individuals should be account or sub-account holder(s) and their registration details should be uploaded according to the CDC Regulations. They must establish their identity by providing a copy of their CNIC or passport.
- b) Representatives of corporate entities must furnish a certified copy of a resolution of their respective boards of directors, or a power of attorney for attending the Meeting, in their favor, which should bear the attorney's specimen signature.

#### B FOR APPOINTING PROXIES AT AGM:

- a) Individuals should be account or sub-account holder(s) whose registration details should be uploaded according to CDC Regulations and their forms of proxy must be lodged at the registered office of the Company not later than 48 hours before the time for holding the Meeting.
- b) The form of proxy must be attested by two persons whose names, addresses and CNIC numbers should be given underneath their signatures.
- c) Attested copies of CNIC or passport of the member and proxy must be submitted with the form of proxy.

### 5. TAX IMPLICATIONS ON DIVIDENDS

#### TAX RATES

Currently, the deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, is as follows:

- (a) For Persons in Active Tax Payer List 15%
- (b) For Persons not in Active Tax Payer List 30%

Shareholders who have filed their returns are advised to make sure their names are entered in the latest Active Tax Payer List (ATL) on the website of FBR at the time of dividend payment; otherwise they shall be treated as persons not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

The ATL may be viewed on the FBR's website: <https://fbr.gov.pk>. The Company will ascertain the tax status of members as at the first day of book closure and will deduct withholding tax accordingly.

National Tax Number (NTN) should be provided to the concerned participants by corporate members holding CDC accounts. A copy of NTN certificate together with the Company's name and the respective folio numbers should be submitted by members holding share certificates to Messrs. FAMCO Share Registration Services (Pvt.) Limited (Share Registrar) at 8-F, Adjacent to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi.

**TAX ON JOINT SHAREHOLDING**

Tax will be deducted in proportion to shareholding in joint names or joint accounts. Holders will be treated individually as filers or non-filers in accordance with their respective status.

The proportion of shareholding should be submitted by joint shareholders in the following form to the Share Registrar latest by 20<sup>th</sup> October 2025:

CDC ACCOUNT NUMBER	NAME OF SHAREHOLDERS (PRINCIPAL / JOINT HOLDERS)	NUMBER OR PERCENTAGE OF SHARES HELD (PROPORTION)	CNIC NUMBER	SIGNATURE

In case the proportion of shareholding is not submitted, each joint shareholder will be presumed to hold an equal proportion of shares.

**TAX EXEMPTION CERTIFICATE**

A valid tax exemption certificate is necessary pursuant to Section 150 of the Income Tax Ordinance, 2001 for claiming an exemption from deduction of withholding tax. A copy of valid tax exemption certificate should be submitted to the Share Registrar before the date of book closure by members wishing to avail exemption to avoid deduction of tax.

**6. DIVIDEND BANK MANDATE**

The following information should be provided to enable the electronic transfer of dividend to designated bank accounts:

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
International Bank Account Number (24 digit IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of Shareholder:	
Landline Number, if any, of Shareholder:	
CNIC or NTN Number (Copy to be attached):	
Signature of Member:	
Note: Signature must match specimen [signature] registered with the Company.	

Members who hold shares in CDC and / or CDC sub-accounts should provide their bank mandates to the CDC and / or to the concerned participants.

**7. CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM (i.e. CDC ACCOUNT)**

Section 72 of the Companies Act, 2017, requires all listed companies to replace shares held in physical form with shares to be issued in Book-Entry form within four (04) years from the date of the promulgation of the Companies Act 2017. The shareholders holding shares in physical form are requested to convert their shares in Book-Entry form in order to comply with the provisions of the Companies Act, 2017. Shareholders are requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form, into Book-Entry form.

**8. INTIMATION OF CHANGE OF ADDRESS AND DECLARATION FOR NON-DEDUCTION OF ZAKAT**

Members who hold share certificates should submit any change in registered address as well as their declarations for the non-deduction of zakat, if applicable, to the Share Registrar. Members who hold shares in CDC and / or CDC sub-accounts should submit any change in address and their declarations for the non-deduction of zakat, if applicable, to the CDC and / or to the concerned participants.

**9. CNIC**

Dividend will be paid only to members who have submitted copies of their valid CNIC. The names of members who have not submitted copies of their CNIC may be viewed on the website of the Company: [www.ppl.com.pk](http://www.ppl.com.pk).

**10. NO GIFTS AT AGM**

In accordance with the directives of SECP, no gifts will be distributed at the general meeting.



## FORM OF PROXY

The Company Secretary  
Pakistan Petroleum Limited  
PIDC House  
Dr. Ziauddin Ahmed Road  
Karachi.



I/ We, \_\_\_\_\_ of \_\_\_\_\_, being a Member of Pakistan Petroleum Limited, holder of \_\_\_\_\_ Ordinary Shares(s) as per Register Folio No. \_\_\_\_\_ / CDC Account No. \_\_\_\_\_ hereby appoint Mr. \_\_\_\_\_, Folio No. \_\_\_\_\_ / CDC Account No. \_\_\_\_\_ (if member) of \_\_\_\_\_, as my/ our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on 27<sup>th</sup> October 2025 and at any adjournment thereof.

Signed under my / our hand this \_\_\_\_ day of October 2025.

\_\_\_\_\_  
Signature should tally with the specimen signature registered with the Company

Signed in the presence of:

\_\_\_\_\_  
Signature of Witness:

Name: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature of Witness:

Name: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney duly authorized, or if the appointer is a corporation either under the common seal or under the hand of a duly authorized official or attorney. No person shall be appointed proxy who is not a member of the Company and qualified to vote except a corporation being a member may appoint a non-member.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of such power of authority shall be lodged with the share registrars of the Company, Messrs. FAMCO Share Registration Service (Private) Limited, 8-F, next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Karachi, not less than 48 hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, and if it is not so lodged the instrument of a proxy shall not be deemed valid. CDC shareholders and their proxies are required to append an attested photocopy of their computerized national identity card (CNIC) or passport with the proxy form.



# پراکسی فارم

کمپنی سیکریٹری  
پاکستان پیٹرولیم لمیٹڈ  
پی آئی ڈی سی ہاؤس  
ڈاکٹر ضیاء الدین احمد روڈ  
کراچی

میں / ہم \_\_\_\_\_ پاکستان پیٹرولیم لمیٹڈ کے ممبر کی حیثیت سے کمپنی کے \_\_\_\_\_ عمومی شیئر (ز) رجسٹرڈ کنندہ رجسٹرڈ فوئیو نمبر / CDC A/c No.

جناب \_\_\_\_\_ فوئیو نمبر / CDC A/c No. (اگر ممبر) ہے \_\_\_\_\_ یا ان کے بجائے،

جناب \_\_\_\_\_ فوئیو نمبر / CDC A/c No. (اگر ممبر ہے) \_\_\_\_\_ بذریعہ ہذا کو اپنا / ہمارا پراکسی مقرر کرتا ہوں تاکہ میری غیر موجودگی

میں کمپنی کے سالانہ اجلاس عام میں جو 27 اکتوبر 2025 کو منعقد ہو رہا ہے یا اس کے التوائی اجلاس میں میری / ہماری طرف سے شرکت کر سکے یا ووٹ دے سکے۔

دستخط منظور کنندہ، \_\_\_\_\_ اکتوبر 2025۔

دستخط، کمپنی کے پاس موجود دستخط کے نمونے کے مطابق ہونے چاہیں

گواہ کے دستخط:	گواہ کے دستخط:
نام:	نام:
سی این ڈی سی نمبر:	سی این ڈی سی نمبر:
پتہ:	پتہ:

نوٹس:

1- پراکسی مقرر کرنے کا اختیار جانشین یا اس کے انارنی کی طرف سے تحریری طور پر دینا ہو گا یا کارپوریشن / کمپنی ہونے کی صورت میں کامن ہیل کے تحت یا اختیار جانشین یا انارنی کی طرف سے دینا ہو گا۔ کوئی بھی ایسا شخص پراکسی مقرر نہیں ہو سکتا جو کمپنی کا ممبر نہ ہو یا سوائے کارپوریشن / کمپنی کے ممبر ہونے کی صورت میں ایسے شخص کو پراکسی مقرر کر سکتی ہے۔

2- پراکسی اور پاور آف اٹارنی یا دیگر اتھارٹی کا تقرر کرنے والے طریقہ کار، اگر کوئی ہو، جس کے تحت یہ دستخط شدہ ہے یا اس طرح کے اختیار کی ایک نوٹری شدہ کاپی کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروس (پرائیویٹ) لمیٹڈ کے پاس B-F ہوٹل قاران سے متصل، نرسری بلاک 6 پی ای سی ایچ ایس، کراچی، اجلاس کے انعقاد سے کم از کم 48 گھنٹے پہلے درج کروائی جائیں۔ جس میں یہ واضح ہو کہ طریقہ کار میں نامزد شخص ووٹ دینے کا اہل ہے اور اگر ایسا نہیں کیا گیا ہے تو پراکسی کو تسلیم نہیں کیا جائے گا۔ سی ڈی سی کے شیئر یافتگان اور ان کے پراکسیوں کے لئے لازم ہے کہ وہ پراکسی فارم کے ساتھ ان کے کمپیوٹر انڈیڈ تومی شناختی کارڈ (C.N.I.C) یا پاسپورٹ کی تصدیق شدہ نقول منسلک کریں۔

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