



HASCOL REJOINDER AGAINST DISINFORMATION

(Karachi, 6 July 2021) In recent days a serious campaign to discredit Hascol has been waged surreptitiously. Certain factually incorrect reports, outright lies and rumours have been spreading on Whatsapp designed to discredit, slander and malign Hascol. A story appeared on TV making similar unsubstantiated allegations against Hascol.

Hascol did suffer significant losses in 2019, which were then declared in the Company's financial statements. These losses were mainly related to Forex and Interest Rate Risk and extreme volatility in international oil prices, which affected Pakistan's entire Oil Marketing Industry. Additionally, in an effort to be fully transparent, the new Board of Hascol recently disclosed to the PSX that they had possibly uncovered some fake purchase against fixed assets and the company was in the process of completing its investigation and see if there is any impact on the accounts. Unfortunately, some people have associated that with oil imports which is entirely baseless as all oil imports are managed through a well-structured and duly regulated process. These allegations are therefore spurious and Hascol reserves its legal rights to take action against the sources of this disinformation.

In 2020, in an effort to turnaround the company and get it back on track, a new CEO and Chairman were appointed, to take the helm of Hascol and steer it back to profitability. The highly respected and experienced Sir Alan Duncan, a former UK Minister, was brought in as Chairman, bringing his considerable skills and experience from the oil industry. Mr. Adeeb Ahmad, a corporate investment and restructuring professional with an impressive track record was appointed CEO of Hascol. Both Sir Alan Duncan and Mr. Adeeb Ahmad are working tirelessly to bring HPL back on sustainable footing in coordination with the Board and the wider management. This task has been made extremely challenging especially in the current uncertain climate due to the effects of the COVID-19 pandemic on Pakistan and the world, as well as Hascol's significant outstanding debt levels, and working capital squeeze.

Due to the perseverance of the newly constituted board and Hascol's management team, supported by the Company's business partners, Hascol is making due progress towards ameliorating its financial position, and is hopeful that its outlook will be positive. The legacy of its recent past, however, must be addressed, and Hascol's Board aims to deal with its regulators transparently and is prepared to make any adjustments, if ever required, to its financial statements.

Hascol has commanded amongst the highest market share of all Pakistan's Oil Marketing Companies until recently and has been a major part of supporting the growth of Pakistan. Even as these malicious rumours were spreading, Hascol was busy arranging furnace oil on an emergent basis so that the city of Karachi does not face blackouts. In order to solve its current financial issues, Hascol is in discussions with its banking partners on a financial restructuring plan for the company, having appointed a team of renowned restructuring experts from Alvarez & Marsal Europe LLP to assist us. Hascol is committed to return to its successful trajectory in the near future.