

Our Reference: SEC/D.7/060/21

July 17, 2021

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi.

Subject: **Material Information**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

We are pleased to convey that the Board of Directors of the Company in its meeting held on July 16, 2021, has approved an investment plan of about Rs 2.5 billion to set up a state-of-the-art Air Separation Unit (ASU, the "Plant") in the Northern region of Pakistan. Once commissioned, it will be the Company's fifth ASU Plant in the country.

The investment, which includes the Plant and associated storage equipment, will meet the growing demand of Oxygen from Healthcare and Industrial segments as well as demand for other Industrial gases, including Nitrogen and Argon. Presently, this demand is being met through trunking gases from the Company's plant in the Central region. The new Plant is expected to come on stream by 2023.

Over the last two years or so, the Company has not only operated its ASU Plants round the clock to meet the growing demand of Oxygen for the treatment of COVID-19 patients but has also undertaken various healthcare projects in collaboration with both the Private and Public sectors to create more than 2,000 new patient beds with Oxygen supply systems.

With the expansion of the proposed fifth ASU plant of the Company to be installed in KPK province, the Company's customer base will widen while strengthening the Company's footprints across the country and enhancing its ability to meet growing customers' demand in the healthcare and industrial sectors. This shall also significantly boost the oxygen producing capacity in the country particularly in the province of KPK which is currently dependent on trunking from elsewhere in the country. The new ASU shall also be able to serve the various ongoing and upcoming CEPC related projects in KPK providing growth opportunities for the Company.

Since the acquisition of the Company from the Linde Group in 2018, the Company's present Board of Directors has approved significant capital investments valuing around PKR 10 billion in expansion projects and for improvements of the existing plant(s), machinery, and equipment. The largest of these investments, valuing Rs 6.3 billion, is the under construction 270 TPD ASU Plant at the Company's site in Port Qasim, Karachi. Currently, the Company has three ASU plants in two major cities in Pakistan with a combined capacity of 263 tons per day. Furthermore, in February this year, the Company had announced an investment plan of about Rs 417.5 million to set-up a new European technology electrode manufacturing facility at Karachi. This will enhance the Company's capacity and capability in the welding segment to meet the growing demand from the industrial sector. These investments reflect the confidence of the Board of Directors in Pakistan's economic growth prospects.

Pakistan Oxygen Limited is a leading supplier of industrial & medical gases, pipeline services and welding solutions in Pakistan since 1935. The Company services customers across a wide spectrum of industries ranging from chemical and petrochemical to steel, food, etc. and also provides medical Oxygen and equipment to the healthcare segment.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,


Mazhar Iqbal
Company Secretary

Copy to: The Executive Director/HOD
Corporate Supervision Department-Company Law Division, SECP,
NIC Building, 63 Jinnah Avenue, Islamabad.