



By Courier

10th February 2023

Reference No.: CPL/COR/PSX/057

Hafiz Maqsood Munshi
Head, Listed Companies Compliance
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Sir,

Re: ENQUIRY ON NEWS PUBLISHED IN PRINT /ELECTRONIC MEDIA

This refers your letter bearing reference No. PSX/Gen-225 dated 6th February 2023, regarding a news item refinery shutdown from 2nd February 2023 and will restart production from 10th February 2023, in-line with crude oil vessel arrival timeline.

We draw your kind attention that besides two refinery units with an aggregated throughput capacity of 156,000 barrels per day, Cnergyico Pk Limited ("Cnergyico") owns and operates Pakistan's first and only Single Point Mooring ("SPM") - a floating port located 13 km offshore in the Arabian Sea near Churna Island, and petroleum marketing business, nationwide.

We would also seek your kind attention towards a fact that Cnergyico has been short of working capital for quite some time and therefore since then has planned the refinery throughput as per the available funding, subsequently, the refineries are moved from production to cold circulation or shut down, back to on-production as and when required. Hence, this is considered an established practice at Cnergyico. With rising USD / PkR parity, the existing working capital lines are not sufficient for any oil company including Cnergyico, and the same had been published in many media articles / news item. This very fact was also mentioned in the annual financial statements for June 2022. During the corporate briefing session held on 19th October 2022, it was specifically mentioned that rising USD / PkR parity had created shortage of working capital and company was not able to maintain the refinery throughput.

Cnergyico have adequate excess capacity to catch up our production when the refinery | ies starts operation as per the planned crude processing quantity. On throughput relevant shutdowns, Cnergyico can't be compared to other refineries which are running at their full capacities and they have port constraints for their crude oil, as we have all the time available dedicated SPM and excess capacity to catch up with our production plan. We have different business verticals in one listed

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company. If we start informing about these brief shutdowns which doesn't have financial impact to the shareholders and investors, it will misled them.

As the non-availability of crude is significantly related to volatile crude oil prices and the massive devaluation of the PKR, it resulted in refinery shut down for a week, however, petroleum marketing business, remains functional and serving the nation with full dedication. Cnergyico being cognizant of its responsibilities, would like to assure that it will keep its stakeholders and shareholders up to date on its progress, as always.

The News items indeed highlighted recent issues faced by the industry in opening of letter of credit from commercial banks to import crude oil cargoes. Since we ensure the economy of the business with above referred multiple operations, the information regarding refinery | ies shut down, indeed, does not fall under the purview of price sensitive information, as our operations in other business segments continue.

With the above background of business model, Cnergyico has always remained compliant with respect to disseminating any price sensitive information, and hereby assure you that any event of material information, falling under PSX Regulation, will be disclosed, accordingly.

Keeping in view of the above, we request you to kindly exclude the above information from the purview of material information In Cnergyico's perspective.

We look forward to your kind support and a lenient view in this regard.

Yours truly,

Majid Muqtadir
Company Secretary

Copy: Executive Director/HOD, Offsite-II Department, Supervision Division,
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah Avenue, Blue Area, Islamabad.