

Pakistan Petroleum Limited



Corporate Briefing Session

2022-23



- Disclaimer
- Group Structure
- Our Footprint & Energy Scenario
- Operational Overview
- Financial Overview
- Outlook & Challenges
- Q&A

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Capital & Shareholding



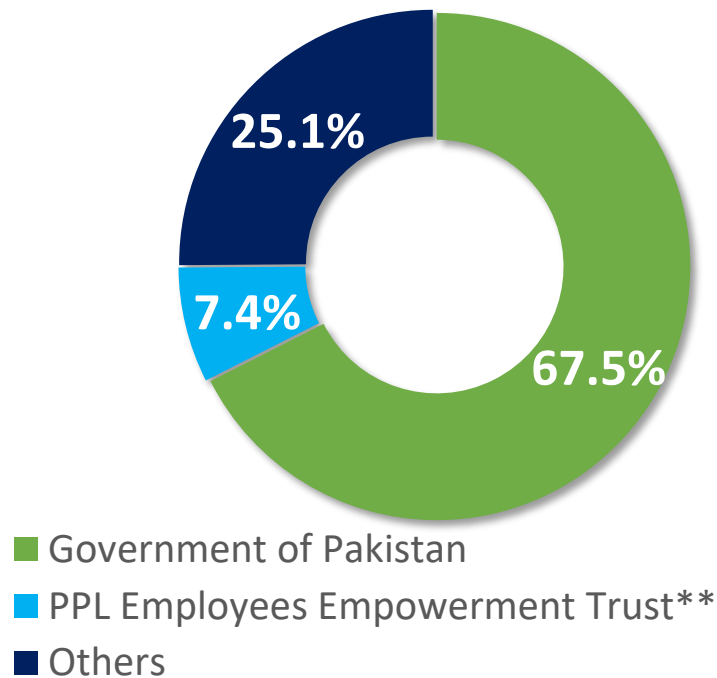
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The authorized capital of the Company is PKR 35 billion.

The subscribed capital of the Company is PKR 27.21 billion.

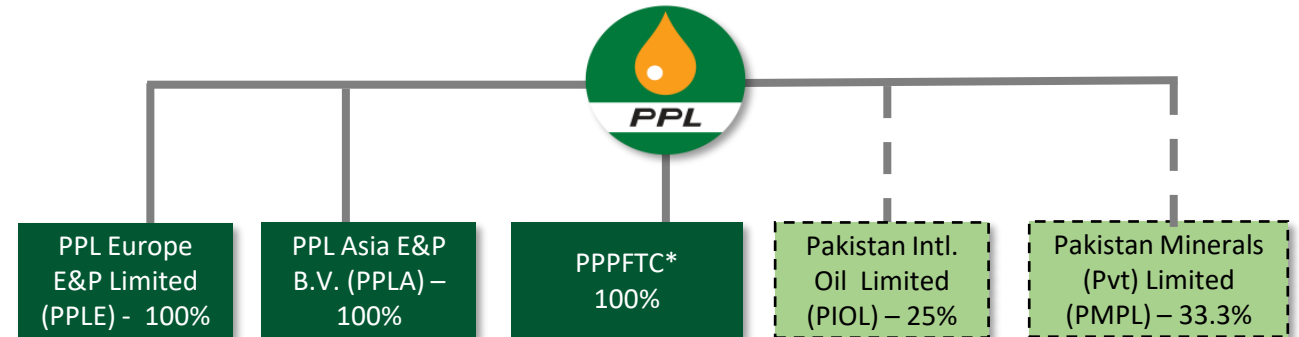
Pattern of Shareholding (%)

June 30, 2023



** As per Supreme Court's order, these shares will be transferred back to the Government of Pakistan

Group Structure



The Group, except PPPFTC, is principally engaged in conducting exploration, prospecting, development and production of oil, natural gas and mineral resources.

PIOL is an associated company engaged in the exploration and appraisal activities in Abu Dhabi's offshore block 5.

PMPL is another associated company holding an indirect 25% non-operating share in Reko Diq project for mining of copper and gold.

*Pakistan Petroleum Provident Fund Trust Company (Private) Limited.

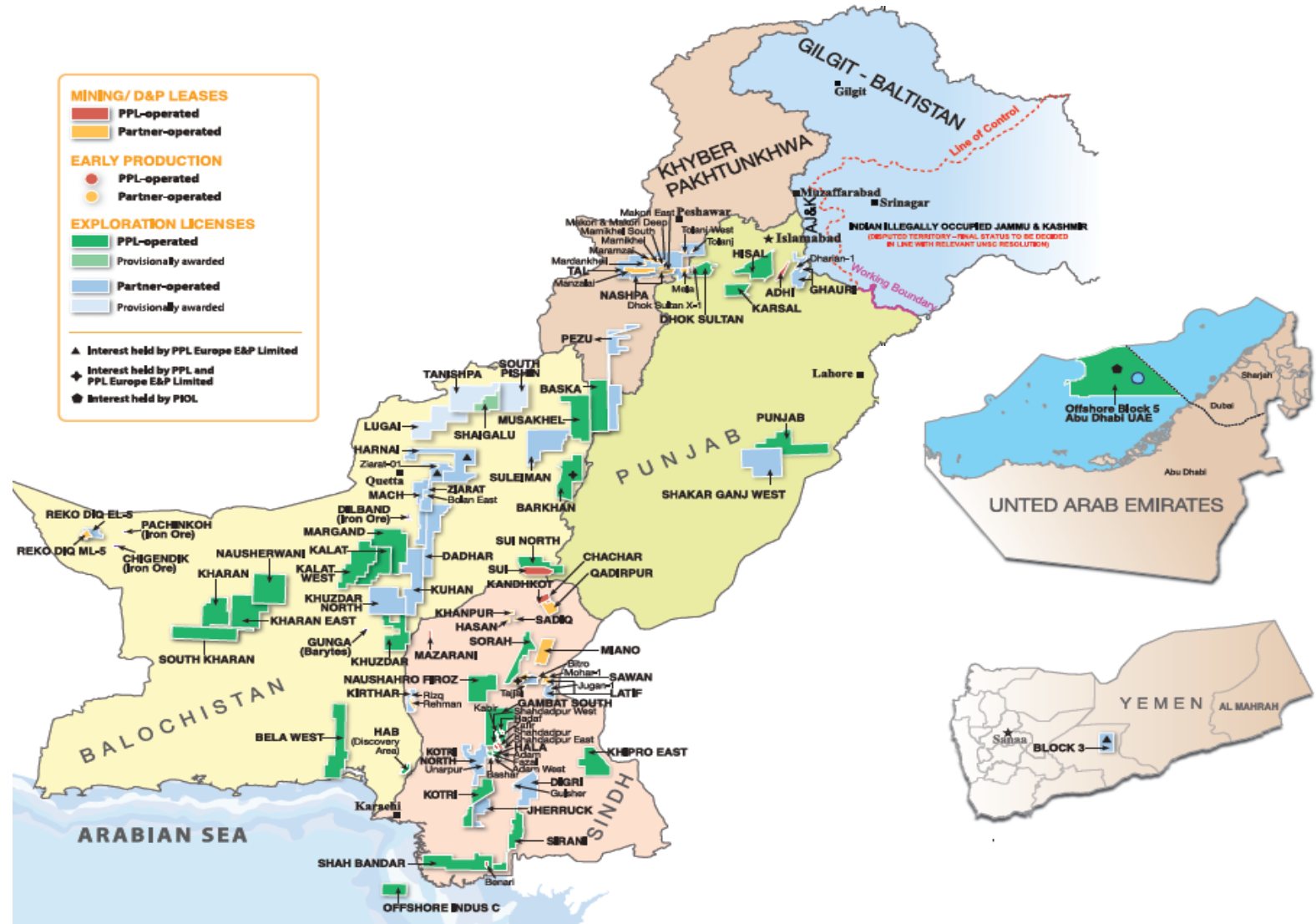


Our Footprint & Energy Scenario



Total	22
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Total	45*
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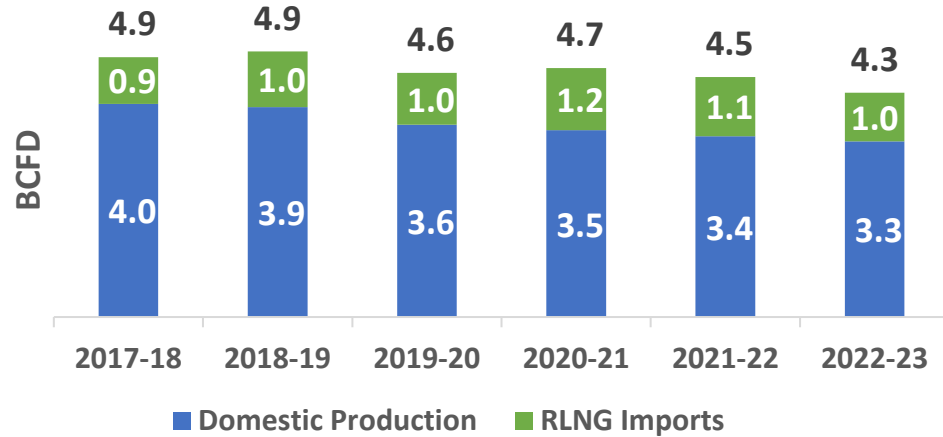


Pakistan Energy Scenario



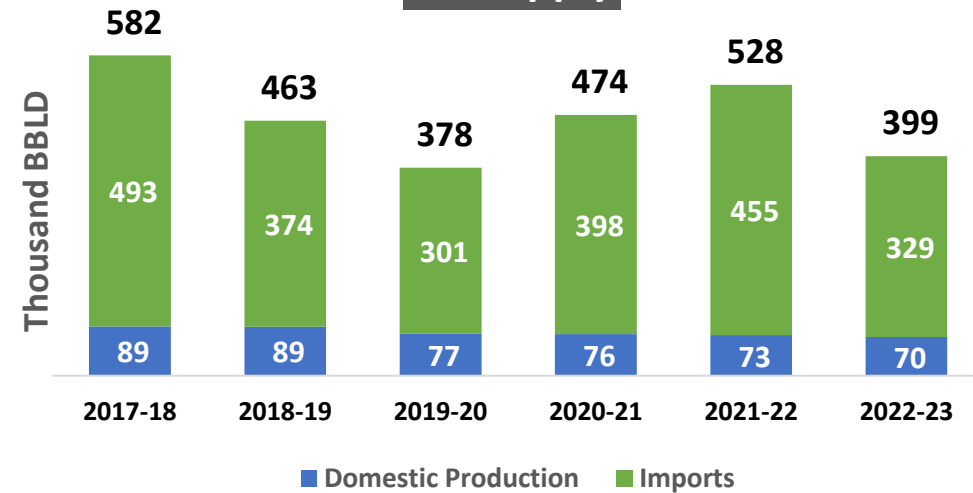
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Gas Supply



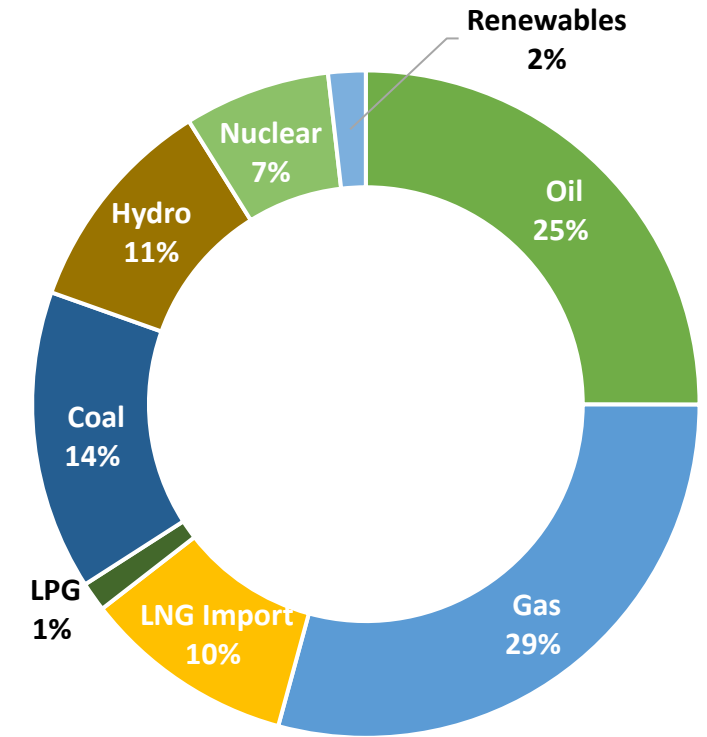
- Local production on a downward trajectory
- PPL Share ~ 22% of local prod (~0.73 Bcfd)

Oil Supply



- Local production is only ~ 27%
- PPL Share ~ 17% of local prod (12.1 kbpd)

Pakistan Energy Mix



- Higher reliance on hydrocarbons, esp oil and gas
- Lower share of oil compared to previous year
- Renewables share remains low

Source: PPIS, OGRA, Energy Year-Book, Analyst estimates



Operational Overview



Key Achievements in 2022-23



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Production Recovery

Increased production vs previous year despite majority of production coming from mature fields



Highest ever Profit Before Tax

Rs. 166 Billion

Corporate Achievements

- One of largest corporate giver ~ Rs 3 Billion
- 1st prize: ICAP's Digital Technology Award ceremony for in-house RPA project
- 2nd prize: "Annual Report Awards 2021" in Fuel & Energy category by ICAP & ICMAP



Awarded Exploration Blocks

1 Operated
3 Partner Operated

4 Discoveries

*Shahpur CN X-1 (Gambat South),
Shinawari-Samanasuk (Tal),
Lockhart (Tal), Rayyan-1 (Kirthar)*



International Exploration

Preparations underway to commence drilling

Highest Barite Sale

Achieved highest ever barite sale by BME, augmenting PPL's non-E&P revenue stream

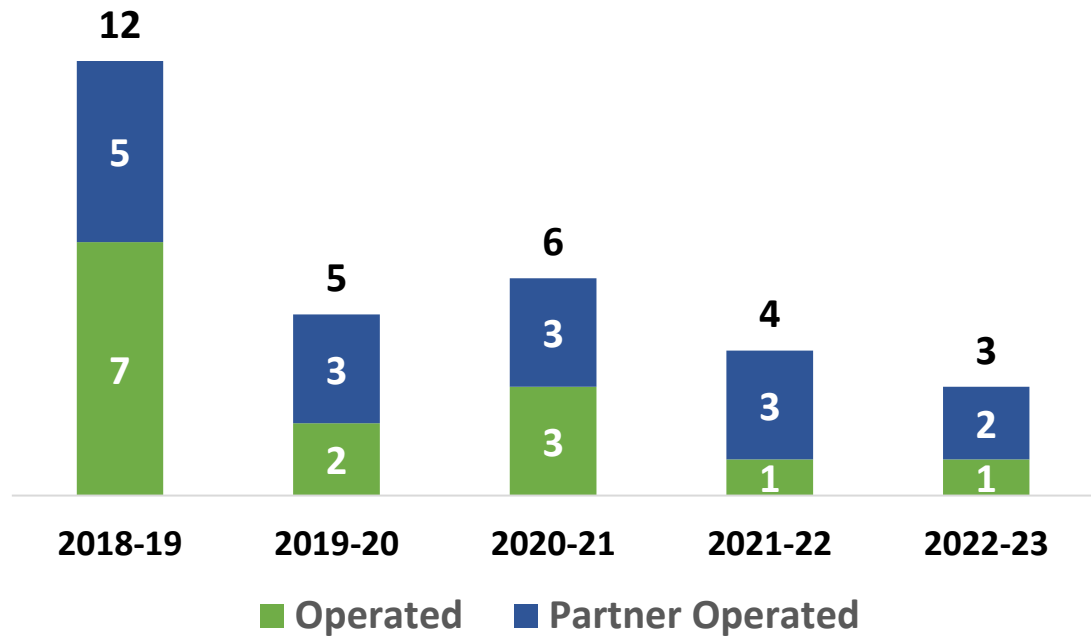


Diversification

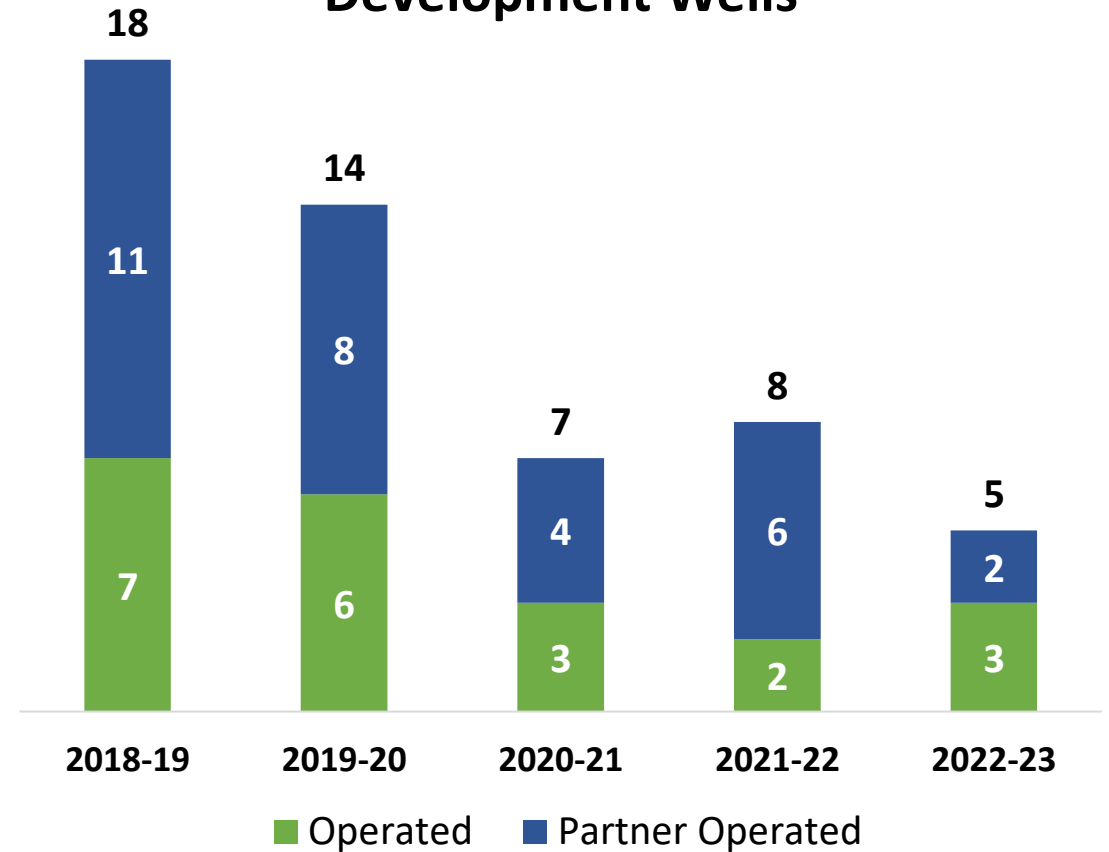
Transaction finalized to enter into Reko Diq project, acquiring indirect interest

Key
Achievements
2022-23

Exploration wells

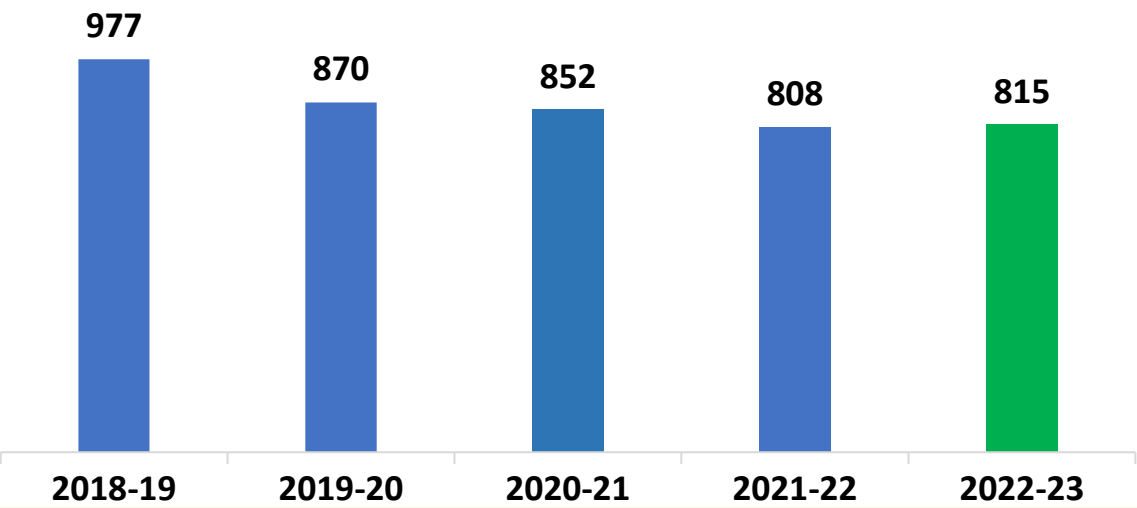


Development Wells

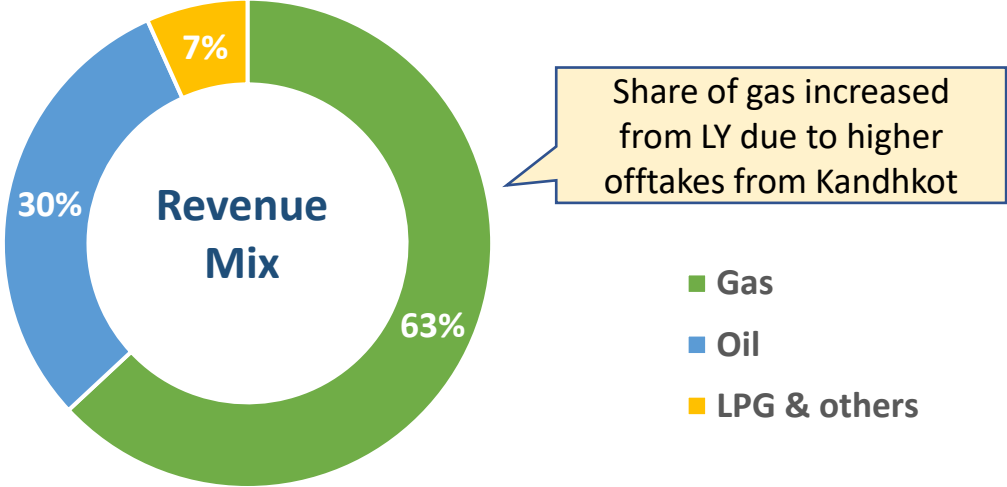




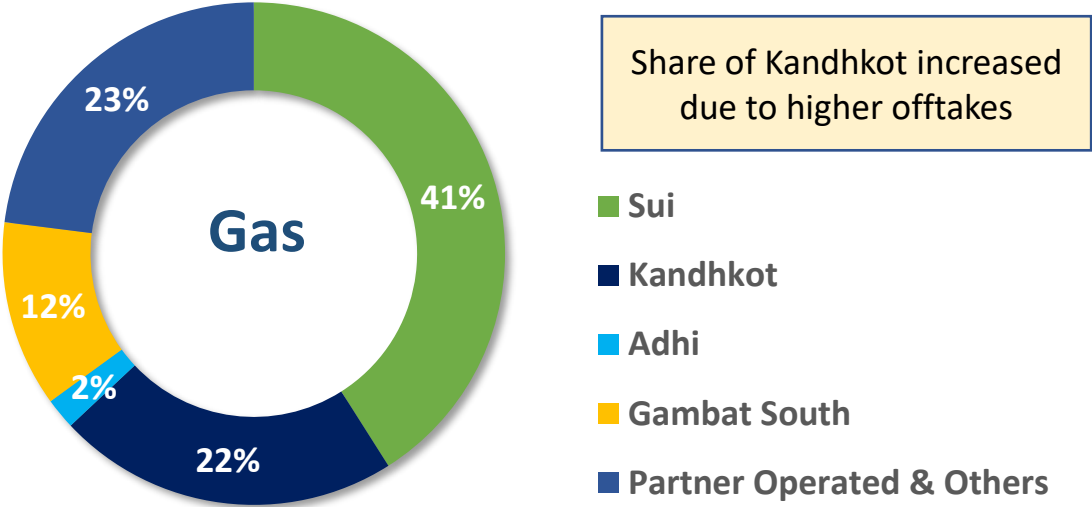
Production (PPL Net) MMscfde



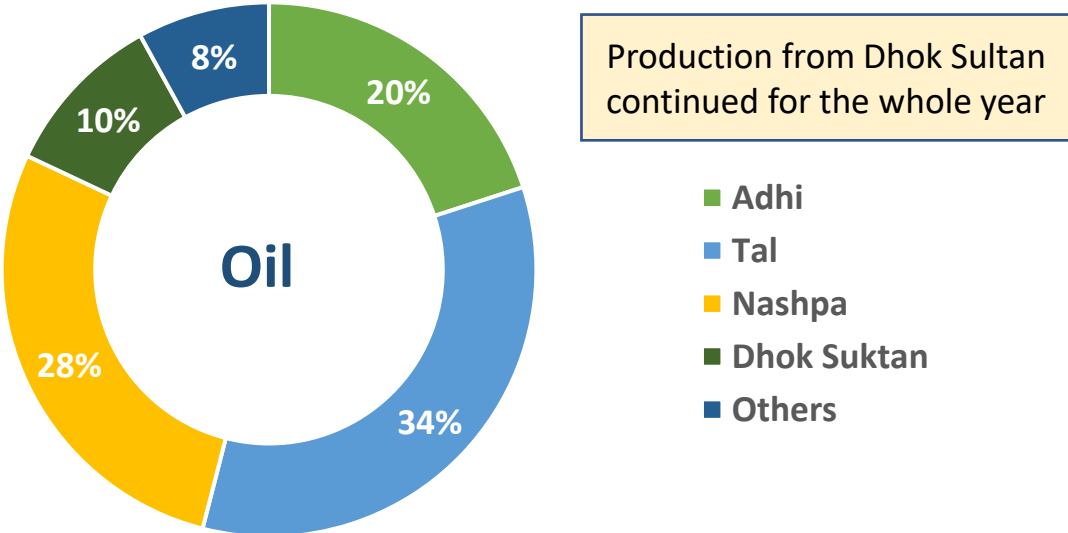
Revenue mix FY 2023 (PPL Net) by value



Field-wise Production FY 2023 (PPL Net) by volume



Field-wise Production FY 2023 (PPL Net) by volume





Financial Overview



Financial Highlights



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Highest ever
Net Sales

PKR 286 Billion

42%
Increase

Highest ever
Profit Before Tax

PKR 166 Billion

69%
Increase

Earnings per share

PKR 35.99

83%
Increase

Total Assets

PKR 790 Billion

26%
Increase

Income Tax

PKR 68 Billion

52%
Increase

**Net
Sales**

Increase in Sales Revenue:

Mainly due to positive price variance including the impact of devaluation of exchange rate

PBT

Increase in Profit Before Tax:

Due to higher revenues coupled with higher other income on account of better interest rates, partially offset by higher operating expenses, windfall levy & royalties.

Tax

Increase in Tax for the year:

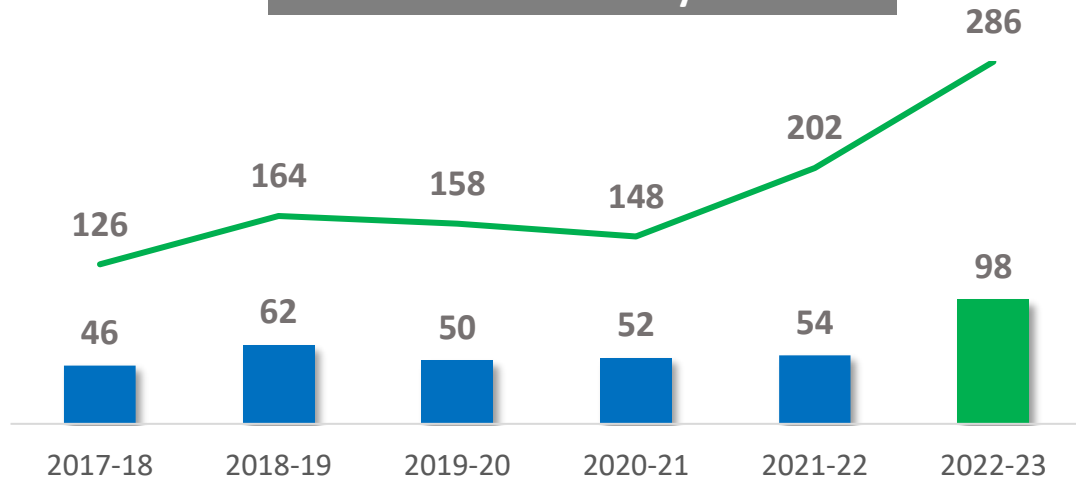
- Higher Profit before Tax
- Super Tax implication

Key Financial Indicators

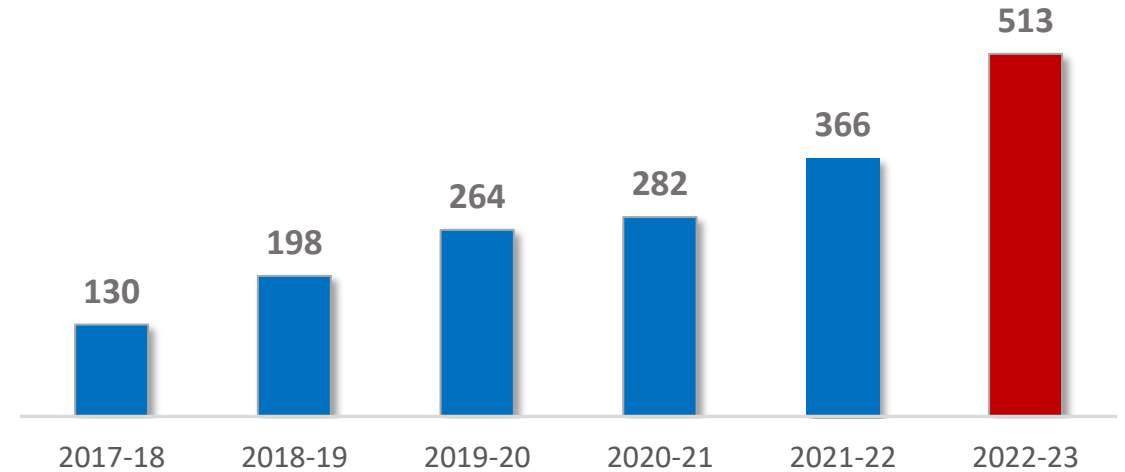


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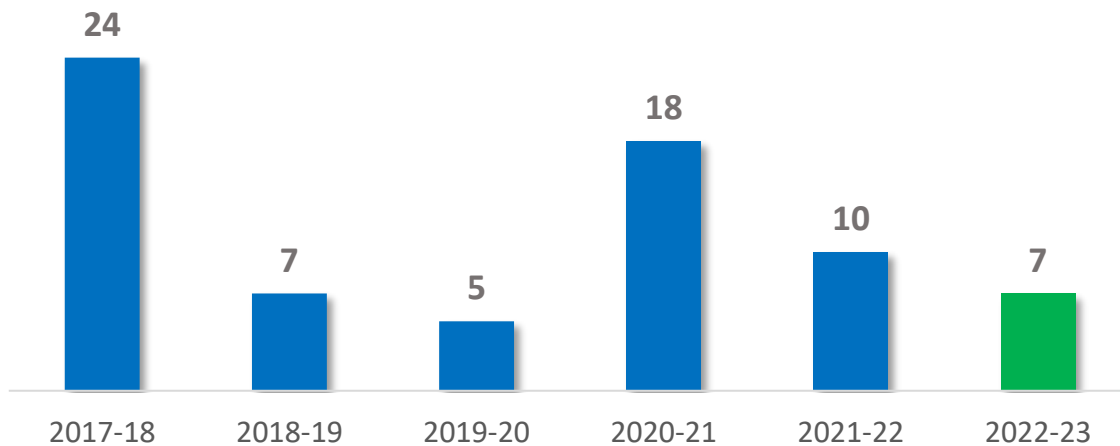
Revenue vs Profitability - Rs billion



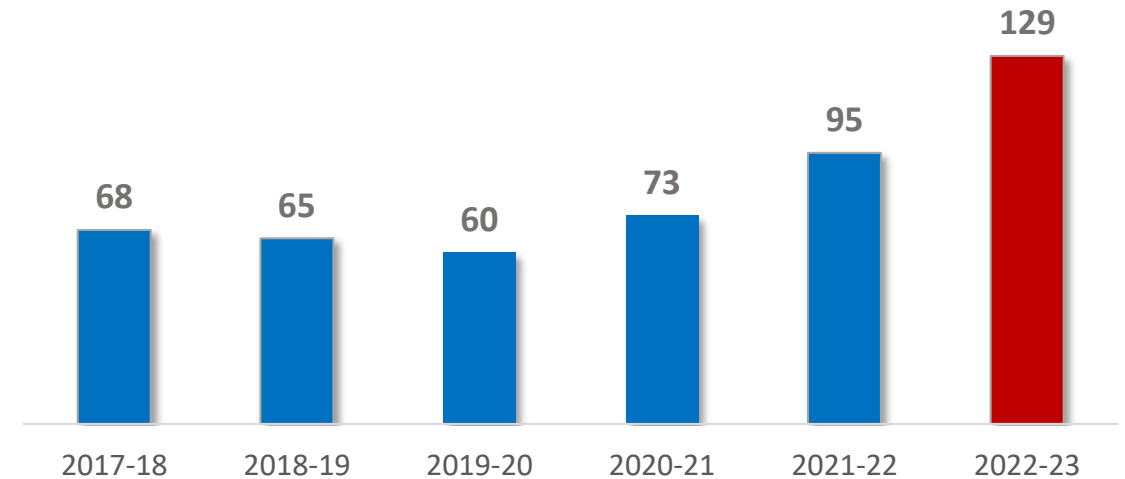
Trade Debtors – Rs billion



Cash Dividend Pay-out ratio %



Payments to Government Exchequer – Rs billion

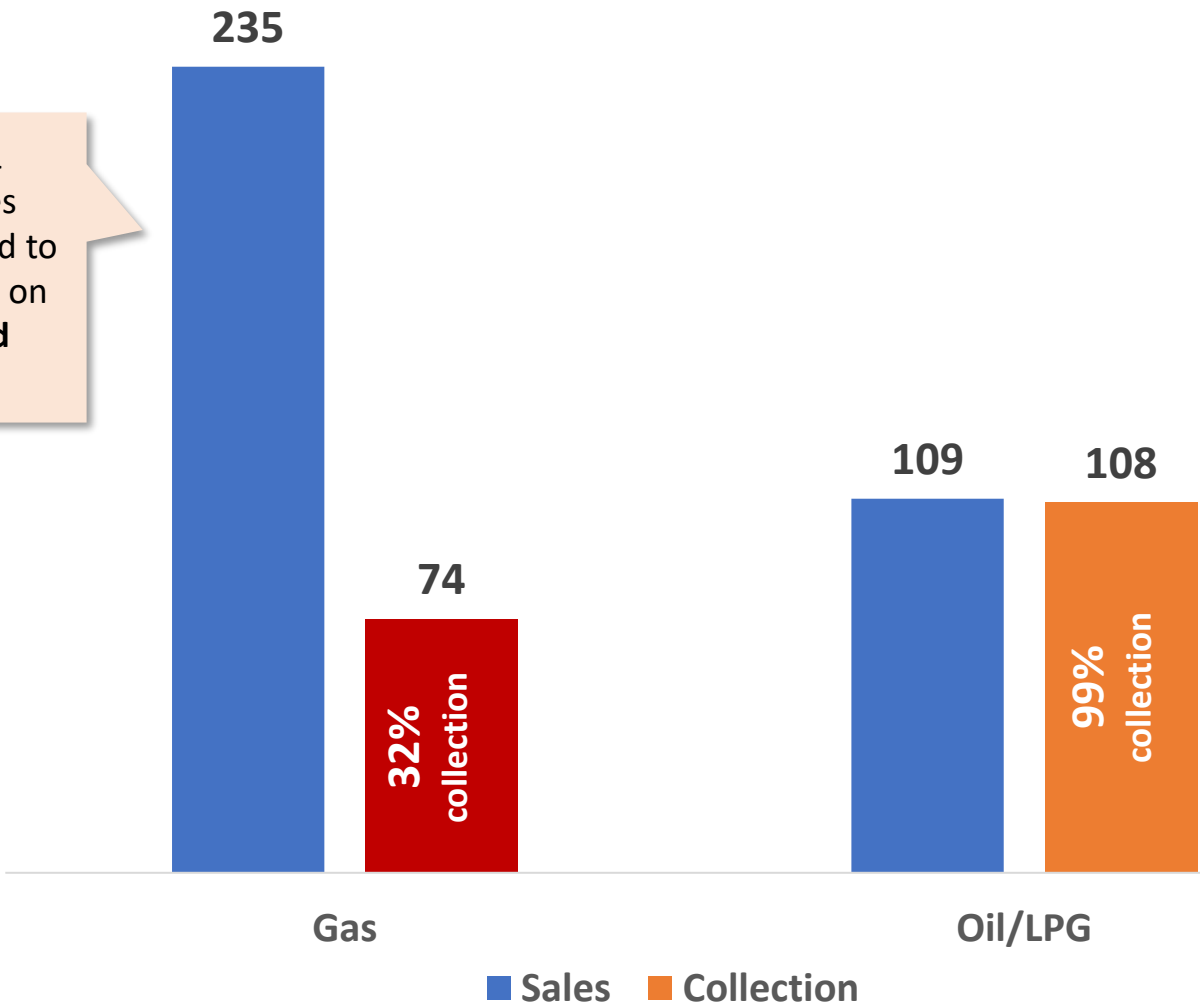


Sales vs Collection



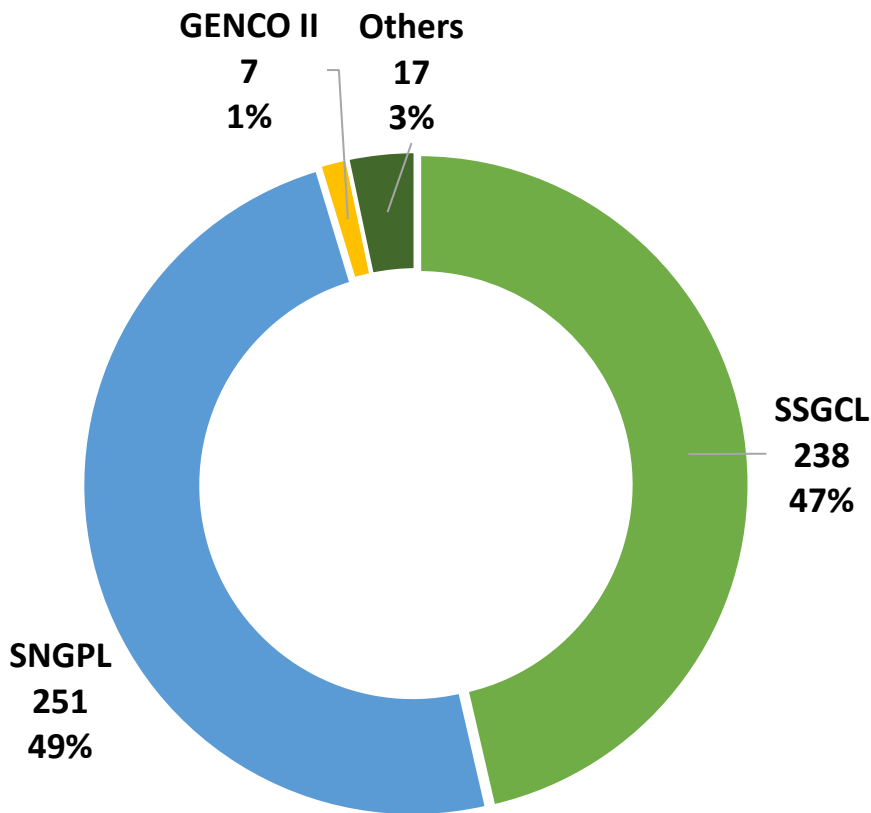
Gross Sales vs Collection
Rs. Billion (FY 2022-23)

Taxes & royalties required to be paid on accrued sales



* Includes GDS

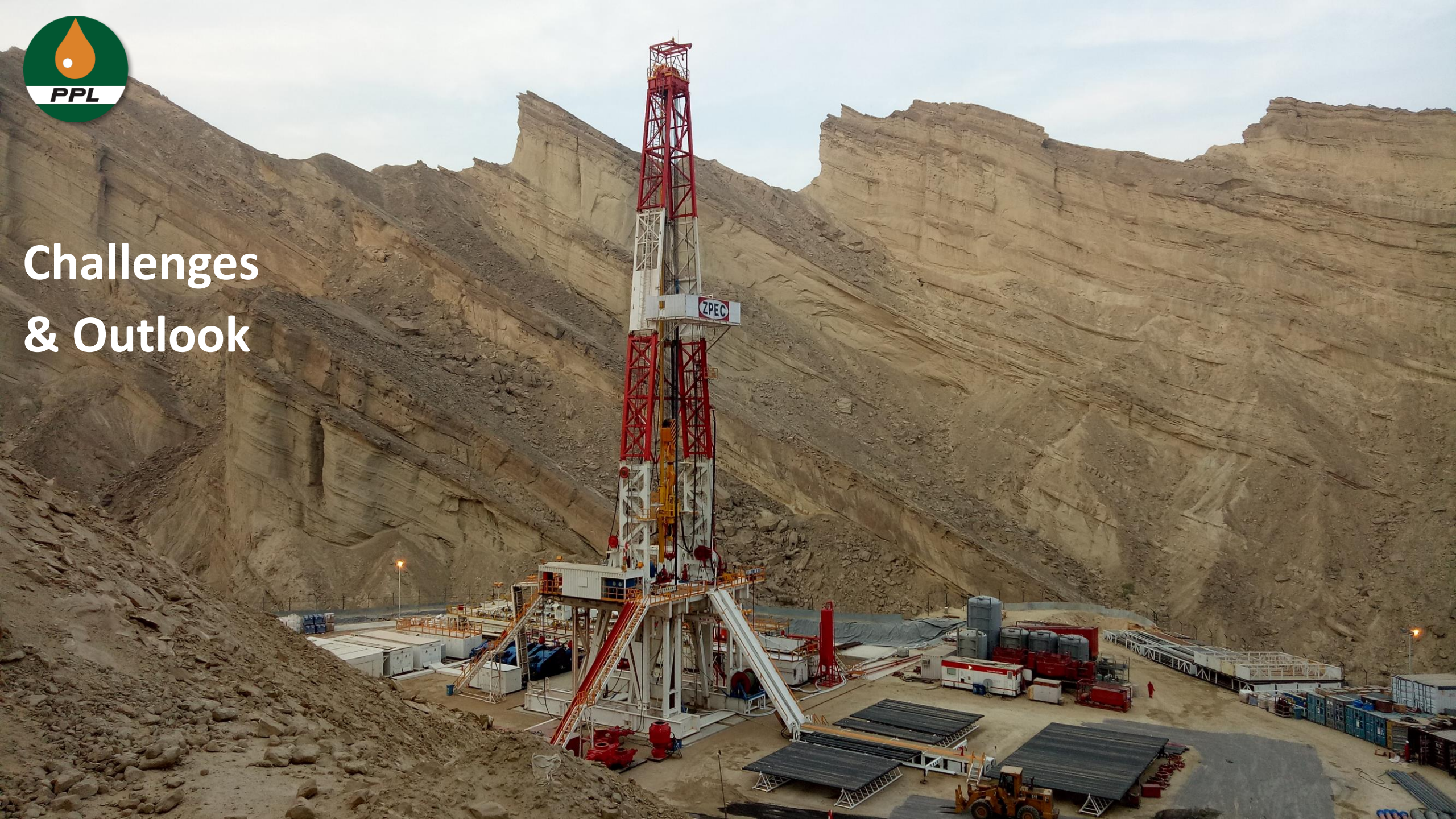
Receivables as at
June 30, 2023 (PKR Billion)



- Highlighting major root causes of gas sector circular debt along with **formulation of mitigation plans** at the highest levels in the Ministry of Energy and Finance Division
- Recent upward revision in consumer gas prices to have a positive impact on company's collections
- Focusing on **oil resources and overseas operations** to diffuse Circular Debt impact
- Pursue opportunities for **allocation of gas to alternate customers**
- **Diversifying** in Circular Debt free strategic investments - returns expected in mid to long term
 - **Reko Diq** Project – one of the largest undeveloped copper-gold mine in the World
 - Barite, Lead and Zinc (**BLZ**) and other mining projects



Challenges & Outlook



Key Challenges



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Challenges	Mitigations
Surge in trade receivables	Consumer gas price increase. High level engagement with Ministry to resolve the root causes. Strategic investments to create alternate revenue streams.
Higher levies/taxes on account of higher revenues and profits – Deteriorating cash to current liabilities	Submission of request to GoP for payment of royalties and sales tax on receipt basis
Delay in Zafir project	Options being evaluated for expeditious completion
Arresting the natural decline in mature fields	Continuation of development activities
Depleting exploration portfolio and slowdown in large discoveries	<ul style="list-style-type: none">• Participation in new bid rounds / farm-ins• Evaluating international opportunities• Drill in high risk/high reward areas to target bigger discoveries• Hedging depletion via diversification through alternate revenue streams
Award of Sui D&PL pending since long	Negotiation between GoB and GoP are in progress to resolve the matter
Security issues & high costs especially in frontier areas	Maintained continuous liaison with law enforcement / intelligence agencies for improved security infrastructure at well sites.

- Production forecast around 0.8 Bcfde
- Seismic campaign of 1,377 line km 2D and 50 Sq km 3D acquisition
- Drill 9 exploration wells and 6 development wells
- Mix of high/medium risk exploration wells in Baska, Dhok Sultan, Shah bandar, Kalat, and Hala (operated areas)
- Exploration and appraisal activities in PIOL
- Ongoing feasibility study and project financing for Reko Diq project
- Projects:
 - BLZ mining
 - Compression revamp in Sui
 - GPF IV compression
 - Continue Zafir project

Questions & Answers



Thanks