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Our reference: CS/PSX-0028

Your reference:

Date: 26<sup>th</sup> February 2026

Mr. Syed Ahmad Abbas  
Head of Business Development & Listing  
Listing Department, Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road  
Karachi

Dear Sir,

**Re: Settlement with Presson Descon International (Private) Limited (PDIL) and  
Descon Engineering Limited (DEL) in respect of  
Disputes Arising Out of Two EPCC Projects**

We are pleased to disclose that Pakistan Petroleum Limited (PPL) has reached an amicable settlement with Presson Descon International (Private) Limited (PDIL) and Descon Engineering Limited (DEL) in respect of disputes arising out of two Engineering, Procurement, Construction, and Commissioning (EPCC) projects, namely the Gambat South Gas Processing Facility-II (GPF-II) and the Adhi LPG & NGL Recovery Plant-III (Adhi-III).

The disputes primarily related to liquidated damages imposed by PPL and claims for withheld retention money, requests for Extension of Time and cost claims by PDIL and DEL under the respective contracts of GPF-II and Adhi-III. Proceedings were initiated before the Sindh High Court/Civil Court Karachi, with referral of the matters to arbitration under the respective contracts. While the court proceedings were underway, the parties engaged in parallel discussions to explore any amicable resolution. Following year-long negotiations, the parties have agreed to amicably resolve all outstanding matters on an "as of today" basis, and pending court matters would be withdrawn by the Parties.

The parties have further agreed that the GPF-II and Adhi-III contracts shall be treated as fully concluded, with no further or future liabilities or claims arising out of or in connection therewith. The settlement enables closure of long-standing disputes, avoids prolonged arbitration proceedings, and reinforces commitment of the Parties to maintain constructive business and commercial relationships, reflecting positively on the Company's operational stability and forward outlook.

The foregoing information is submitted in compliance with Section 96 of the Securities Act, 2015 and Clause 5.6.1 of the Pakistan Stock Exchange Limited Regulations, for dissemination amongst your members.

Yours truly,

  
**Ali Jaffar**  
Company Secretary

Copy: Executive Director/HOD, Offsite-II Department, Supervision Division, SECP, Islamabad.