

CA/PSX/2104

**Thru: PUCARS / Courier**

April 22, 2026

The General Manager,  
Pakistan Stock Exchange Limited  
(PSX), Stock Exchange Building,  
Stock Exchange Road,  
**KARACHI.**

The Executive Director/HOD,  
Offsite-II Department, Supervision Division  
Securities and Exchange Commission of Pakistan  
63, NIC Building, Jinnah Avenue, Blue Area,  
**ISLAMABAD.**

**MATERIAL INFORMATION**

**Subject: Clarification in response to recent news publication regarding CEA expenditure**

This is with reference to a recent news item published in the media regarding the decision of the Lahore High Court in respect of **Cost Equalization Adjustment (CEA)** pertaining to Sui Northern Gas Pipelines Limited.

The Company would like to clarify the following:

1. The matter pertains to a disputed tax demand arising from the disallowance of CEA by tax authorities. The CEA was remitted to Sui Southern Gas Company Limited (SSGCL) under a mechanism mandated by the Economic Coordination Committee (ECC) and duly approved by the Federal Government as well as Oil and Gas Regulatory Authority in 2003, aimed at ensuring uniform gas pricing across the country.
2. The related expenditure is historical in nature and has already been recorded in the Company's financial statements. It has also been duly recognized in OGRA's tariff determinations for the relevant periods. Accordingly, **it does not have any incremental financial impact on the current or future profitability of the Company.**
3. The Honorable LHC has decided the matter in the Company's favor by holding that the expenditure qualifies as being "wholly and exclusively for the purpose of business."
4. The reported development does not give rise to any new financial obligation, liability, or adjustment, nor does it have any bearing on the Company's current or future financial position.

The Company remains fully compliant with all applicable regulatory and disclosure requirements and confirms that the reported news does not constitute any material price-sensitive information, as the matter is historical, already accounted for, and financially neutral.

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

Thanks and regards.

Yours sincerely,  
**SUI NORTHERN GAS PIPELINES LIMITED**

  
**(IMTIAZ MEHMOOD)**  
SGM (Corporate Affairs) /  
Company Secretary